

PART 19 – PROCEDURE FOR THE PAYMENT OF SALARIES, WAGES AND OVERTIME

1. Definitions

1.1 Paymaster

A Paymaster is the person in whose name or position a cheque is drawn for payment of salaries, wages, overtime and/or who actually pays cash salaries, wages and overtime to officers and employees within the Department.

1.2 Assistant Paymaster

An Assistant Paymaster is the person who helps the paymaster in the payment of cash, salaries, wages and overtime and witnesses such payments. He may also act as Paymaster when required.

1.3 Cash Office: In all cases means a (Government Cash Office).

1.4 Paying Office: A Government Cash Office means an Accounts Section, Department of Finance, Self Accounting Departments, Provincial and District Treasury Offices or a Cash Office.

2. Appointments

2.1 Departments shall appoint Paymasters as required at all centres at which they are represented. The number of appointed Paymasters must be kept to a minimum - normally only one for each department at a centre.

2.2 An Assistant Paymaster shall be appointed at the same time as the Paymaster.

2.3 The method of appointing Paymasters and Assistant Paymasters shall be a Notice of Appointment, completed in duplicate by the Departmental representative (Provincial Treasurer or the senior Departmental Representative at an outstation or Provincial Headquarters) in the form of Appendix " A" addressed to the Paying Office.

2.4 Where payment is drawn by cheque the Paying Office will complete the advice on the bottom part of the Notice of Appointment and send the original to the Bank.

2.5 Duplicates of Notices of Appointment should be held by the Paying Officers. They must not give payroll cash or payroll cheques to a Paymaster and Assistant Paymaster unless a proper Notice of

Appointment for these persons is held. The Paymaster and the Assistant Paymaster shall be positively identified.

3. Payroll

- 3.1 The Paymaster and the Assistant Paymaster will collect the payroll cheque together with the computer Payroll advice sheet from the Paying Officer at an approved time. This will generally be the payday, or the day before. The payroll cheque should not be collected the day before unless it is necessary to obtain the cash that day.

Collection and cashing on payday avoids security problems of over-night custody.

- 3.2 The Paying Officer will obtain an acknowledgment from the Paymaster for the cheque in a register.
- 3.3 If the payroll cheque is to be held in the Department, e.g. over-night, the cheque and pay sheets should be kept in a secure location, preferably a locked safe, and the cheque must not be signed in the space "Endorsement of Payee".

4. Collection of Payroll Cash

Cash for payment may be obtained either by cashing the cheque at a Bank or Cash Office on the morning of the payday. In larger establishments, approval may be given by the First Assistant Secretary (Accounting Frameworks and Standard Division), to collect payroll cash prior to the payday.

5. Security of Payroll Cash

- 5.1 Payroll cash must always be properly safeguarded in a secure safe and controlled by the Paymaster and Assistant Paymaster. Other persons should not have access to the money and preferably not to the safe. Where a safe is not available, cash should be paid immediately .
- 5.2 The money should be kept in a double lock safe wherever possible - one key being held by the Paymaster and the other by the Assistant Paymaster. Where a double lock safe is not available the money should be kept in a locked drawer of the safe or a locked cash box in the safe. The Paymaster should hold the safe key and the Assistant Paymaster should hold the drawer or cash box key.
- 5.3 Where a separate safe is not available for the safe custody of payroll moneys, the moneys will be locked in a cash box and locked in the office safe by a Senior Officer holding the safe key, in the presence of the Paymaster and the Assistant Paymaster. The Paymaster will

hold the key to the cash box. The cash box shall not be removed from the safe unless in the presence of both the Paymaster and Assistant Paymaster.

- 5.4 Neither the Paymaster nor the Assistant Paymaster should have direct access to the payroll cash by himself.

6. Pay Envelopes

The Paymaster and the Assistant Paymaster will prepare pay envelopes on the basis of the computer payroll advice sheet which lists the names of the payees and the amounts due and seal them after checking.

7. Distribution of Pay Envelopes

- 7.1 The Paymaster will positively identify the payee, and hand him his pay packet. The Assistant Paymaster will witness the payment and initial the pay sheet beside the payee's name. If the Paymaster and the Assistant do not know the payee, then they must ensure that he is identified by the Section Head.
- 7.2 A payee accepting his pay in a pay packet should be advised to open and check the contents in the presence of the Paymaster and the Assistant Paymaster. Payees who do not check the contents of a pay packet will have no claim on the Paymaster for any alleged shortage and they should be told this.
- 7.3 A pay packet may only be handed to a payee except where a correctly completed "Order to Pay Agent" (FF5) is held. In this case, the agent should be positively identified before the pay is handed to him. Order to Pay Agent forms must be retained by the Paymaster or Assistant Paymaster for acquittal purposes.

8. Acquittal Procedure

- 8.1 After all payments have been made and before pay sheets are acquitted, the Paymaster and the Assistant Paymaster will reconcile the unpaid salaries on hand with the names on the pay sheet which have not been initialled or signed by the Assistant Paymaster.
- 8.2 Unpaid salaries, must not be held over-night by the Paymaster and the Assistant Paymaster unless adequate safe custody facilities are available.
- 8.3 The Paymaster and Assistant Paymaster will acquit the pay sheets as paying officer and witness respectively. Where no provision to this effect exists on the original pay sheet, the following certification is required, preferably at the foot thereof:-

"We certify that the persons named in this pay sheet have been paid the amount set opposite their names - (except those whose names are listed on the back)".

Signed (Paymaster).....

(Assistant Paymaster).....

The signed, marked or thumb-printed copy of the acquittance roll will be filed with the final documents.

- 8.4 All salaries must be acquitted at the Paying Office before 3.00 pm on the Monday immediately following the payday.

9. Repaid Salaries

- 9.1 Unpaid salaries, shall be returned to the Paying Officer, within 24 hours, who will issue a receipt to the Paymaster acquitting the unpaid salaries.
- 9.2 The paying officer will endorse the official receipt number on the pay sheet against the name(s) of the officer(s) who did not receive salary.
- 9.3 All unpaid salaries, except National Government cheques processed by MIS, should be acquitted and credited to the vote to which they were originally charged within the same fiscal year.
- 9.4 At the completion of acquittal of all salary pay sheets for a payday, Paying Officers are to advise the Staff Section of the Department, details of all salaries repaid at their centres. For this purpose, they will complete Repaid Salaries Schedules (FF111) in triplicate and despatch on Monday following the payday as follows:

Original - Staff Section of the Department.

Duplicate - Salaries Section of Department of Finance

Triplicate - Retained (file copy)

- 9.5 Salary Repayment Register

For repayment of salary cheques generated by MIS, staff section of the Departments, on receipt of the repaid Salaries schedule will complete the Salary Repayment Register (FF 82 N) and forward it to the Management Information System (MIS). This form will enable the computer to transfer the credit to the correct Vote and update staff salary files.

- 9.6 Repaid salary should be again processed for payment to the payees by the Management Information System (MIS) only at the insistence of Departments who should validate the claim with original copy of the receipt and pay sheet, Copy of FF111, and reference to the Salary Repayment Register (FF82N).

10. Wages and Overtime

- 10.1 These claims are processed manually and the Paymaster and the Assistant Paymaster while obtaining cheque for payment of wages and overtime from a Paying Office, will collect also the related wages and overtime sheets. Payments should be made only to the payees after proper identification, except where a correctly completed Order to Pay Agent (FF5) is held.
- 10.2 The procedure set out above for security of payroll cash and acquittance will also apply in making wage and overtime payments.
- 10.3 Unpaid Wages and Overtime
- (i) The Paymaster and the Assistant Paymaster will repay the unpaid wages and overtime at the Paying Office and an official receipt will be issued to them.
 - (ii) The paying officer will endorse the receipt number on the reverse of the wages sheet (FF10) or on the overtime sheet, as the case may be, against the listing of persons who did not receive their wages or overtime.
 - (iii) The repaid wages and overtime, except for wage and overtime cheques processed by MIS, will be credited by the Paying Office to the expenditure Vote to which they were originally charged.
 - (iv) When repaid wages and overtime are processed for payment again to the payees, reference to the copy of the original receipt and the wages sheet (FF10) or overtime sheet should be given on the payment form.
 - (v) Where wages and overtime are processed by MIS the same procedure should be followed for payment of repaid wages and overtime to the payees as prescribed for payment of repaid salary to the payee.
- 10.4 Generally, Wages and Overtime should be processed by the Departments. Their processing by the MIS should be done only in exceptional circumstances and subject to agreement of the Department of Finance.

11. Order to Pay Agent

- 11.1 Where, for some reason, it is not possible for an officer or employee to collect his salary, wage, or overtime personally, he may appoint an agent to collect it for him, using FF5 "Order to Pay Agent" Form.

An order to pay an agent shall not normally be recognised unless the Department, a Provincial Officer, a Certifying Officer or such other officer as approved by the Secretary for Finance approves in writing on the FF5 for a person to act as agent of a payee.

- 11.2 The Order to Pay Agent (FF 5.) shall be signed by the claimant (payee) and signed by the agent in the claimant's presence. A separate Order to Pay Agent is required for each payment to an agent.

- 11.3 When making payment to an agent the Paymaster and the Assistant Paymaster must positively identify the agent, determine that the appointment is correct and check the agent's signature against the specimen on the FF5.

Payment will then be made in the normal manner and "Order to Pay Agent" will be clearly marked against the payee's name on the pay sheet. The Order to Pay Agent form must be attached to the original pay sheet and returned to the Paying Officer when acquitting the pay sheet(s).

12. Electronic Transfers

Processed payroll is e-mailed to the banks in the form of "bank files". This procedure is followed by remittances of payroll cheques to the banks. Upon receipt of the payroll cheque, the bank on the basis of the "bank file" credits to the accounts of the payees. This procedure is soon to be replaced by direct transfers electronically.

APPENDIX A (Paragraph 2) - NOTICE OF APPOINTMENT

Ref No.....

.....

Location:.....

.....

(PAYING OFFICE)

Date:.....

APPOINTMENT OF PAYMASTER AND ASSISTANT PAYMASTER

In terms of Part 15 of the Finance Manual, the persons authorised to be Paymaster and Assistant Paymaster for

.....

Section/Branch

.....

Department

.....

Location

are Paymaster.....Assistant Paymaster.....

(full name)

(full name)

and certified signatures

are.....

* In the event that either of the above named persons is absent then

..... whose certified signature is

(Full name)

is authorised to carry out the duties of Paymaster or Assistant Paymaster during the period of absence of the particular officer.

Appointment Approved(Signature)

.....(Signature).....

(Designation)

.....DEPARTMENTAL REPRESENTATIVE

(Designation)

.....

(PAYING OFFICE)

* Delete this paragraph if appointment of a substitute officer is not desired.

FOR PAYING OFFICE USE ONLY

The Manager

.....

.....

.....

The above appointment relates to cheques drawn by this office on
Account atfor cash pays for the Department.....at
.....

Would you please ensure that any cheque drawn in favour of the "Paymaster" at
such establishment submitted to you for cash is properly endorsed by one of the
above appointed persons.

Signature.....

Designation.....

(PAYING OFFICE)