A Report on Assignment titled

"Payroll Management System"

Submitted for partial fulfillment of V semester Database Management System

by

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Submitted to:-

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Abstract

This project implements a menu-driven Payroll Management System using C++ for the application layer and MySQL as the relational database. The system demonstrates secure database connectivity, schema design, and core payroll operations.

Key Features of this system include:

- Automated Payroll Calculation: The system automatically calculates the net salary by considering base salary, allowances, bonuses, and deductions, reducing manual errors and ensuring accuracy.
- Employee Data Management: It stores comprehensive employee details such as personal information, salary structure, attendance, and department allocation, ensuring easy access and updates.
- Attendance Tracking: The system logs daily attendance, calculates days present and absent, and integrates this data into salary computation for accurate payroll generation.
- **Bonus and Deduction Handling**: The system manages employee bonuses and deductions based on predefined conditions, integrating them into the salary calculation process.
- **Payroll Generation**: Using stored procedures, the system automatically generates monthly payroll records, ensuring timely salary processing and transparency.
- Auto-incremented Payroll IDs: The payroll records are uniquely identified by auto-incremented IDs, ensuring no duplication and easy tracking of records.
- Data Integrity with Foreign Keys: The system maintains data integrity by using foreign key constraints between employee records and related tables (e.g., salaries, attendance, bonuses).

Introduction

The **Payroll Management System** is a robust software solution designed to automate and streamline the payroll process, ensuring that employees are compensated accurately and on time. By eliminating manual calculations, data entry errors, and delays, this system integrates multiple core components such as employee details, attendance, salary structure, deductions, and bonuses into a unified database system. The system leverages **Database Management Systems (DBMS)** and **SQL** to store and manage critical information and automate payroll generation.

System Design

The **Payroll Management System** uses a **relational database structure**, which consists of several interconnected tables to maintain data integrity and support the system's core functionalities. Below is an overview of the key structures and core components:

Core Components:

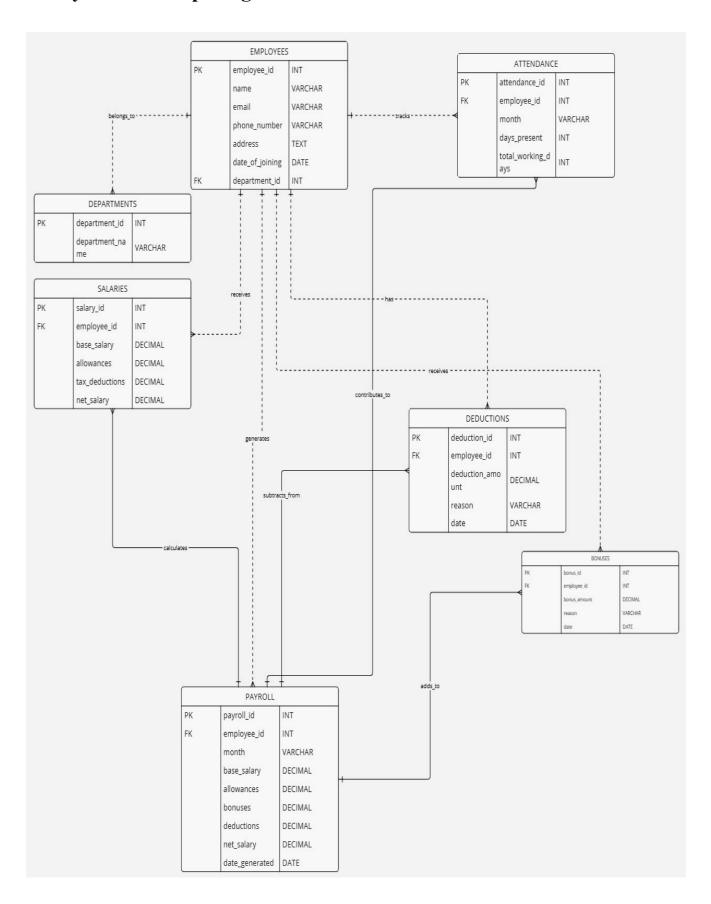
- 1. **Employees Table**: Stores personal and professional details of each employee, including employee ID, name, contact details, department, and date of joining.
- 2. Salaries Table: Stores salary-related information such as base salary, allowances, tax deductions, and calculates the net salary using the formula:

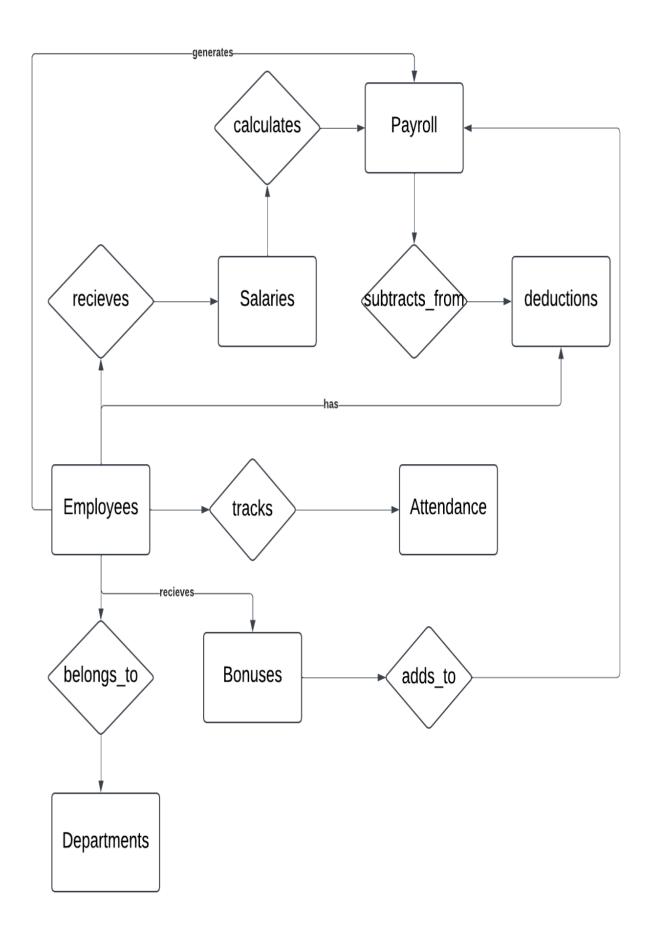
 net_salary = base_salary + allowances tax_deductions.
- 3. **Attendance Table**: Tracks daily attendance data, including days present, days absent, and total working days for each employee. This data is used to calculate the salary for the given month.
- 4. **Deductions Table**: Manages various deductions applied to an employee's salary for reasons such as taxes, loan repayments, or other company policies.
- 5. **Bonuses Table**: Stores details of any bonuses awarded to employees, including the amount and reason for the bonus.
- 6. **Payroll Table**: Consolidates all payroll data for employees, including base salary, allowances, deductions, bonuses, and the computed net salary for each payroll cycle. The payroll records are generated monthly, linked to the employee ID, and identified by a unique auto-incremented payroll id.

Data Structures Used:

- Relational Tables: The system employs relational tables (Employees, Salaries, Attendance, Deductions, Bonuses, Payroll) to store all relevant data.
- Foreign Keys: To maintain data integrity, foreign key relationships are used between tables (e.g., the employee_id in the Salaries, Attendance, Deductions, Bonuses, and Payroll tables links to the Employees table).
- **Auto-Increment**: The payroll_id in the **payroll** table is set to auto-increment to ensure unique identification of payroll records for each month.

Entity Relationship Diagram





Workflow Overview:

- 1. **Employee Data Entry**: Employees are added to the system through the **Employees** table, where their personal and professional details (name, contact, department, etc.) are stored.
- 2. Salary and Deductions Setup: Salary components, allowances, and deductions are entered into the Salaries and Deductions tables. Bonuses are also tracked in the Bonuses table.
- 3. **Attendance Tracking**: Daily attendance records are entered into the **Attendance** table, which tracks employee presence, absences, and total working days for a specific month.
- 4. **Payroll Calculation**: At the end of each month, a **stored procedure** triggers the payroll generation process. The procedure calculates the **net salary** based on base salary, allowances, bonuses, and deductions. SQL triggers automatically handle calculations like net salary, reducing manual intervention.
- 5. **Payroll Generation**: The system then inserts the generated payroll data into the **Payroll** table, including the base salary, allowances, deductions, bonuses, and net salary, along with the payroll generation date.
- 6. **Payroll Reporting**: Users can retrieve monthly payroll reports for all employees, detailing their salaries, deductions, bonuses, and net pay, through **SELECT** queries.
- 7. **Data Integrity and Accuracy**: SQL constraints such as **foreign keys** ensure that records are valid and consistent across the system, ensuring the integrity of employee data and payroll records.

Implementation + Output

Create employee table

CREATE TABLE Employees (employee_id INT PRIMARY KEY, name VARCHAR(100), email VARCHAR(100) UNIQUE, phone_number VARCHAR(15), address TEXT, date_of_joining DATE, department_id INT, FOREIGN KEY (department_id) REFERENCES Departments(department_id));

mysql> desc employees;

	L	L	L	L————-			⊢
	Field	Type	Null	Key	Default	Extra	
	employee_id name email phone_number address date_of_joining department_id	int varchar(100) varchar(100) varchar(15) text date int	NO YES YES YES YES YES YES YES YES	PRI UNI MUL	NULL NULL NULL NULL NULL NULL NULL		-
-	+						Ė.

Create Department Table

CREATE TABLE Departments (

department_id INT PRIMARY KEY,

department_name VARCHAR(50));

mysql> desc departments;

+		+			++
Field	Type	Null	Key	Default	Extra
+		+			++
department_id	int	NO	PRI	NULL	1 1
department_name		YES	İ	NULL	į į
+		H			++

² rows in set (0.00 sec)

Create Salaries Table

CREATE TABLE Salaries (salary_id INT PRIMARY KEY, employee_id INT, base_salary DECIMAL(10, 2), allowances DECIMAL(10, 2), tax_deductions DECIMAL(10, 2), net_salary AS (base_salary + allowances - tax_deductions) STORED, FOREIGN KEY (employee_id) REFERENCES Employees(employee_id));

mysql> desc salaries;

Field	Туре	Null	Key	Default	Extra
salary_id employee_id base_salary allowances tax_deductions net_salary	int int decimal(10,2) decimal(10,2) decimal(10,2) decimal(10,2)	NO YES YES YES YES YES	PRI MUL	NULL NULL NULL NULL NULL NULL	

Create Attendance Table

CREATE TABLE Attendance (attendance_id INT PRIMARY KEY, employee_id INT, month VARCHAR(20), days_present INT, days_absent INT, total_working_days INT, FOREIGN KEY (employee_id) REFERENCES Employees(employee_id));

mysql> desc attendance;

1	·				
Field	Туре	Null	Key	Default	Extra
attendance_id employee_id month days_present days_absent total_working_days	int int varchar(20) int int int	NO YES YES YES YES YES	PRI MUL	NULL NULL NULL NULL NULL NULL	

Create Deductions Table

CREATE TABLE Deductions (deduction_id INT PRIMARY KEY, employee_id INT, deduction_amount DECIMAL(10, 2), reason VARCHAR(255), date DATE, FOREIGN KEY (employee id) REFERENCES Employees(employee id));

mysql> desc deductions;

4	L				
Field	Туре	Null	Key	Default	Extra
deduction_id employee_id deduction_amount reason date	int int decimal(10,2) varchar(255) date	NO YES YES YES YES	PRI MUL	NULL NULL NULL NULL NULL	

Create Bonuses Table

CREATE TABLE Bonuses (bonus_id INT PRIMARY KEY, employee_id INT, bonus_amount DECIMAL(10, 2), reason VARCHAR(255), date DATE, FOREIGN KEY (employee_id) REFERENCES Employees(employee_id));

mysql> desc bonuses;

+	+	+		<u> </u>	++
Field	Type	Null	Key	Default	Extra
bonus_id employee_id bonus_amount reason date	int int decimal(10,2) varchar(255) date	NO YES YES YES YES	PRI MUL	NULL NULL NULL NULL NULL	

Create Payroll Table

CREATE TABLE Payroll (payroll_id INT PRIMARY KEY, employee_id INT, month VARCHAR(20), base_salary DECIMAL(10, 2), allowances DECIMAL(10, 2), bonuses DECIMAL(10, 2), deductions DECIMAL(10, 2), net_salary DECIMAL(10, 2), date_generated DATE, FOREIGN KEY (employee id) REFERENCES Employees(employee id));

mysql> desc payroll;

Field	Туре	Null	Key	Default	Extra
payroll_id employee_id month base_salary allowances bonuses deductions net_salary date_generated	<pre>int int varchar(20) decimal(10,2) decimal(10,2) decimal(10,2) decimal(10,2) decimal(10,2) decimal(10,2) decimal(10,2)</pre>	NO YES	PRI MUL	NULL NULL NULL NULL NULL NULL NULL NULL	

Queries + Output

Insert into Department

INSERT INTO Departments (department_id, department_name) VALUES (1, 'IT'), (2, 'Data Analytics'), (3, 'Human Resources'), (4, 'Electrical Engineering'), (5, 'Sales'), (6, 'Finance');

INSERT INTO Employees

INSERT INTO EMPLOYEES(employee_id, name, email, phone_number, address, date of joining, department id)

VALUES

- (101, 'Amit Sharma', 'amit.sharma@company.com', '+91-9876543210', 'No. 21, MG Road, Bengaluru', '2020-06-15', 1),
- (102, 'Priya Mehta', 'priya.mehta@company.com', '+91-9123456789', 'Flat 302, Andheri West, Mumbai', '2019-09-12', 2),
- (103, 'Rajesh Kumar', 'rajesh.kumar@company.com', '+91-9988776655', 'Plot 18, Connaught Place, New Delhi', '2018-01-10', 3),
- (104, 'Sneha Iyer', 'sneha.iyer@company.com', '+91-8877665544', 'House No. 45, Anna Nagar, Chennai', '2021-11-20', 4),
- (105, 'Anil Gupta', 'anil.gupta@company.com', '+91-7766554433', 'No. 5, Koregaon Park, Pune', '2022-03-05', 5),
- (106, 'Divya Nair', 'divya.nair@company.com', '+91-6655443322', 'Block B, Jubilee Hills, Hyderabad', '2020-12-10', 6);

Insert into Salaries (Auto Updated using Triggers)

INSERT INTO Salaries (salary id, employee id, base salary, allowances, tax deductions)

VALUES

(201, 101, 50000.00, 5000.00, 8000.00), -- Amit Sharma

(202, 102, 40000.00, 4000.00, 6000.00), -- Priya Mehta

(203, 103, 45000.00, 3000.00, 5000.00), -- Rajesh Kumar

(204, 104, 35000.00, 2000.00, 4000.00), -- Sneha Iyer

(205, 105, 30000.00, 1000.00, 2000.00), -- Anil Gupta

(206, 106, 60000.00, 6000.00, 10000.00); -- Divya Nair

mysql> select * from salaries;

		·				L
salary_id	employee_id	base_salary	allowances	tax_deductions	net_salary	
201 202 203 204 205 206	101 102 103 104 105 106	50000.00 40000.00 45000.00 35000.00 30000.00 60000.00	5000.00 4000.00 3000.00 2000.00 1000.00 6000.00	8000.00 6000.00 5000.00 4000.00 2000.00 10000.00	47000.00 38000.00 43000.00 33000.00 29000.00 56000.00	
+						F

Insert into Attendance(Auto Calculate Remaining Days using Trigger)

INSERT INTO Attendance (attendance_id, employee_id, month, days_present, total_working_days)

VALUES

(301, 101, 'January 2025', 22, 25), -- Amit Sharma

(302, 102, 'January 2025', 20, 25), -- Priya Mehta

(303, 103, 'January 2025', 18, 25), -- Rajesh Kumar

(304, 104, 'January 2025', 24, 25), -- Sneha Iyer

(305, 105, 'January 2025', 23, 25), -- Anil Gupta

(306, 106, 'January 2025', 22, 25); -- Divya Nair

mysql> select * from attendance;

-							
a	attendance_id	employee_id	month	days_present	days_absent	total_working_days	
	301 302 303 304	102	January 2025 January 2025 January 2025 January 2025	22 20 18 24	3 5 7 1	25 25 25 25 25	
	305 306	105	-	23 22	2	25 25 25	

Insert into Deductions

INSERT INTO Deductions (deduction id, employee id, deduction amount, reason, date)

VALUES

(401, 101, 2000.00, 'Late submission of reports', '2025-01-15'),

(402, 102, 1000.00, 'Unapproved leave', '2025-01-18'),

(403, 103, 1500.00, 'Missing deadlines', '2025-01-20'),

(404, 104, 500.00, 'Unapproved half-day', '2025-01-22'),

(405, 105, 700.00, 'Excessive break hours', '2025-01-25'),

(406, 106, 2500.00, 'Damage to office property', '2025-01-27');

mysql> select * from deductions;

deduction_id	employee_id	deduction_amount	reason	date
401 402 403 404 405 406	101 102 103 104 105 106	1000.00 1500.00 500.00	Late submission of reports Unapproved leave Missing deadlines Unapproved half-day Excessive break hours Damage to office property	2025-01-15 2025-01-18 2025-01-20 2025-01-22 2025-01-25 2025-01-27

Insert into Bonuses

INSERT INTO Bonuses (bonus id, employee id, bonus amount, reason, date)

VALUES

(501, 101, 5000.00, 'Project completion bonus', '2025-01-31'),

(502, 102, 3000.00, 'Festival bonus', '2025-01-30'),

(503, 103, 4000.00, 'Employee of the Month', '2025-01-31'),

(504, 104, 2000.00, 'Performance bonus', '2025-01-29'),

(505, 105, 1000.00, 'Festive allowance', '2025-01-28'),

(506, 106, 7000.00, 'Year-end bonus', '2025-01-31');

mysql> select * from bonuses;

	bonus_id	employee_id	bonus_amount	reason	date	-
 	501 502 503 504 505 506	101 102 103 104 105	3000.00 4000.00 2000.00 1000.00	Project completion bonus Festival bonus Employee of the Month Performance bonus Festive allowance Year-end bonus	2025-01-31 2025-01-30 2025-01-31 2025-01-29 2025-01-28 2025-01-31	

Insert into Payroll(Auto Calculate Net Salary using Triggers)

INSERT INTO Payroll (payroll_id, employee_id, month, base_salary, allowances, bonuses, deductions, date generated)

VALUES

(601, 101, 'January 2025', 50000.00, 5000.00, 5000.00, 2000.00, '2025-01-31'),

(602, 102, 'January 2025', 40000.00, 4000.00, 3000.00, 1000.00, '2025-01-31'),

(603, 103, 'January 2025', 45000.00, 3000.00, 4000.00, 1500.00, '2025-01-31'),

(604, 104, 'January 2025', 35000.00, 2000.00, 2000.00, 500.00, '2025-01-31'),

(605, 105, 'January 2025', 30000.00, 1000.00, 1000.00, 700.00, '2025-01-31'),

(606, 106, 'January 2025', 60000.00, 6000.00, 7000.00, 2500.00, '2025-01-31');

mysql> select * from payroll;

1	payroll_id	employee_id	month	base_salary	allowances	bonuses	deductions	net_salary	date_generated
	601		January 2025		5000.00	5000.00	2000.00	58000.00	2025-01-31
	602 603		January 2025 January 2025		4000.00 3000.00	3000.00 4000.00	1000.00 1500.00	46000.00 50500.00	2025-01-31 2025-01-31
	604		January 2025 January 2025		2000.00	2000.00	500.00	38500.00	2025-01-31
į	605	105	January 2025	30000.00	1000.00	1000.00	700.00	31300.00	2025-01-31
	606	106	January 2025	60000.00	6000.00	7000.00	2500.00	70500.00	2025-01-31

Filter Queries

Employee Details for Employee ID 101 (Amit Sharma)

SELECT * FROM Employees WHERE employee id = 101;

mysql> SELECT * FROM Employees

-> WHERE employee_id = 101; -- Example for employee with ID 101 (Amit Sharma)

101 Amit Sharma amit.sharma@company.com +91-9876543210 No. 21, MG Road, Bengaluru 2020-06-15 1		employee_id	name	email	phone_number	address	t date_of_joining	+ department_id
		101	Amit Sharma	amit.sharma@company.com	+91-9876543210	No. 21, MG Road, Bengaluru	2020-06-15	1

¹ row in set (0.01 sec)

Employees in Sales Department

SELECT E.employee_id, E.name, E.department_id, D.department_name FROM Employees E JOIN Departments D ON E.department_id = D.department_id WHERE D.department_name = 'Sales';

+	·	·
employee_id name	department_id	department_name
105 Anil Gupta	5	Sales
1 row in set (0.00 sec)		-

Employee Salary Details

SELECT S.salary_id, E.name, S.base_salary, S.allowances, S.tax_deductions, S.net_salary FROM Salaries S JOIN Employees E ON S.employee id = E.employee id;

mysql> SELECT S.salary_id, E.name, S.base_salary, S.allowances, S.tax_deductions, S.net_salary

-> FROM Salaries S

-> JOIN Employees E ON S.employee_id = E.employee_id;

salary_id name	base_salary	allowances	tax_deductions	 net_salary
201 Amit Sharma 202 Priya Mehta 203 Rajesh Kumar 204 Sneha Iyer 205 Anil Gupta 206 Divya Nair	50000.00 40000.00 45000.00 35000.00 30000.00	5000.00 4000.00 3000.00 2000.00 1000.00 6000.00	8000.00 6000.00 5000.00 4000.00 2000.00	47000.00 38000.00 43000.00 33000.00 29000.00 56000.00
1				LL

6 rows in set (0.00 sec)

Attendance Details for Employee ID 101 (Amit Sharma) for January 2025

SELECT A.attendance id, A.month, A.days present, A.days absent, A.total working days FROM Attendance A WHERE A.employee id = 101 AND A.month = 'January 2025';

+		·	·+				
attendance_id month	days_present	days_absent	total_working_days				
301 January 2025	22	3	 25				
·		· 	· +				
1 row in set (0.00 sec)							

Deductions for Employee ID 101 (Amit Sharma)

SELECT B.bonus id, B.bonus amount, B.reason, B.date FROM Bonuses B WHERE B.employee id = 101;

+	+	++
deduction_id deduction_am	ount reason	date
401 2000	0.00 Late submission of reports	
1 row in set (0.00 sec)	T	_

Payroll Details for Employee ID 101 (Amit Sharma) for January 2025

SELECT P.payroll id, P.month, P.base salary, P.allowances, P.bonuses, P.deductions, P.net salary FROM Payroll P WHERE P.employee id = 101;

+					- 	-
payroll_id	month	base_salary	allowances	bonuses	deductions	net_salary
601	January 2025	50000.00	5000.00	5000.00	2000.00	58000.00
1 row in set (0 00 sec)					т

I row in set (0.00 sec)

Trigger Queries

Trigger to Auto-Calculate Total Working Days in Attendance

DELIMITER \$\$

CREATE TRIGGER calculate total working days

BEFORE INSERT ON Attendance

FOR EACH ROW

BEGIN

SET NEW.total working days = NEW.days present + NEW.days absent;

END\$\$

DELIMITER;

Firing the Trigger

Output

mysql> SELECT * FROM Attendance WHERE attendance_id = 301;

				·			
İ	attendance_id	employee_id	month	days_present	days_absent	total_working_days	
Ĭ	301	101	January 2025	22	3	25	

¹ row in set (0.00 sec)

Trigger to Update net salary in Salaries

DELIMITER \$\$

CREATE TRIGGER calculate net salary

BEFORE INSERT ON Salaries

FOR EACH ROW

BEGIN

SET NEW.net salary = NEW.base salary + NEW.allowances - NEW.tax deductions;

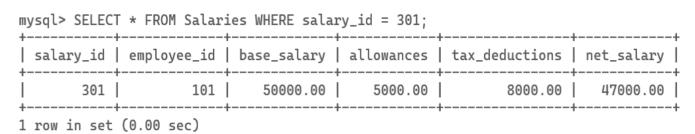
END\$\$

DELIMITER;

Firing the Trigger

```
mysql> INSERT INTO Salaries (salary_id, employee_id, base_salary, allowances, tax_deductions)
    -> VALUES (301, 101, 50000.00, 5000.00, 8000.00);
Query OK, 1 row affected (0.01 sec)
```

Output



Procedure Queries

Procedure to Generate Payroll for a Specific Month

DELIMITER \$\$

CREATE PROCEDURE GeneratePayrollForMonth(IN payroll_month VARCHAR(20), IN generation_date DATE) BEGIN DECLARE done INT DEFAULT 0; DECLARE emp_id INT; DECLARE emp_base_salary DECIMAL(10, 2); DECLARE emp_allowances DECIMAL(10, 2); DECLARE emp_bonuses DECIMAL(10, 2); DECLARE emp_deductions DECIMAL(10, 2); DECLARE emp_net_salary DECIMAL(10, 2); DECLARE cur CURSOR FOR SELECT employee_id, base_salary, allowances, bonuses, deductions FROM Salaries;

DECLARE CONTINUE HANDLER FOR NOT FOUND SET done = 1; OPEN cur; read_loop: LOOP FETCH cur INTO emp_id, emp_base_salary, emp_allowances, emp_bonuses, emp_deductions;

IF done THEN LEAVE read loop;

END IF;

SET emp_net_salary = emp_base_salary + emp_allowances + emp_bonuses - emp_deductions; INSERT INTO Payroll (employee_id, month, base_salary, allowances, bonuses, deductions, net_salary, date_generated)

VALUES (emp_id, payroll_month, emp_base_salary, emp_allowances, emp_bonuses, emp_deductions, emp_net_salary, generation_date); END LOOP; CLOSE cur; END\$\$ DELIMITER;

Explanation of the Code

The Payroll Management System developed using SQL and triggers is designed to efficiently manage various aspects of employee data, including salaries, attendance, deductions, bonuses, and payroll processing. It begins with an Employees table that stores crucial employee details such as their unique employee ID, name, email, phone number, address, date of joining, and department. This table serves as the core reference point for linking all employee-related data in the system. The Departments table organizes the employees into different departments, facilitating easy categorization and reporting. Each employee's salary details are stored in the Salaries table, which includes the base salary, allowances, tax deductions, and a computed net_salary, calculated automatically by a trigger when new salary records are inserted. This trigger ensures that the net_salary is always up to date, minimizing the chances of errors.

The Attendance table is used to log the number of days each employee was present and absent within a given month. It also includes a trigger to calculate the total_working_days automatically based on the provided days present and absent, ensuring that the data is consistent and accurate. The Deductions and Bonuses tables are responsible for storing any salary deductions and bonuses related to each employee, such as penalties or rewards for performance, respectively. These tables are integrated into the payroll calculations, ensuring that deductions and bonuses are accurately reflected in the final salary statement. The Payroll table serves as the final summary of all salary data, aggregating information from various tables like salaries, attendance, deductions, and bonuses. This table not only stores the monthly payroll but also provides the final net_salary after all necessary calculations, with triggers ensuring these values are calculated automatically.

The system is further enhanced by the use of SQL stored procedures, which help automate tasks such as payroll generation for each employee at the end of the month. Procedures like GeneratePayrollForMonth automate the process of aggregating data from multiple tables and generating the final payroll report. By using triggers to calculate the net salary, total working days, and other relevant fields, the system reduces manual intervention and ensures that calculations are accurate and consistent. Additionally, the use of SQL joins enables the seamless retrieval of employee information, such as linking employee records to their respective departments, salary, and attendance data. This system not only ensures efficiency but also eliminates the chances of errors in payroll processing, making it a reliable tool for managing employee payroll in any organization. With its automated features and structured database design, the Payroll Management System significantly enhances the efficiency and accuracy of HR departments, providing a comprehensive solution for managing employee records and payroll processing.

Conclusion

The Payroll Management System designed using DBMS and SQL provides an efficient and automated solution for managing employee payroll, attendance, salaries, deductions, bonuses, and related data. By utilizing SQL tables, triggers, and stored procedures, the system streamlines the entire payroll process, ensuring accurate calculations of salaries, allowances, deductions, and attendance. Triggers like calculate_total_working_days and calculate_net_salary are used to automatically compute values when new records are inserted, reducing the likelihood of errors and manual input. The system allows for smooth management and retrieval of employee data, ensuring timely and accurate payroll generation. This approach not only saves time but also increases operational efficiency, making it a reliable tool for HR departments in organizations.