
<INSERT COMPANY NAME>

SAP Human Resources Global Template

Part II - System Design

1. Overview

This section of the template is concerned almost solely with system design. The document contains common standards and guidelines that should be adhered to for each rollout.

The template design also ensures that additional functionality can be implemented with ease and future maintenance costs minimised.

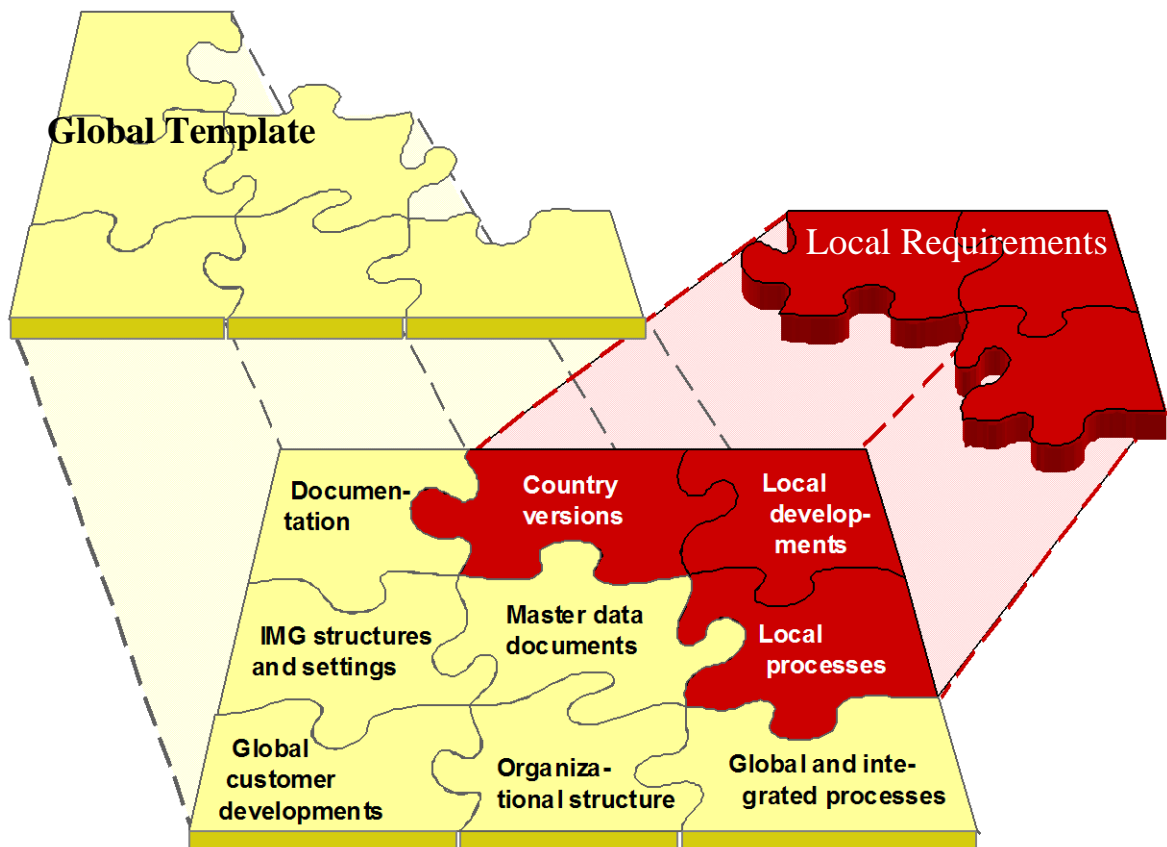
In order for the template to succeed in its objectives, business processes should, where possible, be harmonised throughout <INSERT COMPANY NAME>.

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3. The Global Template



3.1 Objectives

- To provide a standardised approach to implementing SAP across the <INSERT COMPANY NAME>
- To reduce time required for successive implementations
- Provide global system design and configuration standards to accelerate the system build stage.
- Develop interfaces and upload programs that can be used for each project to avoid duplication
- To ensure standardised reporting capability and increased visibility of key data across <INSERT COMPANY NAME>
- To support the decision making process through enhancing the quality of management information and ease of access to it
- To ensure scalability of SAP payroll so that new businesses can easily be adopted on the system and additional functionality may be added at a future date.
- To reduce future maintenance costs/requirements of the system by providing a simple but effective solution

3.2 Scope

It is not within the scope of this of the project to introduce new functionality to <INSERT COMPANY NAME> which is not currently being used within legacy systems unless the omission of this functionality would not coincide with the best business practices embedded within SAP.

3.3 Country Codes

Where appropriate, the following country codes and groupings will be used for naming conventions:

| Grouping | Country | Code |
|----------|---------------|------|
| 01 | Germany | D |
| 02 | Switzerland | C |
| 04 | Spain | E |
| 06 | France | F |
| 07 | Canada | K |
| 08 | Great Britain | G |
| 10 | USA | U |
| 13 | Australia | Q |
| 15 | Italy | I |
| 16 | South Africa | W |
| 37 | Brazil | Y |
| 47 | Turkey | Y |

3.4 Enterprise Structures

3.4.1 Enterprise Structure - Personnel Areas

A 'Personnel Area' is the highest building block in the SAP HR Module. Each Personnel Area needs to be linked to an individual company code. Each country that SAP is rolled out in will need at least one separate company code.

It is recommended that one Personnel Area be created for each country with the following naming convention:

| Personnel Area | Description | Company Code | Country Grouping |
|----------------|--|--------------|------------------|
| 3000 | <INSERT COMPANY NAME> – United Kingdom | 2631 | 08 |
| 3005 | <INSERT COMPANY NAME> – France | ? | 06 |
| 3010 | <INSERT COMPANY NAME> – Germany | ? | 01 |
| 3015 | <INSERT COMPANY NAME> – Italy | 2651 | 15 |
| 3020 | <INSERT COMPANY NAME> – Spain | 2653 | 04 |
| 3025 | <INSERT COMPANY NAME> – Turkey | ? | 47 |
| 3030 | <INSERT COMPANY NAME> – Australia | 2705 | 13 |
| 3035 | <INSERT COMPANY NAME> – United States | ? | 10 |
| 3040 | <INSERT COMPANY NAME> - Brazil | ? | 37 |
| 3045 | <INSERT COMPANY NAME> - South Africa | ? | 16 |
| 3050 | <INSERT COMPANY NAME> – Nordics | ? | ? |

3.4.2 Enterprise Structure - Personnel Subareas

'Personnel Subareas' are linked to Personnel Areas and will be used to represent differences in public holidays within countries.

Where public holidays are the same across an entire country there will only be one subarea.

E.g. Australia – one holiday calendar per state:

- Subarea – <INSERT COMPANY NAME> – Queensland
- Subarea – <INSERT COMPANY NAME> – New South Wales
- Subarea – <INSERT COMPANY NAME> – Northern Territory

3.4.3 Personnel Structure – Employee Groups

'Employee groups' are used to divide employees into different types at a high level. The following groupings have been chosen for the template:

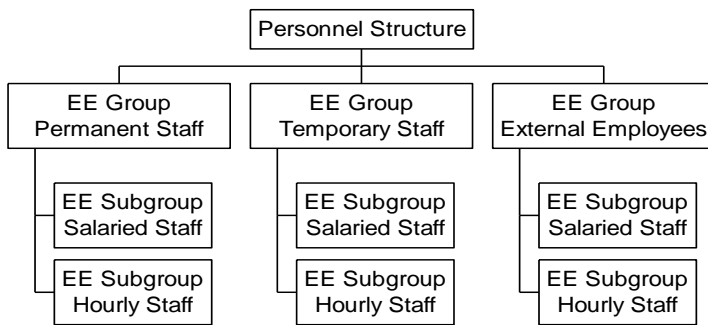
| No. | Name | Description |
|-----|--------------------|---|
| 1 | Permanent Employee | Any employee who is on a full-time <INSERT COMPANY NAME> contract of employment. |
| 5 | Temporary Staff | Any employee who is on a <INSERT COMPANY NAME> temporary contract |
| 9 | External Employee | Any employee who is working at <INSERT COMPANY NAME> who does not fit the above two categories. |

3.4.4 Personnel Structure – Employee Subgroups

'Employee Subgroups' are linked to each employee group and represent a further division of employees by type. The following subgroupings have been chosen for the template:

| Short Text | Name | Description |
|------------|----------------|--------------------------------|
| GC | Salaried Staff | Monthly /Weekly paid employees |
| GD | Hourly Staff | Weekly paid employees |

Example Summary - The Personnel Structure



3.5 Personnel Administration

3.5.1 Employee Numbers

It is recommended that only one number range be used throughout the <INSERT COMPANY NAME> group. Employee numbers in SAP do not represent anything more than a number i.e. intelligent numbering is not necessary within SAP.

Employee numbers are held in number ranges. The range 90000 to 99999999 is to be used for <INSERT COMPANY NAME>.

Number Ranges:

| No. | From Number | To Number | External |
|-----|-------------|-----------|----------|
| 01 | 00000001 | 00001000 | |
| 02 | 00090000 | 99999999 | |
| 03 | 00030001 | 00089999 | Y |

Defaulting the employee number:

SAP uses decision trees in order to automatically default in certain data and therefore speed up data input and ensures data integrity. These SAP defaults are called 'features'.

Feature NUMKR is used to automatically default in the next available employee number for a new hire:

| Variable key | C D Operations |
|--------------|----------------|
| 000010 | D WERKS |
| 000020 3000 | &NUMKR=02, |
| 000030 **** | &NUMKR=03, |

3.5.2 Infotypes

'Infotypes' are individual screens within SAP that group together fields containing similar employee data. The Infotypes (screens) that will be common across all countries are printed on the following pages.

See Appendix I for full listing.

3.5.3 Infotype 0001 – Organisation Assignment

This Infotype is central to the SAP HR/Payroll system containing data such as job and which payroll the employee is to be processed in.

- CoCode: See Enterprise Structure
- Pers.area: See Enterprise Structure
- Subarea: See Enterprise Structure
- Cost ctr: There is one cost centre per country. The appropriate cost centre will be defaulted in for each country:
 - 631620 <INSERT COMPANY NAME> London
 - 634820 <INSERT COMPANY NAME> France
 - 643640 <INSERT COMPANY NAME> Germany
 - 651660 <INSERT COMPANY NAME> Italy
 - 653680 <INSERT COMPANY NAME> Spain
 - 673700 <INSERT COMPANY NAME> Turkey
 - 705760 <INSERT COMPANY NAME> Asia/Pacific
 - 705761 <INSERT COMPANY NAME> Brisbane Startup
 - 710840 <INSERT COMPANY NAME> New York
 - 740800 <INSERT COMPANY NAME> South America
 - 781780 <INSERT COMPANY NAME> South Africa
 - 638860 <INSERT COMPANY NAME> Nordics
- Employee Group: See Personnel Structure
- Employee Subgroup: See Personnel Structure
- Payroll Area: Needs to be defined for each country
- Position: See Organisation Management
- Job: See Organisation Management
- Organisation Unit: See Organisation
- Administrator Group:

| Personnel Area | Administrator Group |
|----------------|---------------------|
| 3000 | 3000 |
| 3005 | 3005 |
| 3010 | 3010 |
| 3015 | 3015 |
| 3020 | 3020 |
| 3025 | 3025 |
| 3030 | 3030 |
| 3035 | 3035 |
| 3040 | 3040 |
| 3045 | 3045 |
| 3050 | 3050 |

3.5.4 Infotype 0002 – Personal Data

- Form of address (language equivalent if not English):
 - Mr
 - Mrs
 - Miss
 - Ms
- Last name:
 - The first letter is always in upper case, all others in lower
- First name:
 - The first letter is always in upper case, all others in lower
- Middle Name:
 - The first letter is always in upper case, all others in lower
- Initials:
 - Each a single upper case letter with one space in between e.g. A S M
- Name format
 - Title – First name – Last name
- Language: All languages are standard within SAP
- Birth Date:
 - Format DD.MM.YYYY
- Nationality: All nationalities are standard within SAP
- Marital status:
 - Single
 - Marr.
 - Wid.
 - Div.
 - NM
 - Sep.
 - Cohab.
 - N/A
- Gender:
 - Defaults from title
- Birthplace:
 - First letter in upper case all others in lower
- No. child:
 - 1 - 9999

3.5.5 Infotype 0006 – Addresses

Infotypes can contain a number of different screens containing similar data. These closely related screens are known as 'subtypes'.

- Address Subtypes:
 - 1 Permanent residence
 - 2 Temporary residence
 - 3 Home address
 - 4 Emergency address
 - House number/street:
 - Format as above
 - 2nd address line
 - District/City
 - Postcode (ZIP) /county (state/Province)
 - Country Key
 - Telephone no.
 - 1st /2nd/3rd addl.no.

3.5.6 Infotype 0021 – Family/Related Person

- Subtypes:
 - Spouse
 - Divorced spouse
 - Father
 - Mother
 - Child
 - Legal guardian
 - Testator
 - Guardian
 - Stepchild
 - Emergency contact
 - Related persons
 - Domestic Partner
- Last name
- First Name
- Initials
- Date of Birth
- Birthdate
- Ctry of Birth

- Nationality
- Relationship:
 - AUNT
 - BOYFRIEND
 - BROTHER
 - COUSIN
 - FATHER
 - FIANCE
 - FIANCEE
 - FLATMATE
 - FRIEND
 - GIRLFRIEND
 - HUSBAND
 - MOTHER
 - PARENTS
 - PARENTS-IN
 - PARTNER
 - SISTER
 - UNCLE
 - WIFE
 - OTHER
- All other field as with Infotype 0006 'Addresses'

3.5.7 Infotype 0007 – Planned Working Time

This Infotype holds a default shift pattern for each employee. Shift patterns are not used in SAP by <INSERT COMPANY NAME> but they are required to enable payroll to run.

- There is only one workschedule specified so far as it is possible for employees to work on particular day.
- The workschedule is from 08:00-17:00
- The workschedule is called <INSERT COMPANY NAME>

3.5.8 Infotype 0008 – Basic Pay

This Infotype contains what is considered to be an employee's 'basic pay', which includes payments such as salary and allowances.

- Employee Groupings: The attached document is purely for configuration purposes.

Infotype screen fields:

- Reason for change (reason entered when an employee's basic pay record is changed):
 - 00 No Reason
 - 01 Standard pay increase
 - 02 Wage level change
 - 03 Change in payments
 - 04 Merit Review
 - 05 Promotion
 - 06 Demotion
- Payscale Type (roughly translates to 'type of grading system'):

As payscale types are created per country grouping I would recommend that for each country Payscale Types start with 01 and Payscale Area 01 (a payscale area roughly equates to a 'set of terms and conditions').

The payscale type has the naming convention '<INSERT COMPANY NAME> – Country' and the areas should reflect a set of (usually Union) agreements. Some flexibility is advised but the general format would be:- <INSERT COMPANY NAME> – Location – Type of agreement

An example of what the future may look like:

Country Grouping: 13 (Australia)

Payscale Type: 01 – <INSERT COMPANY NAME> - Australia

Payscale Area: 01 – <INSERT COMPANY NAME> - Brisbane (All)
02 – <INSERT COMPANY NAME> Sydney (Mgt)
03 – <INSERT COMPANY NAME> Sydney (Staff)

Assumption: Terms and conditions do not proliferate. Payscale areas are linked to subareas and therefore it may make sense to change the location to 'state' should another office open up with the same set of agreements.

Payscale types and areas are linked to Personnel Areas as follows:

| Personnel Area | Description | Personnel Subarea | Payscale Type | Payscale Area |
|----------------|--|----------------------------------|---------------|---------------|
| 3000 | <INSERT COMPANY NAME> – United Kingdom | <INSERT COMPANY NAME> - London | 01 | 01 |
| 3005 | <INSERT COMPANY NAME> - France | | | |
| 3010 | <INSERT COMPANY NAME> - Germany | | | |
| 3015 | <INSERT COMPANY NAME> - Italy | | | |
| 3020 | <INSERT COMPANY NAME> - Spain | | | |
| 3025 | <INSERT COMPANY NAME> - Turkey | | | |
| 3030 | <INSERT COMPANY NAME> - Australia | <INSERT COMPANY NAME> - Brisbane | 01 | 01 |
| 3035 | <INSERT COMPANY NAME> – United States | | | |
| 3040 | <INSERT COMPANY NAME> - Brazil | | | |
| 3045 | <INSERT COMPANY NAME> - South Africa | | | |
| 3050 | <INSERT COMPANY NAME> - Nordics | | | |

- Pay Scale Groups and Levels (i.e. Groups and levels equate to grades in SAP):

| P.scale type | Pay scale text | P.scale area | PS area text | ESG for CAP | Pay scale group | PS level | Wage type | Amount |
|--------------|----------------------------------|--------------|----------------------------------|-------------|-----------------|----------|-----------|--------|
| x | <INSERT COMPANY NAME> - Location | x | <INSERT COMPANY NAME> – Location | 3 | CSR | | | |
| x | <INSERT COMPANY NAME> - Location | x | <INSERT COMPANY NAME> – Location | 3 | NONSCALE | | | |
| x | <INSERT COMPANY NAME> – Location | x | <INSERT COMPANY NAME> – Location | 3 | SN CSR | | | |
| x | <INSERT COMPANY NAME> - Location | x | <INSERT COMPANY NAME> – Location | 3 | TTR | | | |

Further information requirements:

- Any further grades
- Salary Ranges (needs to be maintained for each country)

| Pay scale group | Minimum | Middle | Maximum | Currency |
|-----------------|---------|--------|---------|----------|
| CSR | | | | |
| NONSCALE | | | | |
| SN CSR | | | | |
| TTR | | | | |

3.5.9 Infotype 0041 - Date Specifications

This Infotype stores dates are important for payroll/leave calculation purposes.

- Date Type:
 - 01 Techn. date of entry

3.5.10 Infotype 0016 – Contract Details

- Contract Types:
 - P1 Permanent
 - P2 Temporary -----> (See dynamic action below)
 - P3 Permanent Fixed Term
 - P4 Temporary Fixed Term
- Probationary period
- Work permit
- Initial entry date
- Entry into group
- Corporation:

Dynamic action:

When a temporary contract is created the user is automatically prompted to set up a contract review reminder in SAP. The reminder is held in Infotype 0019.

Infotype 0019 - Monitoring of Tasks

3.5.11 Infotype 2001 – Absences

All absences are recorded using this screen.

- Absence Types (types of absence):

| Personnel Subarea Grouping | Absence Type | Description | Personnel Subarea grouping |
|----------------------------|--------------|---------------------------|----------------------------|
| All | 0100 | Holiday | All |
| All | 0150 | Unpaid holiday | All |
| All | 0175 | Compassionate Leave | All |
| 08 | 0206 | Illness (SSP relvt, Full) | 08 |
| 08 | 0208 | Illness (SSP relvt, Nil) | 08 |
| All | 0210 | Jury Service | All |
| All | 0250 | Legal Custody | All |
| All | 0300 | Other Absences | All |
| 08 | 0601 | Maternity Leave - SMP | 08 |
| All | 0700 | Strike/Trade dispute | All |
| All | 0800 | AWOL | All |
| 13 | 0120 | Long Service Leave | 13 |
| 13 | 0130 | Sick Leave | 13 |

Further configuration notes:

| Personnel Area | Description | Personnel Subarea | Personnel Subarea grouping |
|----------------|---------------------------------------|----------------------------------|----------------------------|
| 3000 | <INSERT COMPANY NAME> - London | <INSERT COMPANY NAME> - London | 08 |
| 3005 | <INSERT COMPANY NAME> - France | | |
| 3010 | <INSERT COMPANY NAME> - Frankfurt | | |
| 3015 | <INSERT COMPANY NAME> - Milan | | |
| 3020 | <INSERT COMPANY NAME> - Barcelona | | |
| 3025 | <INSERT COMPANY NAME> - Turkey | | |
| 3030 | <INSERT COMPANY NAME> - Brisbane | <INSERT COMPANY NAME> - Brisbane | 13 |
| 3035 | <INSERT COMPANY NAME> - New York | | |
| 3040 | <INSERT COMPANY NAME> - South America | | |
| 3045 | <INSERT COMPANY NAME> - South Africa | | |
| 3050 | <INSERT COMPANY NAME> - Nordics | | |

3.5.12 Infotype 2010 – Employee Remuneration Inf

This screen is used to process all variable payments i.e. those payments not contained within Infotype 0008.

'Wage type' is SAP's term for type of payment or pay element. A separate 'wage type' is set up for each different type of payment. Payments that can be processed through Infotype 2010 are as follows (additional requirements will be added on a country by country basis):

- 1200 Salary Adjustment
- 1300 Salary Deduction
- 1400 Unpaid Absence
- 1500 Salary Unpaid (Sickness)
- 2005 Overtime 0.5
- 2010 Overtime 1.0
- 2015 Overtime 1.5
- 2020 Overtime 2.0
- 2025 Overtime 2.5
- 2030 Overtime 3.0
- 2040 Overtime 4.0
- 4500 OSP

3.6 Actions

Actions are used in SAP to speed up input of data for common tasks such as hiring an employee, processing a leaver and changes of pay.

An action is a group of Infotypes, when one Infotype is completed, the next automatically appears ensuring that all required data is input and avoids navigating around the system to find the required screens.

E.g. Hiring

3.6.1 User Groups

Each country will require a 'user group' set up under parameter 'UGR' so that the country specific Infotypes appear for the appropriate countries.

User Groups will be as follows:

- United Kingdom: 08
- Australia: 13
- United States: 10

3.6.2 Hiring (Action 01) – This action is used for processing new starters.

- Reasons for Action:
 - No Reason Entered
 - 01 Increase in establishment
 - 02 Additional workload
 - 03 Replace long-term sick

- 04 Replacement of EE on maternity leave
- 05 Replacement after death of an employee
- Infogroup 10 (An Infogroup is the collection of Infotypes that constitute an 'Action'):
 - 01 INS 0002 Personal Data
 - 02 INS 0001 Organizational Assignment
 - 03 INS 0016 Contract Elements
 - 08 INS 0006 Addresses
 - 09 INS 0021 Family/Related Person

3.6.3 Organisation Reassignment (Action 02) – This action is used when an employee changes job.

- Reasons for Action:
 - No Reason Entered
 - 01 Secondment to other location
 - 02 Job change – Promotion
 - 03 Job change – Demotion
 - 04 Transfer
 - 05 Regular to temporary
 - 06 Temporary to regular
 - 08 Personnel area change
 - 09 Personnel subarea change
 - 10 Cost center change
 - 13 Job code change
- Infogroup 82
 - 01 COP 0001 Organizational Assignment
 - 02 COP 0007 Planned Working Time
 - 03 COP 0008 Basic Pay

3.6.4 Payroll: hire follow-up (Action 75) – This action is used by the payroll department to input payroll specific data for new starters.

- Reasons for Action:
 - Payroll Hire Follow-up
- Infogroup 75
 - 01 INS 0007 Planned Working Time
 - 05 INS 0008 Basic Pay

- 10 INS 0009 Bank Details
- Country specific Infotypes in addition

3.6.5 Salary Adjustment (Action 16) – This action is used when an employee has a change to their basic pay.

Reasons for Action:

- NO REASON ENTERED
- 01 Ad-hoc Increase
- 02 Salary Review
- 03 Merit Increase
- Infogroup 81
- 01 COP 0008 Basic Pay

3.6.6 Schedule Change (Action Z1)

- Reasons for Action:
 - NO REASON ENTERED
 - 01 Study
 - 02 illness
 - 03 Family Commitments
 - 04 Personal Problems
 - 05 Other Commitments
- Infogroup 17
 - 00 COP 0007 Planned Working Time

3.6.7 Long Term Absence (Action 32) – This action is used to stop basic pay and other regular payments for a number of reasons.

- Reasons for Action:
 - NO REASON ENTERED
 - 01 Long Term Disability
 - 02 Career Break
 - 03 Personal Problems
 - 04 Illness
 - 05 Study
 - 06 Maternity
- Infogroup 32
 - 01 COP 0001 Organizational Assignment
 - 02 COP 0008 Basic Pay
 - 03 LIS9 0014 Recur. Payments/Deds.
 - 04 MOD 0041 Date Specifications
 - 05 INS 0019 Monitoring of Tasks

3.6.8 Return from Leave (Action 36) – This action is used to process employees who have returned from long leave.

- Reasons for Action:
 - NO REASON ENTERED
- Infogroup 36
 - 01 COP 0001 Organizational Assignment
 - 03 LIS9 0014 Recur. Payments/Deds.
 - 04 MOD 0041 Date Specifications
 - 05 INS 0019 Monitoring of Tasks
 - Country specific Infotypes in addition

3.6.9 Leaving (Action 10) – This action is used to process leavers.

- Reasons for Action:
 - NO REASON ENTERED
 - 01 Resignation
 - 02 Transfer/Relocation
 - 03 Summarily Dismissed
 - 04 Misconduct
 - 05 Gross Misconduct
 - 06 Failure of training exams
 - 07 Ill health
 - 08 End of Temporary Contract
 - 09 Death of employee
- Infogroup 84
 - 02 LIS9 0014 Recur. Payments/Deds.
 - Country specific Infotypes in addition

3.7 Organisation Management

The 'Organisation Management' component of SAP is used to store the organisation chart and link employees to it.

There are four main building blocks in SAP organisation planning:

- Organisation Unit: This relates to a department or section within a department.
- Position: There is a relationship of one person to one position. Each position can have a specific title.
- Job: Jobs are used as a generic description of the tasks involved in carrying out a job e.g. secretary, salesperson, payroll officer.
- Person: An employee who fills a position

Organisation units contain one or more positions. Each position is described by a job. A job may describe more than one position.

The organisation chart for <INSERT COMPANY NAME> will be created for each location according to the rollout plan.

3.8 Payroll

3.8.1 The Generic Payroll Process

Although payments and payroll cycles may differ by country, it is recommended that the SAP procedure and payroll process remains generic throughout <INSERT COMPANY NAME>. The following steps outline this generic process:

1. Release the payroll for the new payroll period
The system increases the period number in the payroll control record by 1.
SAP Procedure:
Human Resources > Payroll Accounting > Choose continent and country
> Payroll Accounting > Release Payroll
2. Immediately release the payroll for data input. Administrators and managers input data relevant for present, past or future payroll periods.
SAP Procedure:
Human Resources > Payroll Accounting > Choose continent and country
> Payroll Accounting > Corrections
3. Enter master data in SAP.
4. Use SAP audit log to check data against original input documents.
5. Simulate the payroll on a regular basis to provide early warning of any processing problems. A simulation run corresponds to a regular payroll except that the results are not saved in the database and the system does not lock master data entry.
SAP Procedure:
Human Resources > Payroll Accounting > Choose continent and country
> Payroll Accounting > Simulation
6. Communicate the payroll cut-off date after which no more data entry will be possible.
7. Release the payroll on the cut-off date.

8. Start the payroll

SAP Procedure:

Human Resources > Payroll Accounting > Choose continent and country > Payroll Accounting > Start Payroll

The Test run (no update) indicator must not be flagged otherwise the system will not store the results.

A process log is displayed after the payroll run.

Use the log to check whether personnel numbers have been rejected or not selected.

9. Correct the employee master data for any employees that have rejected.

The Payroll stores the employees rejected during a payroll run in matchcode w.

SAP Procedure:

- Press the [Search Help] button on the payroll screen
- Select matchcode w.
- In the 'Payroll Correction' field enter 'x' and click [Enter]
- Re-run the payroll

10. Transfer the payments to the bank clearing system.

SAP Procedure:

Human Resources > Payroll Accounting > Choose continent and country > Payroll Accounting > Bank Transfer > Create DME

11. Check transfer to Finance

Before exiting the payroll it is advisable to perform a simulation of the Finance interface and to have the results checked by someone <insert company name> in the management accounts department. This is achieved using a specific program in simulation mode.

SAP Procedure:

Human Resources > Payroll Accounting > Choose continent and country
Payroll Accounting > Subsequent activities > Per payroll period > Reporting > Transfer to FI/CO > Start posting run

12. Exit Payroll

When you set the status of the control record to Exit payroll, it is assumed that payroll has been performed for all personnel numbers in the payroll area, including those that have been rejected, and the payroll period is complete.

SAP Procedure:

Human Resources > Payroll Accounting > Choose continent and country > Payroll Accounting > Exit Payroll

13. Transfer to Finance

Having exited the payroll the results must be passed to Finance. This is achieved using a specific program.

SAP Procedure:

Human Resources > Payroll Accounting > Choose continent and country
Payroll Accounting > Subsequent activities > Per payroll period > Reporting > Transfer to FI/CO > Start posting run
> Edit posting run

3.8.2 Wage Types

'Wage type' is SAP's terminology for different types of payments and deductions. It is necessary to document precisely how each type of payment is to be processed e.g. pensionable/non-pensionable, taxable/non-taxable, etc. The following spreadsheet provides a standard format onto which the required details may be recorded. See Appendix II for template.

3.8.3 Factoring

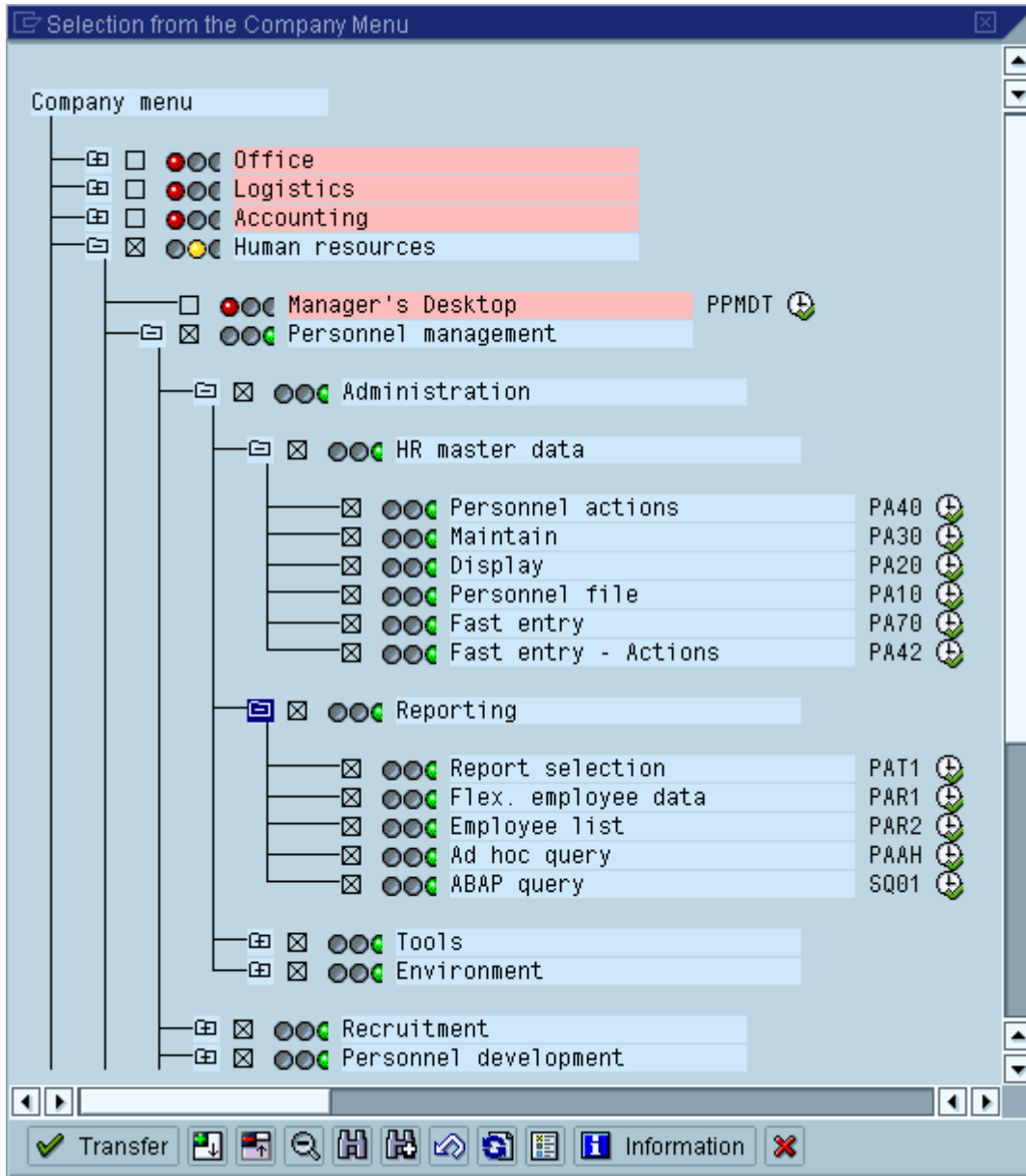
If an employee starts mid-period the following constants may be used for factoring:

| Constant | Time unit | Value | Description |
|----------|-----------|-------|-------------------------------|
| ADIVP | 1 | 22 | Lump sum, workdays/month |
| ADIVP | 2 | 11 | Lump sum, workdays/bi-monthly |
| ADIVP | 3 | 5 | Lump sum, workdays/bi-monthly |
| ADIVP | 4 | 10 | Lump sum, cal.days/week |
| ADIVP | 5 | 20 | Lump sum, workdays/4 weeks |
| KDIVP | 1 | 30 | Lump sum, cal.days/month |
| KDIVP | 2 | 15 | Lump sum, cal.days/bi-monthly |
| KDIVP | 3 | 7 | Lump sum, cal.days/week |
| KDIVP | 4 | 14 | Lump sum, cal.days/2 weeks |
| KDIVP | 5 | 28 | Lump sum, cal.days/4 weeks |

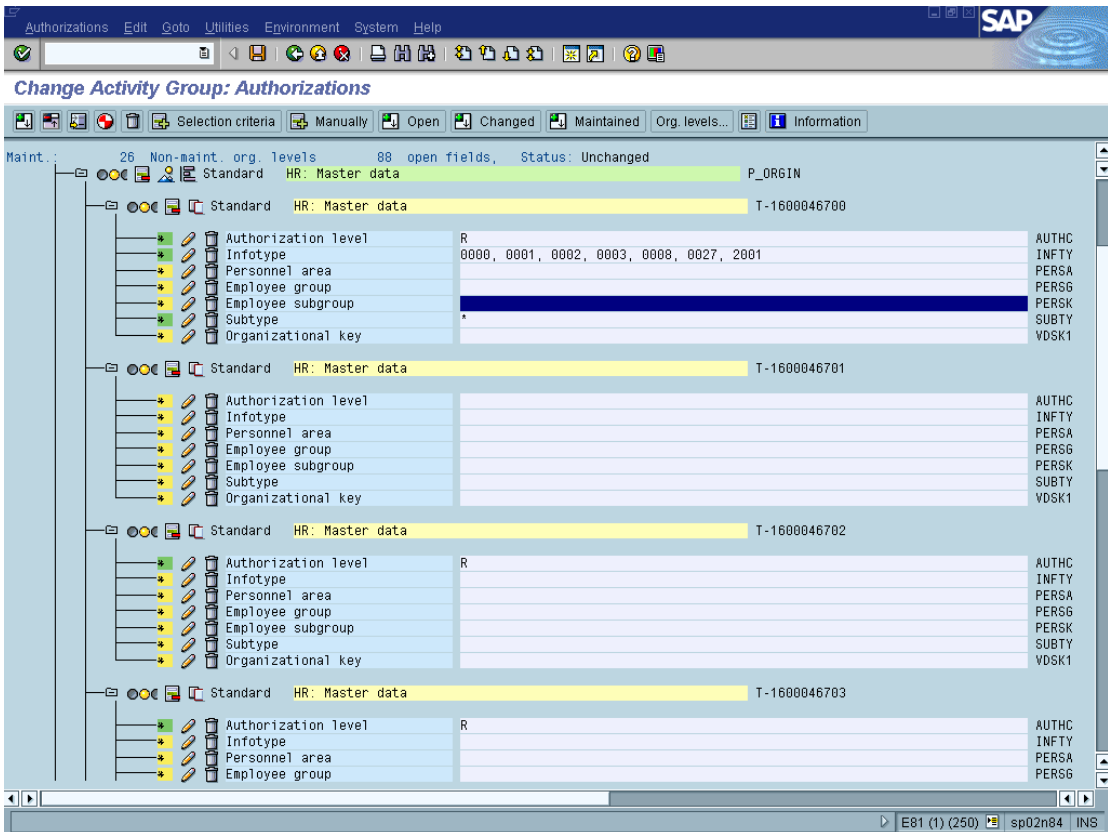
3.9 Authorisation/Security Profiles

Who has access to HR and Payroll data and what types of data needs to be defined. The SAP tool 'Profile Generator' will be used for this purpose (transaction PFCG).

Step 1: Choose which transactions should be accessed.



Step 2: Select the type of data to be viewed or maintained:



Appendix III contains a template to capture the required details.

3.10 Conversion/Data Migration Requirements

Data Conversion

MS Excel will be the primary tool for data conversion. Legacy data will be downloaded and converted in Excel and saved as a comma delimited file.

Data Migration

The CATT/LSMW tool will be used as the primary tool for data migration.

SAP Procedure:

- Tools > ABAP/4 Workbench > Test > Test Workbench > CATT
- Transaction LSMW

There should be very limited requirements for programming new data migration programs.

4. Testing

The Testing Strategy is described in detail in Part I of the Template document.

The Testing Template

The Testing Template is contained within Appendix IV of this document. The template can be used as a checklist to ensure that all functionality and scenarios are tested.

The left-hand column of the spreadsheet should contain every conceivable piece of functionality or data. The spreadsheet is completed by running down the columns for each example employee and selecting from the left-hand column what data and actions are going to be processed and on what date. All test scenarios should be covered using as fewer employees as possible.

The spreadsheet will require updating for each rollout due to country specific requirements.

Parallel Running

Due to time constraints 'Parallel Running' will not take place. However, depending on the number of employees, either all employees or a representative group will be tested by loading them into the test system for a recently run payroll period. SAP payroll will process these employees and the results will be checked against copies of the actual payslips that were produced by the legacy system.

5. Business Requirements Checklist

The checklist can be used to gather required information in advance of a rollout to ensure the minimum amount of time is spent in workshops and meetings.

The following is not as exhaustive list but contains a lot of the important sources of information:

- Organisation chart including departments and job titles
- Copy of all Contracts/Terms & conditions
- Data entered into the legacy system on hiring an employee
- Salary and grading structures
- Salary ranges and spot rates (spot rates are used for employees on a particular grade who all receive the same basic salary)
- List of payments:
 - Recurring payments and whether they are pensionable and/or taxable
 - Recurring deductions
 - One-off payments
 - One-off deductions
- Rules regarding who can receive what types of payments
- How partial period payments are calculated e.g. how is the salary calculated for a mid-month starter or leaver or a mid-month salary rise.
- Overtime rules
- Pensions schemes
- Details of company loans
- Details of company savings plans
- Company benefits currently processed on legacy system

- Travel Expenses policy
- Number of payrolls and their cycles (monthly/two-weekly/weekly)
- Absence rules and types of absences (including sickness and vacation)
- List of bank/public holidays relevant for your location
- List and names of administrators responsible for inputting time data into the system
- Data currently held on legacy system
- Technical specifications of interfaces run from legacy system and example files
- Reporting requirements and example print outs
- List of users and what data they should be able to see
- Useful documentation of legislative requirements including tax and reporting requirements

6. Processes

This section explores the business impact process design implications for the following areas:

- Personnel Administration
- Controlling
- Training & Event Management
- Recruitment
- Workflow
- Authorisations
- Reporting
- Personnel Cost Planning
- Capacity Planning
- Quota Planning
- Shift Planning
- Compensation Management
- Payroll
- MSS/ESS

7. Appendix I – SAP Infotypes

8. Appendix II – Wage Type Template

9. Appendix III – Authorisations Template

10. Appendix IV – Testing Template