**DESIGN AND IMPLEMENTATION OF A COMPUTERISED PAYROLL SYSTEM**

**TABLE OF CONTENT**

**CHAPTERS**

* 1. Introduction
  2. Background of study
  3. Statement of problem
  4. Aim(s) and Objectives
  5. Significance of the study
  6. Scope of the study
  7. Limitations
  8. Definition of terms

1. Literature review
2. Design and Methodology
3. Implementation

5.1 Summary  
5.2 Conclusion

5.3 Recommendation

List of references

**Chapter one**

**Introduction**

A payroll is a company’s list or records of its employees which is often used to refer to the total amount of money that the company pays to its employees.

A payroll system is a software which organizes and arranges all the tasks of employees payment and the filing of employee taxes. It has its applications in several organization, industries, companies and government parastatals.

1.2 **Background of study**

Before the advent of a computerized payroll system, the manual payroll system has been in use. This is a system where each person’s pay is calculated by hand, then each tax is calculated and the sum of the taxes is deducted from the gross wages to arrive at net pay, then a check is produced and various journal entries are prepared and booked to record gross pay, each tax liability and net pay.

(George: 2021).

The manual payroll system is an inexpensive method of performing the payroll process. However, its disadvantages which include: very time consuming and a lengthy process, prone to inconsistencies, errors as it is completely done by individuals, less secure method as it involves a lot of paperwork, there are still organization that use it till date.

(Divya: 2022).

In the beginning, payroll processing was a very manual process. As computers infiltrated, technology revolutionized payroll management. In the early 1970s through the late ‘80s, dozens of payroll companies began to emerge. Leveraging the latest computer technologies, these payroll ground breakers began developing simpler and more streamlined process. As the payroll system got popular, the system got legitimized. In 1982, the American payroll association was founded to provide education, support and representation for payroll providers at the federal, state and local levels.

(Philip: 2014).

Unlike the manual payroll system, the computerized payroll system uses specialized payroll software. It requires minimal human intervention, it’s a shorter process as the process is automated, it’s error free, data is secured and it can handle several computational task.

(Divya: 2022).

At the advent of the computerized payroll system in the early 1970s through the late 80’s till date, this new system has almost replaced the old system in several organizations.

1.3 **Statement of problem**

Royal foundation preparatory school has about fifty(50) workers. This school uses the manual payroll system in its monthly payment of salaries, tax calculation, remittances and deductions(for example late coming and absenteeism).

The specific problems this project seek to address are:

1. Inconsistency in data entry.

2. Time consumption, mental work and lengthy process involved in preparing monthly salaries, taxes, deductions, overtime and reports.

3. Lack of security of data.

1.4 **Aims and Objectives**

The aims and objectives of this project include the following:

1. To design a system that can accurately accept data entry.

2. To design an automated system that performs monthly payment of salaries, taxes, deductions, overtime and report generation in a short time.

3. To design a system where data and information are secured.

1.5 **Significance of the study**

1. It will reduce errors in data entry if the set aims and objectives are achieved.

2. It will increase speed in payment of salaries and other organizational computations ( For example, tax filing, deductions, overtime and report generation) if the set aims and objectives are achieved

3. Manual payroll system in the organization will be totally eliminated with this computerized system in place.

4. The study will also serve as a guide to other students or researchers who may want to conduct further research on the subject matter.

5. Findings and recommendations from this system will aid in developing newer versions to serve optimally.

1.6 **Scope of the Study**

To design and implement an automated payroll system that performs payment of employee salaries, tax filing, deductions, overtime and report generation.

1.7 **Limitations**

**Financial constraint**- Insufficient fund tends to obstruct the efficiency of this research in sourcing for the relevant materials, literature or information and in the process of data collection.

**Time constraint**- This research was at the same time engaged with business work and other academic work. This consequently cut down on the time devoted for the research work.

**1.8. DEFINITION OF TERMS**

**A payroll**: Is a company's list or records of its employees, which is often used to refer to the total amount of money that the company pays to its employees.

**A payroll system**: This is a software which organizes and arranges all the tasks of employee payment and the filing of employee taxes.

**Payslips:** This isa note given to an employee when they have been paid, detailing the amount of pay given and the tax deducted.

**Chapter 2**

**Literature review**

2.1 **Manual payroll system**

Manual payroll system is an inexpensive method of performing the payroll process. Manual payroll means another employee within the company will calculate the payroll each per period entirely on paper. The disadvantage is that it is very easy to make mistakes when processing payroll manually. It is recommended to invest in an affordable and economic payroll management system.

(Ayush: 2020).

Managing payroll can be time consuming and a laborious task, especially if you are relying on outdated tools like excel to do all the work. Excel spreadsheets rely on manual updates to stay relevant and these data capturing tasks are repetitive, tedious and prone to human errors.

(Tosin: 2016).

2.2 **Computerized payroll System.**

A computerized payroll system operates automatically to keep track of employee’s performance, attendance, separate regular work hours from over time, calculate different numerations, deduct taxes and pay salaries promptly. This leaves no room for errors unlike the manual system. The computerized payroll system saves a lot of time and money. Records can be accessed and organized easily and one does not need to deal with the piles of folders and papers to find what one is looking for, the entire  process becomes easier to manage, keep employees happy and one does not need to face any hassle when it comes to handling payroll processing.

(Naghan: 2017).

2.3 **Review of current method used by Royal Foundation Preparatory School ( Existing system).**

The current method used by the existing system is the manual payroll system. The present calculation of the employee’s salary, tax filing, overtime, deductions are done manually.

2.3.1 **Problems of the existing system**

Some of the problems of the existing system are:

1. It takes a lot of time to compose the employee’s salary.

2. The pay slips also take a long time to create.

3. Delay in the salary distribution system

4. Error is another major problem of the manual system and even with the repeated cross check some of the errors surely persist which can cause a lot of problem .

To solve these problems, the organization needs a new system that can take care of all these.

2.3.2 **Proposed system**

The new proposed management system will be a computerized payroll system. This system will surely eradicate all these issues that they are currently facing and this system is created in such a manner that it automatically generate the salary of the employees every month, handles tax filing, computes over time and deductions without any worries.