

PAYROLL PROCEDURE

To be Applied as of January, 1960

(Presidential decree No. 357-T.T.P. dated 12/28/59)
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Current situation and procedure concerning liquidation of payrolls under the National Budget applied by Saigon disbursing agencies.

To give a general view and permit comparison, we will first present the methods of processing payrolls, which are now being used:

A. Present methods of processing the payroll:

I. Manual method

This method is at present used:

a. On a permanent and continuous basis for:

- Floating personnel and field agents
- Civil guards
- A number of cadre, contract and daily-paid personnel
- Personnel of provincial services
- All military and civilian personnel of the Defense Department: (a) cadre, contract, daily paid;
(b) floating.

b. On an exceptional and temporary basis:

Following the proposal of disbursing agencies, mechanical processing of paying a number of employees may be temporarily stopped for some months, during which time this job is done manually by the disbursing agencies. On the other hand, while the salary of another number of employees is processed by machines, the allowances are processed manually by the disbursing agencies.

II. Mechanical method

At present about 18,000 cadre, contract and daily paid employees working for Saigon government agencies have their salaries processed mechanically by the Budget and Foreign Aid Direction General. Each employee is assigned a payroll code for use in the mechanical process.

B. Procedures for salary processing

I. Manual procedure

- The Liquidator prepares a payroll (D3) in which every change in personnel or family status is taken into account, as well as all payment orders and vouchers.
- All employees listed on the payroll have to sign it.
- The Liquidator writes the total of the payroll in full letters, signs the payroll and the payment orders and sends the liquidation file with the vouchers to the Obligation Control Direction.

- After visasing the file, the Obligation Control Direction returns it to the Liquidator.
- The Liquidator submits the file to the Ordonnateur for signing the payment orderd.
- Then the file is sent to the Treasury for visa, after which it is returned to the Ordonnateur who transmits it to the Liquidator.
- At the end of each month the Disburser gets money from the Treasury to pay the employees under his care. On receiving his pay, each employee signs his name in a book kept by the Disburser as a voucher.

II. Mechanical procedure

Prior to the 2nd of each month, the Liquidator prepares a "Salary Voucher" indicating every change in the payroll of his agency in regard to the previous month. He also makes a notice of the change affecting each employee concerned. Both documents are sent to the Obligation Control Direction (machine section). This section prepares all payrolls (D3) and payment orders, visas them and sends them to the liquidating agency concerned. From this stage on, the procedure is carried on as in the manual procedure.

Above are the methods and procedures being applied. Beginning 1960. The Budget and Foreign Aid Direction General will apply new mechanized procedures and methods as described below.

I. Areas of application of the Payroll Manual Process and Mechanical Process

In principle, payment orders pertaining to the salary and allowances of personnel, which are provided by the National Budget under the articles "Salary and Allowances", must be prepared by machine. However, there are cases in which payment orders continue to be prepared manually:

A. Cases in which the payroll is manually prepared:

1. On a permanent and continuous basis:

- Cadre, contract and daily-paid personnel serving in Saigon, whose names are included in a list approved by the Budget Direction General.
- Floating personnel and field agents
- Personnel working for provincial services paid through deposited credits
- Military personnel and civilian personnel paid by the Defense Department
- Civil guards
- Personnel paid through accounts outside of the National Budget (autonomous organizations, off-budget items, Saigon City's budget, etc.....)

2. On an exceptional and temporary basis:

- Cadre, contract and daily-paid personnel recently recruited (first month's pay)
- Cadre, contract and daily-paid personnel leaving a payroll personnel code who have just been transferred from another agency (part of the pay from the day they take office at the new post to the end of the month).

This is the only extraordinary case where salary is processed manually where it should be processed mechanically.

B. Cases in which the payroll is mechanically prepared:

I. Common Principle

The payroll of all cadre, contract and daily-paid personnel in service at Saigon agencies and being paid through the National Budget must be prepared by the machine section of the Budget Direction General.

Except for cases requiring manual processing on a permanent and continuous basis, the other employees, if their payroll is still prepared manually, must come under the mechanical process at the beginning of 1960. The payroll of new employees must be directly in charge of the machine section of the Budget Direction.

Exception: A Liquidating agency may claim continuation of manual processing of the payroll for a number of employees as said in A/I (see page 1) if there is any solid reason preventing the use of machines. The liquidating agency sends the list of the personnel with the explanation why there should be the manual process to the Budget Direction General for approval.

Notice: The Obligation Control Direction will not visa the manually processed liquidation file of any cadre, contract or daily-paid employee whose name does not appear on the above-mentioned list.

2. Mechanically processed salaries must always continue to be so.

In other words, with the exceptions given below, the personnel who have had a payroll code for use with machines can no longer have his pay manually processed, no matter how short the period it covers.

According to this principle, for the personnel earning a mechanically processed salary, any increase in pay (basic salary, family allowance, functional allowance, or other) will also follow the mechanical process. Even when the increase becomes effective some time during a month and cannot be included in the pay for that month, the increase cannot be paid separately through the manual process. It will be paid as a back pay together with the next month's pay through the mechanical process. The same procedure must also be applied for allowance payments during a few months (e.g., overtime allowance for teachers).

The Control Obligation Direction will reject any manually processed payroll including employees whose pay should have been mechanically processed.

Exceptions: When an employee starts work at an agency some time during a month, what he earns for that month may be manually processed. This exception to the rule is applicable both for a newly recruited employee and for an employee transferred from another agency.

For newly assigned employees, who have not been paid for more than a month in office pending completion of their records, the above exception also applies. As soon as the records are completely furnished, the pay of the concerned employees must be manually processed at once no matter on what date of the month. For the following months, it is the duty of the machine section of the Budget Direction General to take care of their pay.

When an employee earning a mechanically processed salary in Saigon is assigned to a provincial post where he will be paid through Deposited Credits, the liquidating agency has to advise the machine section so that it stops processing salary for the employee concerned.

On the other hand, if the province-bound employee is to continue to be paid by the Central agency he is leaving, the Department concerned or the managing agency may either choose to have his salary processed by machine as before or manually by the agency.

II. Procedure for the Payroll Manual Process

The payroll manual process does not change and will continue as before.

- A. It should be noted that at the beginning of each quarter the Liquidator has to obligate all the allotment necessary to pay all the personnel's salary (whether mechanically or manually processed). If within the quarter an additional allotment is needed, the liquidator must follow the usual deobligation - reobligation (C2) procedure after receiving the additional allotment requested.
- B. The payroll form permanently used in the manual process will be the current D3 (see p. 1, Section I - A (I)).
- C. The payroll form for manual process used on an exceptional and temporary basis for employees whose salary has been or will be processed by the machine section of the Budget Direction (see p. 1, section 1-A2) is the new form D3-C. It concerns cadre, contract or daily-paid employees starting work at an agency some time during the month, personnel (newly recruited or transferred from another agency). With the data filled in form D3-C, the machine section will be able to add the pro rata payment to the mechanically processed payments and to make at the end of the year a complete account of all the salaries paid to the personnel in its charge.

Note: Concerning the above sections B and C, the liquidating agency has to make a clear difference between the two personnel cases requiring the payroll manual process in order to use the appropriate form for each.

III. Procedure for Payroll Mechanical Process

I. Obligation:

At the beginning of each quarter, the liquidating agency obligates the total credits allotted for salary with an obligation sheet used both for the mechanical process and the manual process (re: manual process).

II. Liquidation:

In the mechanical process the Liquidator is not to make the payroll and payment order as in the manual process, but makes instead payroll vouchers (form DCLB/I) and temporarily all salary sheets (form DCLB/2) or notices of back pay (form DCLB/3) if any. The payroll voucher (DCLB/1) is to indicate the situation of all salaries from month to month.

- a. Whether the salary remains the same as in the previous month
- b. Or it has changed for some employees whose payroll codes must be shown.

In this case, the Liquidator attaches a salary sheet (DCLB/2) for each employee. Newly recruited employees are treated in the same manner as the employees whose salary has been modified: a salary sheet is attached to the payroll voucher.

If an employee is entitled to a back pay or an allowance paid for only one month (e.g., teacher's hourly fees), the Liquidator makes a back pay notice (DCLB/3). On the notice may be listed the increases concerning several employees (see detail about use of form DCLB/3 at Section IV below.)

The signature of the Liquidator on Payroll Vouchers, Salary Sheets and Back Pay Notices has a liquidating effect, and legally binds the author. It is the responsibility of the Liquidating Agencies to send, on the 5th of each month at the latest, to the Budget Direction General all Payroll Vouchers (DCLB/1), Salary Sheets (DCLB/2) and Back Pay Notices (DCLB/3) with all related papers so that the machine service can process the payroll of that month.

No document sent in after the 5th of the month will be accepted owing to the fact that the machine service must finish processing the payroll at a fixed date and any delay at the agencies level would be felt in the payroll process.

If there is any such delay, the machine service will process the payroll of the agency concerned according to the old documents without any change. The following month, before the 5th, the Liquidator must repeat the same information on the salary sheets and back pay notices in order to include the salary difference the employees should have received in the past month if there had been no delay in sending in the necessary papers.

III. Mechanically processed Payrolls and Bons de Caisse.

Each month all Payroll Vouchers (DCLB/1), salary sheets (DCLB/2), Back Pay Notices (DCLB/3) and related papers sent in by the agencies are checked by the Obligation Control Direction and Machine Section.

On the basis of the documents approved by the Obligation Central Direction, the machine section produces the payrolls (D3-a) and Payment Orders (D1-a). The number and date of authorization on the Payment Orders (D1-a) are reproduced on the Payrolls (D3-a) which bear the signature of the machine section chief. The Payment Orders bear the approval of the Obligation Controller as well as the signature of the Secretary of State for the Presidency or his delegate to this end.

IV. The Treasury's visa

The machine section also prepares lists of employees having a Treasury or bank account credit notices (money deposits) and bordereaus of issues of payment orders for them. Together with the bordereau of payment orders (2 copies) the Budget Direction General transmits to the Treasury the Payment Order (D1-a) for visa to each payment order attached:

- A copy of the Payroll (D3-a)
- All vouchers and credit notice

Simultaneously the Budget Direction General sends to liquidating agencies for information:

- A copy of each payment order (D1-a)
- Two copies of the payroll (D3-a)

After the payment orders are visaed, the Treasury sends directly to the liquidating agencies:

- A bordereau of payment orders
- All bons de caisse which have been approved
- All credit notices

In case there are payment orders found unacceptable by the Treasury, they are returned to the Budget Direction General. The machine section will contact the liquidating agencies in order to have the money orders corrected.

V. Disbursement

The Treasury releases funds to each Disburser according to the total of Payment Orders produced by machines. On receiving his pay from the Disburser each employee has to sign on both copies of the payroll furnished by the machine section.

When all the agency's employees have signed their names on the payroll, the Disburser has to return to the Budget Direction one copy of the D3-a within 10 days after the date when funds were released by the Treasury at the latest. This payroll copy filled with signatures will be transmitted to the machine section.

VI. Overpayment

There are cases when employees who are not entitled to a full month pay receive it because, lacking the necessary information, the

machine section has processed their pay for a full month.

Examples: when an employee is terminated or is transferred to another post during the month, but the machine section routinely processes his salary through the month.

When the wife or a child of an employee dies or any of his children have reached 21 during the month, but the allowance benefited by the wife or child has continued to be reckoned through the month.

When by miscalculation the agency gives an employee a pay in excess of what he should get.

In the above cases, the Liquidator has to make immediately a collection order in abatement of expense, machine type (E4a) against the employee concerned which is submitted to the approval of the Budget Direction General. This step is applicable even to less than 500 piasters cashed in excess.

If the employee concerned has a bank or Treasury account, the Treasury will deduct the excess payment from his following month's salary before depositing it into his account.

If the salary amount is paid through a Disburser and the collection order in abatement of expense is issued prior to the pay-day, the Disburser has to retain the salary or allowance amount cashed in excess in order to repay it to the Treasury.

If the collection order is issued after the pay day, the Treasury will undertake to retain the excess amount in the following month on visasing the payment order of that month.

Simultaneously the liquidating agency issues a Refund notice (DCLB/4) which is sent to the Machine Section (Budget Direction) together with the collection order in abatement of expense. With this document, the machine accounting service will make the necessary deduction in the total annual salary received by the employee. At the end of the year, on the basis of this total annual salary, the machine accounting service will make a list of the taxable salaries (income tax and salary tax) for all the personnel whose salaries are processed by machine.

Note to liquidating agencies on Form DCLB/4 :

This collection in abatement of expense is particularly used for the procedure for processing payrolls by machine, and Form DCLB/4 is used in cases of excess payments due to wrong computation or loss of benefit. This form cannot be used in recovering loans or advances payments to employees (two-month salary loaned for transfer or going to a training center, advance hospital fees, etc...) In short, all

deductions of salary following the order of a collection Ordonnateur or the Treasury are carried out outside the mechanical procedure.

Note on Various Vouchers:

Two copies of each voucher are needed:

- One is attached to the salary sheet (DCLB/2) or Back Pay Notice (DCLB/3) is to kept by the machine service as a proof.
- The other is to be specified in a list from the liquidating agency, and is sent by the machine service together with the Payment Order (Dl-a) to the Treasury for visa. All the visaed vouchers and payment orders will be kept by the treasury. The employee's code must appear on each voucher.

IV. How to use New Forms in the Payroll Mechanical Procedure

A. Payroll Voucher (Form DCLB/1)

It has a twofold purpose:

- Serve as a proof of the liquidation to the Liquidator.
- Inform the machine section about the situation of the current month's payroll as compared to the payroll of the previous month.

The Payroll Voucher with the signature of the Liquidator must reach the Budget Direction prior to the 5th of each month at the latest. Each Payroll Voucher is to be made in two copies, one being kept by the Liquidator. All Payroll Vouchers have a liquidating effect and the Liquidator is fully responsible for his certification. Payroll Vouchers with changes in salaries are valuable only if salary sheets for the employees concerned are attached.

Two ruled sections appear on the Payroll Voucher:

1. One section is used for employees under mechanically processed pay for each of whom the Liquidator has issued a salary sheet. For any change in pay, only the code of the employee concerned needs to be entered in the section.
2. The other is reserved for employees newly recruited or just transferred from another agency. The Liquidator has to enter the employee's full name in the section and make a salary sheet for him.

In case a number of employees are entitled to back pay or to a one-time allowance, the Liquidator writes the number of the employees on the Payroll Voucher to which he attaches the Back Pay Notice (DCLB/3). The Liquidator should take care not to make any error in recording the employees' payroll codes. If there is any error, the Obligation Control Direction will not be allowed to make the correction, but will return the documents to the agency. And this will cause some delay for which the Liquidator will be held responsible.

B. Salary Sheet (Form DCLB/2)

1. How to use it

-Early in 1960, the machine section of the Budget Direction General supplied each liquidating agency with a Salary Sheet (Form DCLB/2) on each employee under payroll mechanical process. On each salary sheet are represented every detail of the employee's pay. The Liquidator makes a permanent file of all the salary sheets in alphabetical or numerical order (according to employees' names or codes).

The machine section also supplies each agency with a number of salary sheet blank forms to be used for newly recruited or transferred employees.

1. If the pay of any employee has to be modified or suspended (transfer to another post, etc...), the Liquidator records the change on the correspondent salary sheet and sends it to the Budget Direction General together with the Payroll Voucher.
2. For any employee newly recruited or transferred to the agency, or one whose salary is to be transferred from the manual process to the mechanical process, the Liquidator uses a blank form of the salary sheet on which he records all details of the employee's pay. This new salary sheet is also sent to the Budget Direction together with the Payroll Voucher.

On the basis of the changes found in the above document, the machine section makes the payroll (D-3-a). Simultaneously, the machine section prints new salary sheets for employees with modified salary as well as for new employees, and sends them back to the agency concerned together with the payroll (D-3-a) for the agency's file. By this method the liquidating agency always has at its disposal a salary sheet file which is complete and accurately shows the personnel situation.

How to fill out the Salary Sheet (DCLB/2)

1. New employees

In this category are included employees newly recruited, transferred from another agency, and those whose pay from the manual process will pass to the mechanical process. The Liquidator fills in a salary sheet with all details:

Upper part: Name of department, direction, agency (if any).

Name of Treasury, bank, or disburser.

Title, chapter, article, agency code (if any), code for Treasury, bank, or disburser.

Cross the box reserved for a new employee in the "notice" section.

Number, date of decree or order warranting recruitment or transfer - reasons for change write:

- "New recruit" or "transfer from another agency" (give agency's name) for new employees.

- "Last month's pay under manual process" for old employees.

- Starting work date.

Column A:

-Code for employee's personnel category:

| | |
|---|-------|
| Cadre Personnel | No. 1 |
| Contract personnel | No. 2 |
| (contract salary or assimilated salary) | |
| Daily-paid personnel | No. 3 |
| Employed Army officers | No. 5 |
| Employed army men | No. 6 |

-Employee's payroll code if the employee has one (in case the employee has come from another agency, contact, if necessary, the Liquidator of the former agency in order to get the payroll code if it does not appear on the certificate of salary supervision.)

Column B:

Box A: Code No. 10

Box B to F: Other codes (according to attached form).

Column C:

Box A: Name and grade of employee.

Boxes B to F: Listing of functional and other allowances, reason for increase or decrease of basic salary or allowances.

Column F:

Box A: Basic salary according to a coefficient (if a cadre employee: basic salary less 6% for retirement fund), contract pay or any pay following the personnel payroll schedule. In other boxes (B - F): any increase or decrease from basic salary. Examples: Increase in allowance - deduction of monthly retirement pay of employee who is reemployed on contract basis (after a decrease amount write letters CR) - deduction of training allowance (CR), etc...

Column G:

Box A: Cost-of-living allowance.

In any other boxes (B - F): Deduction (CR) of cost-of-living allowance already got by husband or wife from another agency.

Column H:

Box A: Family allowance.

In any other boxes (B - F): Deduction (CR) of family allowance already got by husband or wife from another agency.

Column I:

From B to F: Functional allowance and others (use one box for each).

Column J:

Names of wife and children entitled to allowance and the latter dates of birth. In case the employee has just come from another agency where he had received the pay of the previous month (mechanically processed), it is not necessary to write out the names of wife and children.

Note: Use only one box (B - F) for each separate item of salary or allowances.

Example: A cadre employee with the title of Bureau Chief, whose wife is employed in a private firm where she gets a family allowance according to labor legislation, is entitled to an allowance for duty risk and has his salary transferred monthly to his bank account.

The elements of his pay will be recorded as follows in his salary sheet:

Box A, Column B: Machine Accounting Code: 10
C: Name, grade
D: Coefficient
E: Family status
F: Basic salary less 6%
G: Total cost-of-living allowance (for employee, wife and children.)
H: Total family allowance
Box B, Column C: Functional allowance (ex.: Bureau Chief)
I: Allowance amount (800 p.)
Box C, Column C: Duty risk allowance.
I: Allowance amount.
Box D, Column C: "Mention deduction of family allowance already got by wife"
H: Deduction amount with CR.
Box E, Column C: "Mention deduction of cost-of-living allowance already got by wife."
G: Deduction amount with CR.
Box F, Column C: Bank's name and account number.

Leave sections (G) and (H) blank.

2. Employees being transferred or terminated -

Take out from the file the sheet regarding the employee and make the necessary adjustments.

Upper part: In the "notice" section cross the box reserved for "termination of salary and allowances". In the "reasons" section write the number and date of the documents warranting the employee's transfer or termination, and also the date of the termination of payment.

-Draw an oblique red line across boxes (a) to (f).

-If the employee is transferred or terminated during the month:

-The machine section will process his salary from the beginning of the month to the date he is transferred or quits.

The Liquidator must clearly state the following details:

-Section (G): Grand Total of totals under columns I,F,G,H, printed by machine section.

-Section (H): Write down the number of days to be paid for (from beginning of the month to transfer or termination date). Under column C, indicate portion of pay paid until termination date. Under Column I, indicate portion of functional allowance and others paid for period prior to termination date (grand total in (G) divided by 30 and multiplied by period). Under column F, indicate portion of basic salary paid for same period. The portions of the cost-of-living allowance (Col. G) and family allowance (Col. H) are similarly represented.

The following month, the machine section will automatically leave the name of the employee concerned off the payroll (D3-a). The Liquidator will not have to make another notice.

3. Change in salary of an employee

Take out his salary sheet from the file.

- In the upper part, notice section, cross the box reserved for change of grade, family status or other allowances.
- In the "Reasons" section: list documents warranting the change and effective date.
- In boxes (a to f) cross out items to be changed, and write out the new items underneath. Unchanged items will be left untouched. In case of new allowances, record them in the first line of boxes (b), (c), (d), (e), (f), left blank by the machine section.

If there is any increase or decrease in the number of the employee's children benefiting from the family allowance (an additional child is born or one reaches the age of 21 or dies), the fact has to be recorded in Column J with the name and birth date of the child indicating under "Remarks" whether the child is "new born" or "excluded" from family allowance benefit. This procedure also applies to the employee's wife. For the wife and children continuing to get the family allowance, their names need not be recorded.

In case a cut of the basic salary or allowances happens during a month, the machine section will make the reduction as of the 1st of the month. As a result, it must add the difference between the old and the new pay for the period going from the 1st of the month to the day the cut takes place. So the Liquidator must add the following details on the employee's salary sheet:

Section (G): Under Columns I, F, G, or H:

- Correct the totals of the pay elements.
- Record the difference between the old and new amount (salary or allowances).

Section (H): Record the period during which to pay the difference between the old and new amount (from 1st of month to effective cut) as a computation factor.

Under the column concerning the affected salary or allowance, the difference to be paid must be recorded. Where there is no change, nothing must be marked. Under Column C put: reckoning for days prior to cut..... (in salary or allowances).

If it is an increase of the basic salary or allowances happening during the month, the pay of that month must not show any change. The next month, the Liquidator informs the machine section of the change by means of the salary sheet. But here there is nothing to be stated in sections (G) and (H). Only the salary sheet shows the new amounts. The Liquidator also makes a Back Pay Notice (DCLB/3) covering the period of the previous month affected by the increase (from effective date of increase to end of month).

B. Remark

The salary sheet (DCLB/2) is only used for permanent salary and allowances. It is not to be used for occasional salary or allowances; i.e., paid only once (bonus or hourly teaching fees, etc....). These occasional payments are regarded as back pay and must be processed by the Back Pay Notice (DCLB/3).

Remark

In case an increase in the monthly salary or allowances of an employee occurs concurrently with a back pay, the Liquidator has to state in the lower left side of the salary sheet: "Back Pay Notice DCLB/3 attached" and to cross the "Back Pay" box.

C. Back Pay Notice DCLB/3

This form is used in the Payroll mechanical process for:

- Retroactive pay
- One-time occasional allowances (ex.: hourly teaching fees, bonus, etc....)

It is used to advise the mechanical section that the employee concerned is entitled to a one-time payment of additional salary or allowance portion shown on the form, in addition to the monthly pay.

In principle, one section is used for each employee. But if, besides the functional allowance, other allowances are also affected by the increase, several sections can be used, each one for each allowance. It is not allowed to include more than one allowance in an amount.

Example: Back pay concerning the functional allowance and facilities allowance.

- The functional allowance amount is stated in one section.
- The housing and water and electricity allowances are stated in the following section.

Both allowances are represented in the "Functional and Miscellaneous allowances" Column of each section.

On the Back Pay Notice appear:

1. Usual back pays which are caused by the increase of one or several portions of salary or allowances.
2. One-time payments of salary or allowances. Example: A payment for overtime teaching in one month. To help liquidate this allowance or similar ones, it is necessary to attach to the Back Pay Notice a statement of the allowance computation.

Another example of one-time allowances is the Tét loan. The repayment in four installments of this Tét loan will automatically be deducted from the pay of the interested by the machine section, without any need for the different agencies to give notice each time.

Note: Back pay pertaining to past fiscal year

For any back pay pertaining to a past fiscal year (Expenditures of past fiscal year), the Liquidator has to resort to the manual process to issue the payment order as has been the custom for such payments.

D. Notice concerning refund of excess payments (DCLB/4)

After the 5th of each month, the pay of an employee may be so modified that the amount that is actually due to him is less than what is on his payroll. Here are the typical cases:

- When an employee is transferred to a remote post during the month and the liquidating agency cannot advise the machine section of the fact before the 5th of the next month.
- When the wife or a child of any employee benefiting from family allowance dies during the month, etc...

In such cases it is the duty of the Liquidator to issue a Collection Order in abatement of expense (E4-a) so that the Disburser, before making the payment, may retain the excess amount and return it to the Treasury General.

This Collection Order in abatement of expense has to be sent to the Budget Direction General for authorization and numbering (like the bons-de-caisse in the Payroll mechanical process, Collection Orders in abatement of expenses have to be authorized by either the Secretary of State for the Presidency or his delegated representative.) Simultaneously the liquidating agency must also make a Notice of refund of excess payment (DCLB/4) which is sent to the Budget Direction General together with the Collection Order in abatement of expense. The purpose of the Notice is to advise the machine section to deduct from the concerned employee's pay all amounts that should not be paid. This deduction is very necessary for the machine section in giving accurate information about the employee to the Salary Tax and Income Tax Services. In the interest of the personnel, it is necessary that Liquidators remember to issue the above notice every time a collection order is issued against an excess payment authorized by the machine section.

V. How to Use the Payroll Mechanical Process Forms in Each Personnel Case

1. Termination

- a. Employee is terminated at beginning of month
Attach to the Payroll Voucher the Salary Sheet of the employee concerned. On the Salary Sheet, cross the "Termination of Salary and Allowances" box and indicate in the "Reasons" section the document deciding on the reason for the termination as well as the date. Draw an oblique red line from "a" to "f". The employee's name will not appear on the payroll of that month.
- b. Employee is terminated during the month, the date of which is known beforehand.
His pay covers the period from the 1st to the day of termination. The Salary Sheet is made as above (B - Salary Sheet - Section 2 p.). In Section "H" of Salary Sheet must appear the pay portion due to the employee up to termination date.
- c. Employee is terminated during the month, but date is unknown beforehand and machine section cannot be notified in time.
Because the termination notice reaches it too late, the machine section has had no time to adjust the amounts on the payroll and the payment order concerning the employee which give him a full month pay. So the liquidating agency has to issue a Collection Order in Abatement of Expense (E4-a) and a Notice of Refund of Excess payment (DCLB/4). Both are sent to the Budget Directorate General. After receiving the Collection Order the Disburser, on getting pay money from the Treasury, can either have the amount of the Collection Order deducted, or later make the deduction himself from the pay to the concerned employee and return the amount to the Treasury. If the employee usually has his pay deposited into his Treasury or bank account, he must personally return the amount he has received in excess to the Treasury.

In the following month, the Liquidator must send in the employee's salary sheet so that the machine section makes the deduction in its records (see section "A" above).

2. Employee is transferred from one agency to another

a. Transfer happens on 1st of month

The agency the employee is leaving sends to the machine section the employee's salary sheet requesting suspension of his salary. The office where the employee goes issues a new salary sheet for the employee (see section 3a below).

b. Transfer happens during the month

At the beginning of the month, the former agency sends the employee's salary sheet to the machine section which will process his pay from the 1st of the month to the date he leaves (to be stated in section "h" of the salary sheet).

The latter agency processes the employee's pay by the manual method from the day he takes office to the end of the month on a special form (D3-C). Before the 5th of the following month the agency makes a new salary sheet for the employee (see section 3a below) and sends it to the machine section of the Budget Direction together with the Payroll Voucher as data to be used in the mechanical process.

3. Newly recruited employee

a. Employee takes office on 1st of month and his records are complete

The liquidating agency issues a new salary sheet (DCLB/2) for the employee and sends it together with the Payroll Voucher to the Budget Direction. All details about the employee must be clearly stated.

Note: Leave section "h" blank. In Column J, write out name of wife and names and dates of birth of children entitled to allowance. If wife gets a salary from another agency, specify it in the "remarks" column.

b. Employee takes office during the month

The agency waits until the employee's records are complete to process his pay. The pay for the period from the day he takes office to the day his records are completed follows the old manual process on form D3c. Before the 5th of the following month, the Liquidator issues a new Salary Sheet for the employee which will be sent to the Budget Direction together with the Payroll Voucher to permit processing of his pay by the machine section.

4. Employee with changing personnel status (grade, function, pay coefficient or step, etc...)

a. Change effective as of 1st of month

The Liquidator adjusts on the employee's Salary Sheet (DCLB/2) the basic salary or allowances by stating the new amounts. After the adjustments, the salary sheet is sent to the Budget Direction General together with the Payroll Voucher and other Vouchers.

b. Change effective during the month

If the change is a demotion or decrease of salary or allowances the Liquidating agency adjusts the salary or allowances on the Salary Sheet. In section "g" are stated the new salary allowances underneath the printed former amounts and the difference between the old salary or allowance and the new one. The portion of the difference benefited by the employee from the beginning of the month to the change date is also computed. In section "b" is the number of days justifying the difference payment. In column "C", is the explanation of the difference in allowance payment. The difference must appear in the appropriate column, facing "b". With this method, the machine section will be able to calculate the pay both as it was before the change and as it is after the change.

Example: An employee received 2,000 piasters per month in functional allowance for the previous month. But he receives only 1,500\$VN per month as of the 11th of month A. To compute his functional allowance for month A (10 days at 2,000\$VN and 20 days at 1,500\$VN). The liquidating agency fills the employee's salary sheet as follows: In column "I", box "c", the printed 2,000\$VN is crossed out and replaced by the 1,500\$VN amount written underneath. In column "c", box "b", the word Director is crossed out and replaced by the word "service Chief". Box "C" concerning housing, water and electricity allowance is left as it is (700\$VN). In section "g", under Column I, the total 2,700\$VN is crossed out and replaced underneath by the amount of 2,200\$VN.

The total difference between the old and the new monthly allowances is: 2,700\$VN
 The number of days during which

$$\frac{-2,200\$VN}{500\$VN}$$

the employee can get the difference being 10 days, the difference to be paid for 10 days is: $\frac{500\$VN \times 10 \text{ days}}{30} = 166\VN

In section "b", Column "C", is written "Allowance difference amount for 10 days; the amount of 166\$VN is in Column "I".

The machine section processes the employee's functional allowance and housing, water and electricity allowance for Month A as follows:

| | |
|--|------------------------------------|
| Functional allowance: | 1,500.00\$VN |
| Housing, water, and electricity | 700.00\$VN |
| Difference in functional allowance for 10 days | $\frac{166.66\$VN}{2,366.66 \$VN}$ |

In the following month B, the machine section processed the employee's allowances according to the new rate (functional allowance: 1,500\$VN). The liquidating agency had no need to give another notice of the change.

If the change in personnel status (promotion, step increase) increases the employee's pay, the liquidating agency processes his pay for the month as if it had never been changed.

In the following month, the agency sends his salary sheet together with the Payroll Voucher to the Budget Direction. On the salary sheet are stated the increases in salary or allowance. The machine section includes the increases in the payroll. Also, to give the employee the back pay concerning the increase during the effective month, the liquidating agency has to send in a Back Pay Notice (DCLB/3) so that the machine section includes the back pay in the pay of the month.

Note: With regard to an employee changing category the liquidator must cross out on the Salary Sheet all the amounts related to the employee's former pay, even those which have not been subject to change, and write out the new amounts instead. This method can be applied to a cadre employee who, though having reached retirement age, is retained in service on contract or daily-paid basis. In this case the Liquidator has to add the following mentions: "Column "C": Retirement pay cancelled; Column "F": "CR" facing amount of retirement pay.

5. Employee with changing family status (marriage, new-born child, child passing allowance age (21))

The process in case of changing family status is the same as the above applied to changing personnel status.

- a. Change effective on 1st of month

The liquidating agency records the change on the employee's salary sheet (DCLB/2). In section "J" of Salary Sheet write out the name of the wife, or name and date of birth of the new-born child or of the child to be cast off the family allowance list.

- b. Change effective during month

If the change decreases the family allowance (child leaving school at 16 or becoming 21), the Salary Sheet is adjusted as above with details recorded in sections "G" and "H". With these details the machine section will process the pay the

for the first part of the corresponding month without any deduction. The deduction in family allowance is made only in the second part of the month from the day the change takes effect.

If the change increases the family allowance, the liquidating agency does not take the increase into account for the corresponding month. But the following month, on the employee's salary sheet sent to the Budget Direction together with the Payroll Voucher, the allowances affected by the increase (family allowance, cost-of-living allowance) are shown. The increase will be added to the pay of this 2nd month. Simultaneously with the salary, the liquidating agency sends a Back Pay Notice DCLB/3 to give the employee the portion of the increase due to him during the 1st month.

Note: A change in the family allowance always involves a change in the cost-of-living allowance, or in the difference between the allowances received by the husband and the wife if both work for different government agencies. In the latter case, the pay adjustment process is the same as above.

6. Unexpected change in family status involving decrease in family allowance (death of a wife or child).

It may happen that after the salary sheet is sent to the machine section, the concerned employee's wife or one of his children dies. Not being notified in time, the machine section processes his pay as before. In this case, the liquidating agency has to issue a collection order in abatement of expense to retrieve the excess allowance for the period from the date of the death of the family member to the end of the month. Simultaneously a "Refund Notice" (DCLB/4) is sent to the Budget Direction.

At the end of the month, the agency furnishes the Budget Direction with a salary sheet on which the employee's pay has been adjusted to the new situation.

7. Employee paid through Disburser wants to have his pay deposited in bank or Treasury.

The liquidating agency crosses out the name of the Disburser on the Salary Sheet and writes the name of the bank or Treasury. In Column "C", box "f" is the name of the bank or Treasury with the account number.

8. Employee being trained abroad

The employee being trained abroad always remains on the agency's mechanical payroll. There are three possibilities:

Employee with family

The salary and allowances of the employee are subject to deduction from the family allowance. Anyhow his pay continues to be processed by the machine section. His salary sheet is sent every month to the machine section with printed amounts unchanged. Under the printed amounts, in one of the boxes (b,c,d,e or f) these things are to be added:

Column "C": "Less training allowance"

Column "I": The total amount to be deducted facing abbreviation CR.

Bachelor employee

The employee receives the difference between his normal pay and his scholarship. The above procedure is used so that the machine section will deduct from the employee's pay the amount he receives as scholarship in the foreign country.

Scholarship exceeds employee's pay

In this case the employee is only entitled to his scholarship in the foreign country. On his salary sheet, the liquidating agency puts the following:

- A cross in the "Suspension of Pay" box.
- Number and date of decision authorizing training in the "Reason for Change" box as well as the date when the employee left for the training country. An oblique red line is drawn across boxes a to f.

On receiving the Salary Sheet, the machine service suspends the processing of the employee's pay. On the employee's return from training, the agency will make a new salary sheet for him in the same way as for a new employee so that his pay processing may be resumed by the machine section. His payroll code and all details of family status must be furnished according to the Payroll Voucher.

Employee paid through Disburser wants to have individual payment order:

The salary sheet is filled out this way:

- Cross out the name of the Disburser
- Write out the employee's name
- Replace the Disburser's code by the employee's code

10. Change of Disburser within an agency

The liquidating agency modifies the employee's salary sheet as above: cross out the name and code of the former Disburser, putting the new Disburser's instead.

11. Leave without pay

If the leave without pay exceeds one month, the procedure is the same as for termination. The employee's salary sheet is sent to the machine section with request to suspend payment of his salary. When he returns to work, a new salary sheet is issued in all detail which is sent to the Budget Direction together with the Payroll Voucher (procedure for a new employee).

If the leave is less than a month, the pro rata pay for the leave period must be deducted from the monthly pay. The agency writes on a Back Pay Notice form (DCLB/3) the amount to be deducted for the month. Facing the amount is the abbreviation CR. The reason for the deduction and the number of days justifying it are also stated (no salary sheet is used in this case). The following month the machine section processes the pay in the normal way without any need for the agency to notify it.

If owing to delay in notification the machine section has processed the employee's pay for the whole month, the agency issues a collection order in abatement of expense to return the excess payment to the Treasury. A Refund Notice (DCLB/4) is simultaneously sent to the Budget Direction General.

VI. Special Works Related to Payroll Mechanical Process

1. Control of number of children of each employee qualified for allowance

The machine section controls the number of children qualified for allowance of those employees whose pay is mechanically processed by a card file. Each month, the machine section makes a list of children becoming 16 and another list of children becoming 21 in the next month. These lists are transmitted to liquidating agencies for control.

The liquidating agencies require of each employee an attestation of school attendance for each child of 16 which is sent to the machine section together with the Payroll Voucher (DCLB/1). On the school attendance attestation, the mechanical payroll code of the employee concerned must be recorded. Without this school attestation the child's allowance will be left out of the salary sheet by the procedure described in Section IV/5 above.

Children of 21 also have their allowance left out by the same procedure.

All liquidating agencies must pay special attention to this control of employee's children entitled to allowance. When some children have quit school at 16 or reached 21, it is the duty of the liquidating agency to leave out the allowance for these children in the same month by adjusting their fathers' salary sheets before sending them to the machine section.

If it does not receive the monthly report from the liquidating agency on the children to be deprived of allowance (~~having~~ left school at 16 or reached 21) the machine section will automatically deduct the allowance of the interested.

Simultaneously, the Budget Direction will report to the concerned Secretaries of State about the neglect of their depending Liquidators because this neglect could be harmful to the management of the National Budget.

In case of delay in furnishing the school attestation by an employee, the back pay procedure is used to pay the employee the allowance which has been cut in past months (Back Pay Notice form DCLB/3).

2. Tết Loan

After receiving the approval for loans to employees on the Tết occasion, the agency sends to the machine section the names of those who wish to have a loan for Tết. These names must appear on "Back Pay Notice" forms (DCLB/3) in the "miscellaneous allow-

ances" column of which in which are entered the loan amounts (no salary sheet is used in this case).

The same entries are made as in the payroll mechanical process:

-Name of each agency, bank, or treasury.

-The category code of each employee.

- 1 - cadre
- 2 - contract
- 3 - daily-paid
- 5 - specially assigned officer
- 6 - specially assigned soldiers

The loan amounts must be rounded to permit equal deductions over four months. These deductions are to be performed by the machine section.

The liquidating agency has to vary the procedure with three possibilities:

1. Change of Liquidator in Saigon (Employee is transferred from one agency to another covered by the National Budget.) The machine section continues to make the deduction from the employee's pay it processes.

On the Salary Sheet DCLB/2 of the concerned sent to the machine section, the Liquidator of the former agency makes the following statement in the "Reason for Change" section: "Tết loan not yet fully repaid". Also on the "Voucher for Suspension of Pay" the remaining loan has to be divided in equal portions for refund. This will permit the new agency where the employee goes to continue making deductions from his monthly pay.

The Liquidator of the new agency, on issuing a new Salary Sheet DCLB/2 for the employee, has to indicate in the "Reason for change" section how many more terms the remaining loan has to be deducted from the employee's monthly pay. With this information from the Liquidator, the machine section will take care of the deduction of the remaining loan from the monthly pay of the employee at the new agency until it is fully repaid. It is necessary to attach to the salary sheet of the new employee a copy of the "Voucher for Suspension of Pay" furnished by the former Liquidator for information purposes.

2. Employee is transferred and his pay is made from deposited funds or another budget (Saigon City's budget, provincial budget, or off-budget credits).

The machine section no longer takes care of this employee's pay processing. The deductions concerning the remaining Tết loan have to be made by the Liquidator of the new agency without mechanical process. Because of this, on the

"Voucher for Pay Suspension", the Liquidator of the former agency needs to divide the remaining portion of the loan into equal amounts. The Liquidator of the new agency will make the deductions to the last amount.

Simultaneously, the Liquidator of the former agency issues a Collection Order in abatement of expense (E-4) requesting the new agency to refund the National Budget (Loan Account) with the portions of the loan deducted from the monthly pay of the employee by the new agency (pay account).

3. Terminated employee (retiring, resigning, discharge or transferred to an autonomous agency...)

The unpaid portion of the Tết loan must be repaid in total in one time when the employee receives his last pay from the agency he is quitting.

- a. If the transfer date is known in advance, the liquidating agency notifies the machine section of it prior to the 5th of the month, when the salary sheet (DCLB/2) of the employee is sent in. The machine section deducts the unpaid portion of the loan from the payroll.
- b. If the transfer date was not known in advance and the machine section has not been informed in time, the Liquidator has to issue a Collection Order in abatement of expense (E-4) against the employee concerned in order to refund the National Budget with the unpaid portion of the Tết loan to the employee. This portion will be retained from the pay by the Disburser.

3. Other loans (other than the Tết loan)
(Two-month advance to employees going to provincial posts or training centers, etc...)

Advances or loans to personnel (other than Tết loan) are not to be handled by machine. The giving of such loans as well as their repayment will not be done by the mechanical payroll.

The Liquidator will assume all these operations.

4. Declaration of Income Subject to Salary Tax and Income Tax for Personnel on Mechanical Payroll

At the end of 1960, the machine section will assume the job of declaring every income subject to the Salary Tax and Income Tax for the personnel whose salaries are mechanically processed.

Each month all the receipts of each employee, including temporary and exceptional payments, will be entered on Form D3-c and mechanically registered in the employee's account. All the amounts paid in excess and returned to the Treasury according to notices DCLB/4 from Liquidators will also be registered.

Every month, or quarter, or six months, the machine section will transmit to the agency the statement of the situation of each employee's receipts for checking and notifying in case of errors. If the statement is correct, the Liquidator signs it.

At the end of the year, the machine section will base itself on these documents to declare each employee's income in terms of the salary tax and income tax. If it is necessary, each liquidating agency may continue to keep a register of salaries and allowances paid to the employees (current form) recording all amounts received monthly by each employee. However, it would be necessary to register only the changes in payments in regard to the preceding month's payments. It would save time in case there is no change.

5. Monthly listing of employees' contributions to Retirement Fund

Beginning January 1960, the machine section will make lists of amounts to be deducted from employees' pay to contribute to the Retirement Fund and also of payment orders to turn these collections into the Fund. However, with regard to those employees whose pay are not processed by the machine section, the liquidating agencies will continue to take care of the collection and payment into the Retirement Fund.

Bank and Treasury Code

- No. 01 - Vietnamese National Bank
- 02 - Viet Nam Bank
- 03 - Vietnamese Commercial Development Credit
- 04 - Vietnamese Industrial and Commercial Bank
- 05 - Banque National pour le Commerce et l'Industry
- 06 - Banque Franco-Chinoise
- 07 - Banque Francaise de l'Asie
- 08 - Chartered Bank
- 09 - Hong Kong - Shanghai Banking Corporation
- 10 - Bank of Communication
- 11 - Bank of China
- 12 - Bank of East Asia
- 13 - Treasury General of Viet Nam
- 14 - Cholon Treasury Branch
- 15 - Giadinh Treasury Branch

Disburser's Code

- Nos. 20 to 79 - Disbursers of all Departments (one number for each)
- 80 to 99 - Individual payment orders in Departments (one number for each employee.)

Mechanical Payroll Code System

I. Code Numbers used on Salary Sheet (DCLB/2)

Basic Salary - Functions

- No. 10 - Basic Salary - cost-of-living allowance, family allowance
- 11 - Function and functional allowance

Differences in Salary and Allowances

- No. 20 - Pay difference
 - Deduction of training allowance
 - Deduction of contribution to Retirement Fund

- No. 21 - Family allowance difference
- No. 22 - Cost-of-living allowance difference

Other allowances

- No. 30 - Housing, water and electricity
- 31 - House servants
- 32 - Transportation
- 33 - Special allowance
- 34 - Trial allowance
- 35 - Professor's allowance

- No. 36 - Teacher's allowance
- 37 - Functional risk allowance
- 38 - Bicycle allowance
- 39 - Livery allowance
- 40 - Archivist's allowance
- 41 - Hospital mortician's allowance
- 42 - Radiologist's allowance
- 43 - Translator's allowance
- 44 - Health agent's allowance
- 45 - Cost-of-living allowance (for expensive areas)
- 49 - Miscellaneous allowances
- 70 - Number of account in a bank or Treasury

Code used in section "h" of salary sheet

- No. 60 - Name and family name of employee whose salary is to be terminated during the month.
- 61 - Portion of monthly salary and allowance.
- 62 - Difference in salary and allowances in case of decrease.

II. Code used on Back Pay Notice (DCLB/3)

Back pays or one-time allowances

- No. 63 - Back pay of basic salary
 - Back pay of family allowance
 - Back pay of cost-of-living allowance
 - Back pay of functional allowance
- 64 - Back pay of every other allowance
- 65 - Tết loan
- 69 - One-time salary or allowance (paid for only one month)

III. Code used within the Machine Section

On Master Cards

- No. 01 - Department
- 02 - Direction or agency
- 03 - Disburser, or bank, or employee paid by individual payment order
- 04 - Decree appointing disburser
- 05 - Balance of "Salaries" account with Functional Code and Type of Expenditure
- 06 - Recapitulation for each category of civil servants
- 07 - Deduction of Tết loan

Family members

- No. 80 - Wife
- 81 - Legitimate child
- 82 - Adopted child

On Finding Cards

- No. 90 - Termination of salary payment to an outgoing employee.
- 91 - Termination of payment to an employee transferred to another agency.
- 92 - Termination of payment to an employee transferred to a provincial post.
- 93 - Termination of payment to an employee sent to training abroad.
- 94 - Return of military employees to the Army.
- 95 - Change of personnel category.
- 96 - Long leave - Leave without pay - Retention for investigation.

- X80 - To be punched into cards to be cast off each month together with finding cards.

- X8 - Give all detail of manually processed pay. Each month after pay process is over, all salary sheets are to be punched with month number.