

Hesabu ERP HR and Payroll Manual

Human resources and payroll

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Human resources and payroll

Employees, attendance, leave, salary structures, payroll, payslips and Kenyan statutory deductions.

Human resources and payroll

Human resources overview

What the HR and Payroll module covers and the order in which to set it up.

Beginner · About 10 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

The HR and Payroll module keeps your staff records, tracks attendance and leave, and calculates salaries with the correct deductions. It is connected to Accounting, so payroll posts to your books.

What it covers

Area	What you do
Employees	Keep one record per person, with contract and contact details
Attendance	Record who worked each day
Leave	Set leave types, allocate days, approve requests
Salary structures	Define earnings and deductions
Payroll	Create monthly salary slips for everyone
Expense claims	Reimburse staff expenses

Recommended setup order

1. Check your **Company** and **fiscal year**. See Creating and configuring your company.
2. Create **Departments**, **Designations** and **Employment Types**.
3. Add Employees.
4. Set up Leave and Attendance.
5. Build Salary structures and assign them.
6. Run Payroll and review the Kenyan statutory deductions.

Important notes

- You need the **HR Manager** role to set up the module, and **HR User** for daily work. Payroll information is confidential, so grant these roles carefully. See Permissions.

- If you do not see the HR module in your sidebar, it may not be part of your plan. Contact us.

Next steps

Start with Employees.

Related documentation

- Employees
- Leave types, allocations and applications
- Salary components and structures

Human resources and payroll

Employees

Create and maintain employee records, including departments, designations and statutory numbers.

Beginner · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

An **Employee** record is the foundation of HR and payroll. Leave, attendance and salary all attach to it.

Prerequisites

The HR Manager or HR User role. Create your **Departments** and **Designations** first (search for each and click **Add**).

Steps

Add an employee

1. Search for **Employee** and click **Add Employee**.
2. Enter **First Name**, **Last Name**, **Gender** and **Date of Birth**.
3. Enter the **Date of Joining**, and choose the **Company**.
4. Choose the **Department**, **Designation** and **Employment Type** (permanent, contract, casual and so on).
5. Add contact details, including a personal email.
6. Open the **Salary** tab and enter the **Bank Account** details, so salaries can be paid.
7. Click **Save**.

Statutory numbers

Record each person's **KRA PIN**, **National ID**, **NSSF number** and **SHA/SHIF number**. Payroll reports for the authorities need them. If your form has no field for one of these, add it. See Custom fields and forms.

Let an employee sign in

1. In the employee record, set **User ID** to the person's user. Create the user first if needed. See Creating users and assigning roles.
2. The employee can then apply for leave and see their own records.

When someone leaves

1. Open the record, set **Status** to **Left**, and enter the **Relieving Date**.
2. Do not delete the record. Payroll and audit history depend on it.

Practical example

Mwangaza Hardware hires a storekeeper. HR creates the employee, picks the *Stores* department and *Storekeeper* designation, adds KRA PIN and bank details, and links the employee to a user that has only stock roles.

Important notes

- Keep records accurate: wrong bank or PIN details cause payroll errors.
- Restrict who can see salary details.

Common mistakes

- Deleting leavers instead of marking them as **Left**.
- Two records for the same person, which splits their history.

Next steps

Read Attendance.

Related documentation

- Human resources overview
- Salary components and structures
- Creating users and assigning roles

Human resources and payroll

Attendance

Record daily attendance, mark absences and use it to drive payroll.

Beginner · About 15 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Attendance records whether each employee was present, absent, on leave or working from home. Payroll can use it to work out the **payment days** for the month.

Steps

Mark attendance for one person

1. Search for **Attendance** and click **Add Attendance**.
2. Choose the **Employee** and the **Date**, and set the **Status**: *Present*, *Absent*, *On Leave*, *Half Day* or *Work From Home*.
3. Click **Save**, then **Submit**.

If the status is *On Leave* or *Half Day*, choose the **Leave Type**. For *Half Day*, also set **Status for Other Half**.

Mark several days for one person

1. Open the **Attendance** list and click **Mark Attendance**.
2. Choose **For Employee**, the **Start** and **End** dates, and the **Status**. Tick **Exclude Holidays** to skip holidays.
3. Untick any days to skip, then click **Mark Attendance** and confirm.

Mark attendance for many people

1. Search for **Employee Attendance Tool**.
2. Choose the **Date** and optionally filter by department.
3. Choose the **Status**, click **Get Employees**, tick the employees it applies to, and click **Mark Attendance**. Repeat for the other status.

Check attendance

Open **Monthly Attendance Sheet** from the reports to see everyone for the month.

Practical example

On Monday, the supervisor uses the **Employee Attendance Tool** for the *Stores* department, marks the whole team present, then marks the one absent colleague as absent.

Biometric devices

If your business uses a fingerprint or face device, attendance can be created automatically from check-ins. See Biometric attendance.

Important notes

- Approved leave marks the days as **On Leave** automatically.
- Submit attendance before running payroll, so the days are counted.
- You can set up **Shift Types** for staff on different hours, if you need them.

Common mistakes

- Forgetting to submit, so the days are ignored.
- Marking attendance for dates before the employee joined.

Next steps

Read Leave.

Related documentation

- Leave types, allocations and applications
- Running payroll and payslips

Human resources and payroll

Leave types, allocations and applications

Set up leave types and allocate days, then let staff apply and managers approve.

Intermediate · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

You define the **leave types** your business offers, give each employee a **leave allocation** and handle **leave applications** with an approval step.

Prerequisites

Employees set up, and a **Holiday List** for the year (search for **Holiday List**) so public holidays are not counted as leave.

Steps

Create leave types

1. Search for **Leave Type** and click **Add Leave Type**.
2. Enter the name, such as *Annual Leave*, *Sick Leave*, *Maternity Leave* or *Paternity Leave*.
3. Set the **Maximum Leave Allocation Allowed per Leave Period**, and tick **Is Leave Without Pay** if it is unpaid.
4. Save.

Set the amounts to match your contracts and Kenya's Employment Act. Check requirements with your lawyer or the Ministry of Labour.

Allocate leave

1. Search for **Leave Allocation** and click **Add**.
2. Choose the **Employee**, **Leave Type**, the period and the **New Leaves Allocated**.
3. Save and submit.

To allocate to many employees, use **Leave Policy** and **Leave Policy Assignment**.

Apply and approve

1. The employee opens **Leave Application**, selects the **Leave Type**, dates and a reason, and saves.
2. The **Leave Approver** receives it, sets the **Status** to *Approved* or *Rejected*, and submits.
3. Approved leave reduces the balance and marks attendance as **On Leave**.

See balances

Open the **Employee Leave Balance** report.

Practical example

Each full-time employee receives 21 days of *Annual Leave* via a leave policy. A cashier applies for five days. Her supervisor approves, and the balance drops to 16.

Important notes

- Set the approver on the employee record, so applications go to the right person.
- Leave without pay reduces the salary in payroll.

Common mistakes

- Forgetting the holiday list, so public holidays use up leave.
- Approving but not submitting.

Next steps

Read Salary components and structures.

Related documentation

- Attendance
- Employees
- Workflows and notifications

Human resources and payroll

Salary components and structures

Define earnings and deductions, build a salary structure and assign it to employees.

Advanced · About 40 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

A **Salary Component** is one line on a payslip, for example *Basic Salary*, *House Allowance* or *PAYE*. A **Salary Structure** is a set of components. You **assign** a structure to each employee with their base pay.

Prerequisites

Employees created, and the accounting company set up. Agree the pay package for each role.

Steps

Create salary components

1. Search for **Salary Component** and click **Add Salary Component**.
2. Enter the name, and choose the **Type**: *Earning* or *Deduction*.
3. Choose how it is calculated: - a fixed **Amount** - a **Formula**, such as `base * 0.15` - a **Condition**, if it applies only sometimes
4. For earnings that are taxed, leave **Is Tax Applicable** ticked.
5. Save. Under **Accounts**, set the expense or payable account for the company, so payroll posts correctly.

Build a structure

1. Search for **Salary Structure** and click **Add**.
2. Name it, such as *Standard Monthly*, and choose the **Company**.
3. Set **Payroll Frequency** to *Monthly*.
4. Add the components in the **Earnings** and **Deductions** tables.
5. Save, then **Submit**.

Assign it to an employee

1. Search for **Salary Structure Assignment** and click **Add**.
2. Choose the **Employee**, the **Salary Structure**, the **From Date** and the **Base** (the base pay used in formulas).
3. Save and submit.

Practical example

Standard Monthly has *Basic Salary* (= base), *House Allowance* (15% of base), and deductions *NSSF*, *SHIF*, *Housing Levy* and *PAYE*. A clerk is assigned this structure with a base of KES 60,000.

Important notes

- Change a salary by creating a **new assignment with a later From Date**, not by editing the old one.
- Test with one employee before running payroll for everyone.
- Deduction rates must follow current Kenyan law. See Kenyan statutory deductions.

Common mistakes

- Employees with no assignment, so they get no salary slip.
- Formulas that refer to a component not yet defined above them.

Next steps

Read Kenyan statutory deductions.

Related documentation

- Kenyan statutory deductions
- Running payroll and payslips
- Employees

Human resources and payroll

Kenyan statutory deductions

How PAYE, NSSF, SHIF, the Housing Levy and NITA are set up and checked in payroll.

Advanced · About 30 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Kenyan employers must deduct and remit several statutory amounts. Hesabu ERP handles them as **deduction components** in your salary structure.

> **Check before use.** The rates below are a summary at the date of this manual. Rates and thresholds change, often at the start of the year or tax year. Confirm the current figures with the Kenya Revenue Authority (KRA), NSSF, SHA and your accountant before you rely on them.

The deductions

Item	Who pays	Basis (summary)
PAYE (income tax)	Employee	Monthly bands: 10% on the first KES 24,000, 25% to 32,333, 30% to 500,000, 32.5% to 800,000, 35% above
Personal relief	Reduces PAYE	KES 2,400 per month
NSSF	Employee and employer	6% of pensionable pay up to the current upper limit, in two tiers
SHIF	Employee	2.75% of gross pay, minimum KES 300
Affordable Housing Levy	Employee and employer	1.5% of gross pay each
NITA	Employer	KES 50 per employee per month

NSSF, SHIF and the Housing Levy are deducted **before** PAYE is calculated, which lowers the taxable pay.

Steps

Ask for the preloaded setup

Hesabu ERP can load a ready-made Kenyan structure into your workspace, called **Kenya Standard (Hesabu)**. It contains Basic Salary and the deductions above (NSSF, SHIF, Housing Levy and PAYE), plus the employer's NSSF, Housing Levy and NITA shown as information lines. Ask support to load it. Then open **Salary Structure** to see it, and assign it to your employees with **Salary Structure Assignment**.

The figures are loaded as of November 2026. Check them against the current rates, and ask us to refresh them when the law changes. If you prefer to build the components yourself, follow the steps below.

Set up the components

1. For each item, create a **Salary Component** of type *Deduction*. See Salary components and structures.
2. Use a **Formula** for each. For example, for the Housing Levy: `gross_pay * 0.015`. Use a formula for PAYE that applies the monthly bands to taxable pay after the other deductions.
3. Put the PAYE component **after** the others in the structure, so it can use them.
4. Add the **employer's** share of NSSF and the Housing Levy, and NITA, as separate components. Mark them as employer contributions (**Statistical** or **Do not include in total**) so they do not reduce the employee's net pay, and set up their expense accounts.
5. Add the statutory payables accounts, so the amounts owed to KRA, NSSF and SHA appear on your balance sheet.

Check with a worked example

Take gross pay of KES 100,000 with the figures above:

Line	Amount (KES)
NSSF	6,000
SHIF	2,750
Housing Levy	1,500
Taxable pay	89,750
PAYE after personal relief	19,308
Net pay	**70,442**

Create a test salary slip for an employee at this figure and compare. If the numbers differ, fix the formulas before running payroll.

Important notes

- Remit PAYE, SHIF and NSSF by the **9th of the following month**, and the Housing Levy by the **9th working day** of the following month, and file through iTax and the relevant portals. Confirm your deadlines with your accountant.
- Keep payslips and remittance proofs for your records and audits.
- Ask support if you want help configuring the formulas for your company.

Common mistakes

- Using old rates after a law change.
- Calculating PAYE on gross pay without removing the pre-tax deductions.
- Treating the employer's share as an employee deduction.

Next steps

Read Running payroll.

Related documentation

- Salary components and structures
- Running payroll and payslips

Human resources and payroll

Running payroll and payslips

Create the month's salary slips, review them, submit and pay.

Intermediate · About 30 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Each month you run a **Payroll Entry**. It creates a **Salary Slip** for every employee, using their salary structure, attendance and leave.

Prerequisites

Employees with submitted salary structure assignments, submitted attendance and approved leave for the month.

Steps

Run the payroll

1. Search for **Payroll Entry** and click **Add Payroll Entry**.
2. Choose the **Company**, **Payroll Frequency** (*Monthly*), and the **Start Date** and **End Date**.
3. Optionally filter by **Branch**, **Designation** or **Department**. Tick **Validate Attendance** if you want attendance checked, and choose the **Payment Account** and **Cost Center**.
4. Click **Get Employees** to list who will be paid.
5. Click **Save**, then **Create Salary Slips**.

Review the slips

1. Open **Salary Slip** and check several, especially anyone with unpaid leave, a new joiner or a leaver.
2. Check the **Payment Days**, earnings, deductions and **Net Pay**.
3. Correct problems in the source data, such as attendance, then recreate.

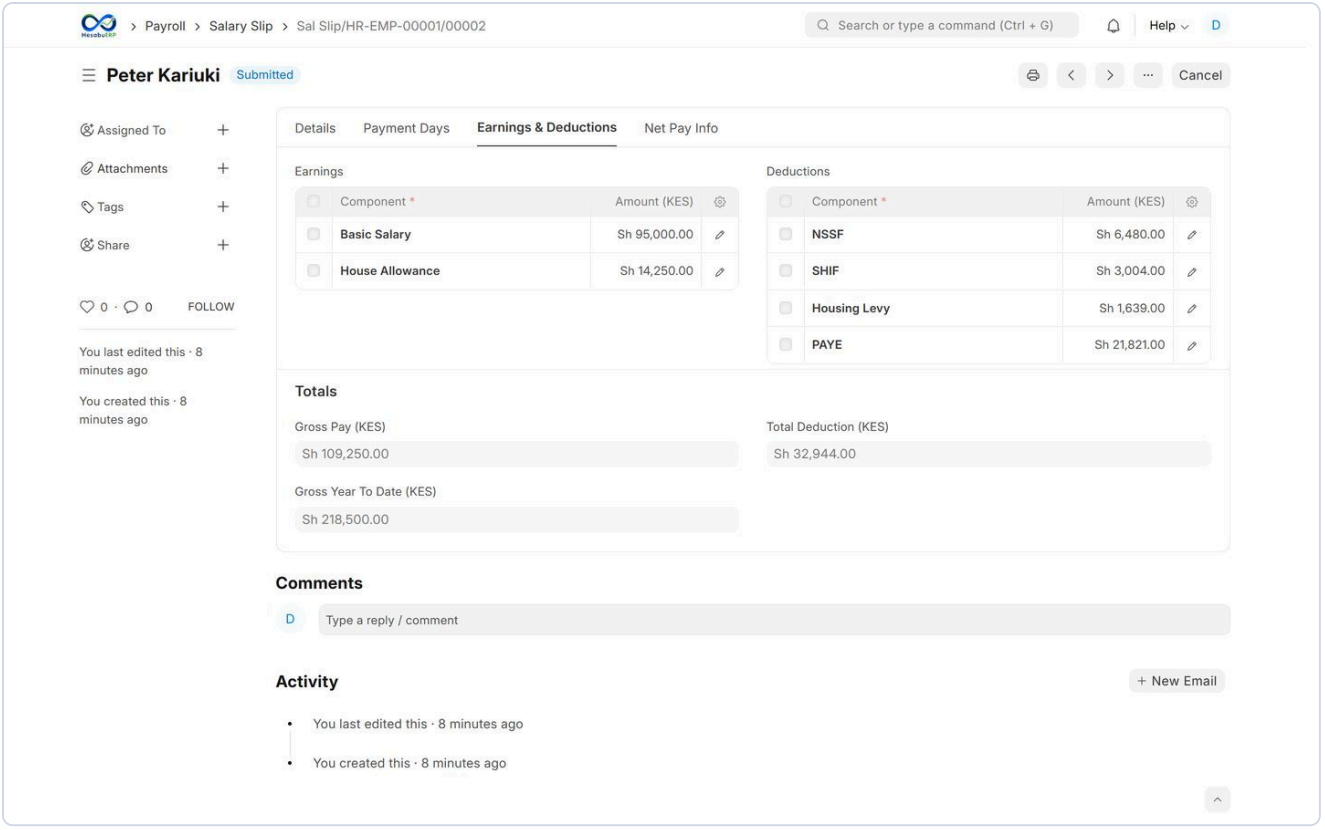
Submit and pay

1. In the Payroll Entry, click **Submit Salary Slip**.
2. Click **Make Bank Entry** to record the payment of net salaries from the bank account.

3. Pay staff by bank transfer or M-Pesa bulk payment, using the amounts shown.

Payslips for employees

Open a slip and print or email the PDF, which uses your print format. See Print formats and letterheads.



Salary slip

Practical example

On the 25th, HR runs payroll for November. After checking three sample slips against the worked example, they submit, make the bank entry, and email the payslips.

Important notes

- Do not edit a submitted slip. Cancel it, fix the cause and recreate.
- The statutory amounts payable appear on your balance sheet until you pay them. Record those payments with a journal or payment entry.

Common mistakes

- Running payroll before attendance is submitted.
- Paying staff before checking the totals.

Troubleshooting

An employee has no slip: they have no salary structure assignment for that period, or are not **Active**.

Next steps

Read Expense claims.

Related documentation

- Salary components and structures
- Kenyan statutory deductions
- Attendance

Human resources and payroll

Expense claims

Let staff claim business expenses, approve them and reimburse.

Beginner · About 15 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

An **Expense Claim** records money an employee spent for the business, such as fuel or airtime. After approval, it is paid back to them.

Prerequisites

Set up **Expense Claim Types** (search for it), each linked to an expense account. Set an **Expense Approver** on each employee.

Steps

1. The employee opens **Expense Claim**, clicks **Add**, and chooses the **Date**.
2. In the **Expenses** table, adds each item with the **Expense Type**, **Amount** and description. They attach receipts.
3. They save and submit for approval.
4. The approver opens it, sets **Approval Status** to *Approved* or *Rejected*, and submits.
5. Accounts clicks **Create > Payment Entry** to reimburse, or the amount is added to the next payroll.

Practical example

A driver spends KES 3,500 on fuel and attaches the receipt. The supervisor approves, and finance pays the amount by M-Pesa and records the payment against the claim.

Important notes

- Always require receipts.
- The status moves from *Unpaid* to *Paid* once the payment is recorded.

Common mistakes

- Paying outside the system, so the claim stays *Unpaid*.

Next steps

Return to Human resources overview.

Related documentation

- Running payroll and payslips
- Recording customer and supplier payments

Human resources and payroll

Recruitment

Plan vacancies, track applicants through interviews and make a job offer.

Intermediate · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

The recruitment tools let you advertise a vacancy, keep every applicant in one place, schedule interviews, record feedback and issue an offer. When someone accepts, you create their employee record from the offer.

Prerequisites

The HR Manager or HR User role, and your **Designations** and **Departments** created.

Steps

Open a vacancy

1. Search for **Job Opening** and click **Add Job Opening**.
2. Enter the **Job Title**, **Designation**, **Department** and a description of duties and requirements.
3. Set the **Status** to *Open*, and save. If your website module is enabled, the opening can be published to your careers page.

Record applicants

1. Search for **Job Applicant** and click **Add Job Applicant**.
2. Enter the name and email, choose the **Job Opening**, and attach the CV.
3. Save. Update the **Status** as the person progresses: *Open*, *Replied*, *Hold*, *Accepted* or *Rejected*.

Interview

1. Search for **Interview Round** and define your rounds, such as *Screening* and *Panel*, with the interviewers.
2. From the applicant, click **Create > Interview**, and choose the round, date and time.

3. After the interview, each interviewer opens it and records **Feedback** and a rating, then submits.

Make an offer

1. From the applicant, click **Create > Job Offer**.
2. Enter the **Designation**, offer date and terms, and submit.
3. When the candidate accepts, set the offer **Status** to *Accepted*, then click **Create > Employee** to carry the details across.

Practical example

Mwangaza Hardware opens a *Cashier* vacancy and gets 12 applicants. HR rejects those who do not meet the requirements, schedules a screening round for five, and a panel round for two. The panel's feedback favours one candidate, who receives and accepts an offer. HR creates her employee record from the offer.

Important notes

- Applicants' CVs are personal data. Limit who can see them and delete those you no longer need.
- Do not set up salary until the offer is accepted. See Salary components and structures.

Common mistakes

- Leaving old openings *Open*, so they stay on your careers page.
- Recording feedback in email instead of the interview record.

Next steps

Read Shifts and rosters.

Related documentation

- Employees
- Human resources overview
- Salary components and structures

Human resources and payroll

Shifts and rosters

Define work shifts and assign them to employees so attendance and lateness are measured correctly.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

A **Shift Type** defines working hours, such as 8:00 to 17:00. A **Shift Assignment** gives a shift to an employee for a period. Shifts help the system judge whether staff arrived late, left early or worked a half day.

Prerequisites

A list of the shifts your business runs, and your employees created.

Steps

Create a shift type

1. Search for **Shift Type** and click **Add Shift Type**.
2. Enter a name, for example *Day Shift*, with the **Start Time** and **End Time**.
3. Set the **Grace Period** for late entry and early exit, in minutes.
4. Set the working hours that count as a **Half Day** and as **Absent**.
5. Save.

Assign shifts

1. Search for **Shift Assignment** and click **Add Shift Assignment**.
2. Choose the **Employee**, **Shift Type**, **Company** and the **Start Date**. Leave the **End Date** empty for an open-ended assignment.
3. Save and submit.

For many people, use **Shift Assignment Tool** or assign a **Default Shift** on each employee.

Night shifts

Set the end time earlier than the start time, for example 22:00 to 06:00, and the system treats it as crossing midnight.

Practical example

A pharmacy runs *Morning* (7:00 to 15:00) and *Evening* (15:00 to 23:00). Each week the manager assigns people to one or the other. Anyone who clocks in more than 15 minutes late is flagged as late.

Important notes

- Shifts alone do not record attendance. Attendance still needs to be marked manually or captured from a clock-in device. See Attendance and Biometric attendance.
- A person can have only one shift at a time.
- Overtime pay needs its own salary component. See Salary components and structures.

Common mistakes

- Overlapping assignments for the same employee.
- Forgetting the grace period, so many people look late.

Next steps

Read Employee advances and salary deductions.

Related documentation

- Attendance
- Employees
- Running payroll and payslips

Human resources and payroll

Employee advances and salary deductions

Give an employee a salary advance and recover it through payroll. Formal loans with interest are not available.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

An **Employee Advance** records money you give an employee before the work or expense happens, or as an advance on salary. You can recover it by having the employee claim it against expenses, return it, or have it deducted from salary.

Loans are not available

Hesabu ERP does not include a lending feature. There are no loan products, loan applications, interest or repayment schedules. For a loan you want recovered in instalments, record the advance, then create one **Additional Salary** deduction for each month.

Prerequisites

- The employee record exists. See Employees.
- A **Salary Component** of type *Deduction*, such as *Advance Recovery*. See Salary components and structures.
- An **Advance Account** set for the company, such as *Employee Advances*. See The chart of accounts.

Steps

Record the advance

1. Search for **Employee Advance** and click **Add Employee Advance**.
2. Choose the **Employee**, enter the **Purpose** and the **Advance Amount**.
3. Choose the **Mode of Payment** and check the **Advance Account**.
4. Save and submit. The status is *Unpaid*.
5. Click **Create**, then **Payment** to pay it. The status becomes *Paid*.

Recover it from salary

1. Open the paid advance and click **Create**, then **Deduction from Salary**.
2. An **Additional Salary** opens with the **Employee** and the unrecovered **Amount**. Choose the *Advance Recovery* **Salary Component** and the **Payroll Date**.
3. To recover in instalments, tick **Is Recurring**, set the **From Date** and **To Date**, and enter the monthly **Amount**.
4. Save and submit. The amount is deducted when you run payroll for that date. See Running payroll and payslips.

Other ways to settle an advance

- **Claim against expenses:** from the advance click **Create**, then **Expense Claim**. The claimed amount reduces what the employee owes. See Expense claims.
- **Return unused money:** click **Create**, then **Return**, and choose the bank or cash account.

The **Status** moves through *Unpaid*, *Paid*, *Claimed*, *Returned* or *Partly Claimed and Returned*. The **Pending Amount** shows what is still outstanding.

Practical example

A driver asks for a KES 30,000 salary advance. The manager approves it, and accounts pay it. HR creates a recurring **Additional Salary** of KES 5,000 from January to June. Each payslip shows the *Advance Recovery* deduction.

Important notes

- Deductions reduce take-home pay. Agree the amount with the employee in writing, and check Kenyan limits on salary deductions with your lawyer.
- No interest is calculated. If you charge interest, add it to the deduction amount yourself.
- Check that the pending amount reaches zero before the employee leaves. See Gratuity and final settlement.

Common mistakes

- Paying out cash without recording an Employee Advance.
- Forgetting to submit the Additional Salary, so nothing is deducted.
- Setting the recurring dates wrongly, so recovery stops early or runs too long.

Related documentation

- Salary components and structures
- Running payroll and payslips
- Expense claims

Human resources and payroll

Gratuity and end of service

Calculate service pay and final dues for an employee who leaves.

Advanced · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

When an employee leaves, you settle their **final dues**. These can include unpaid salary, accrued leave, notice pay and **gratuity** or service pay. Hesabu ERP has a **Gratuity** feature that calculates the amount from rules you define.

Prerequisites

The gratuity feature must be enabled in your plan. If **Gratuity Rule** does not appear in search, contact support.

> **Check the law.** Entitlements such as service pay and notice depend on the Employment Act, the person's contract and, in some cases, pension scheme membership. Confirm with your lawyer or the Ministry of Labour before you set your rules. Do not use the figures in the example as a legal standard.

Steps

Create a gratuity rule

1. Search for **Gratuity Rule** and click **Add Gratuity Rule**.
2. Name the rule and choose the **Calculate Gratuity Amount Based On**: the *Current Slab* or a *Sum of all previous slabs*.
3. In the slabs table, enter **From(Year)** and **To(Year)**, and the **Fraction of Applicable Earnings** (for example 0.5 for half a month's pay per year).
4. Choose the **Salary Component** that is used as the base, such as *Basic Salary*.
5. Save.

Calculate for a leaver

1. Search for **Gratuity** and click **Add Gratuity**.

2. Choose the **Employee** and the **Gratuity Rule**. The system works out **Current Work Experience** and **Total Amount** from the rule and the relieving date.
3. To pay through payroll, tick **Pay via Salary Slip** and choose the **Payroll Date** and **Salary Component**. An **Additional Salary** is created when you submit.
4. To pay separately, leave it unticked, set the **Payable Account**, **Expense Account** and **Mode of Payment**, submit, then click **Create Payment Entry**.

Final settlement checklist

1. Set the employee's **Status** to *Left* and the **Relieving Date**. See Employees.
2. Pay salary up to the last day, with unpaid leave deducted.
3. Pay out accrued leave if your policy or contract says so. See Leave types, allocations and applications.
4. Recover any outstanding advances. See Employee advances and salary deductions.
5. Calculate gratuity, and apply statutory deductions that are due on the final pay. See Kenyan statutory deductions.
6. Collect company property, and issue a certificate of service.

Practical example

A rule gives half a month's basic pay for each full year of service. A storekeeper with four completed years and a basic salary of KES 40,000 is owed 4 × 20,000 = KES 80,000 under this rule. HR creates the gratuity, adds it as an additional salary for the final month, and runs payroll.

Important notes

- Each rule applies to those it is written for. Use different rules for permanent and contract staff if needed.
- Keep a copy of the final settlement signed by the employee.

Common mistakes

- Setting the employee to *Left* before running the final payroll, so the slip is not created.
- Forgetting taxes that may apply to the final payment.

Next steps

Read Employee appraisals.

Related documentation

- Employees
- Salary components and structures
- Leave types, allocations and applications

Human resources and payroll

Employee appraisals and goals

Set goals, run review cycles and record each employee's performance rating.

Intermediate · About 30 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

Appraisals let you review performance on a regular schedule. You set the review period, give each employee goals, collect ratings and keep the history on the employee record.

> The appraisal screens differ slightly between versions of the module. If a name below does not match what you see, search for **Appraisal** and follow the fields on your screen.

Prerequisites

Employees created, with their managers set, and the HR Manager role.

Steps

Create an appraisal cycle

1. Search for **Appraisal Cycle** and click **Add Appraisal Cycle**.
2. Enter a name such as *Mid-year 2026*, and the **Start Date** and **End Date** of the period being reviewed.
3. Choose the **KRA Evaluation Method**: *Automated Based on Goal Progress* or *Manual Rating*.
4. On the **Applicable For** tab, filter by **Branch**, **Department** or **Designation**, and click **Get Employees**. Save.

Create a template

1. Search for **Appraisal Template** and click **Add**.
2. Add the **KRAs** (key result areas), such as *Sales targets* or *Customer service*, and give each a **Weight** so the total is 100%.
3. Add rating criteria if you use them. Save.

Run the cycle

1. In the appraisal cycle, click **Create Appraisals**, then **Start**.
2. Each employee gets an **Appraisal** with the KRAs.
3. The employee writes a **self review**, then the manager records their rating and feedback for each KRA.
4. The system works out the **final score**, by default the average of the goal, feedback and self appraisal scores. Submit once agreed. Templates are linked through the employee's designation.

Goals

1. Search for **Goal** and click **Add Goal**.
2. Enter the goal, the **Employee**, the dates and the **progress** measure.
3. Update the progress during the period, so reviews are based on facts.

Practical example

Every June and December, HR starts an appraisal cycle for the shop. Each manager rates their team on sales, stock accuracy and customer service. Scores of 80% or above are shortlisted for a bonus decision by the owner.

Important notes

- Appraisals are confidential. Limit access to HR and the line manager.
- Discuss the ratings with each employee in person, and keep the outcome with the record.
- Link pay changes to appraisals only through a new salary assignment. See Salary components and structures.

Common mistakes

- KRA weights that do not add up to 100%.
- Rating without goals set at the start of the period.

Next steps

Return to Human resources overview.

Related documentation

- Employees
- Human resources overview

Human resources and payroll

Biometric attendance

How fingerprint or face device check-ins become attendance, lateness and payroll days, and how to correct mistakes.

Intermediate · About 30 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Enterprise** plan. Contact us if you want to upgrade.

Overview

A biometric device, such as a fingerprint or face reader, records when each person arrives and leaves. Hesabu ERP turns those **check-ins** into **attendance**, decides who was late or absent, and uses the result when you run **payroll**.

Setting up the connection between the device and Hesabu ERP is done by our team. This article explains what happens inside Hesabu ERP once the device is connected, and what HR does every day and month.

How it fits together

1. The person puts a finger or face to the **device**.
2. The device sends the time and the person's device ID to Hesabu ERP. It is saved as an **Employee Checkin** with the type **IN** or **OUT**.
3. At a set time, Hesabu ERP reads the check-ins for each **shift** and creates one **Attendance** record per person per day: *Present*, *Half Day*, *Absent* or *On Leave*.
4. Payroll counts the days from attendance. See Running payroll and payslips.

Before you start

- A biometric device installed and connected by our team. Contact us to set it up.
- Employees created. See Employees.
- Shifts created and assigned. See Shifts and rosters.
- The **HR Manager** role.

Steps

1. Link each employee to their device ID

1. Open the **Employee** record.

2. In the attendance section, enter the **Attendance Device ID (Biometric/RF tag ID)** (the number the person was enrolled with on the device).
3. Save. Every device ID must be **unique**.

Staff are **enrolled** (their finger or face registered) on the device itself, by whoever manages it. Keep the device's user list and your employee list matching.

2. Set up the shift for automatic attendance

1. Open the **Shift Type**.
2. Tick **Enable Auto Attendance**.
3. Choose how check-ins are read: - **Strictly based on Log Type in Employee Checkin**: use when the device sends IN and OUT. - **Alternating entries as IN and OUT during the same shift**: use when the device sends only a time. The first punch is IN, the next OUT, and so on.
4. Set the **Begin check-in before shift start time** and **Allow check-out after shift end time**, in minutes, so early and late punches count for the right shift.
5. Choose **Working Hours Calculation Based On**: *First Check-in and Last Check-out*, or *Every Valid Check-in and Check-out*.
6. Set **Working Hours Threshold for Half Day** and for **Absent**. Less than the first is a half day, and less than the second is absent.
7. Set the **Late Entry Grace Period** and **Early Exit Grace Period**, and tick **Enable Late Entry Marking** or **Enable Early Exit Marking** if you want those flagged on the attendance. See Shifts and rosters.
8. Set **Process Attendance After** to the date you go live, so old records are not changed. Tick **Mark Auto Attendance on Holidays** only if staff who punch in on a holiday should be marked present.
9. Save. **Last Sync of Checkin** shows when the device data was last read.

3. Check that it works

1. Ask two or three staff to punch in and out.
2. Open **Employee Checkin** and look for their records with the correct time and type.
3. The next day, open **Attendance**. You should see a record for each, created automatically.
4. Check the status against what you expected.
5. If a punch is not linked to a shift, open the **Employee Checkin** and click **Fetch Shift**.

4. Every day

- Look at **Employee Checkin** for the previous day to confirm the device is sending data. If there are none, the device or its connection is down. Contact us.
- Open the **Monthly Attendance Sheet** for a quick view.

5. Correct mistakes

Situation	What to do
Someone forgot to punch	The employee or manager creates an **Attendance Request** with the date and reason. When approved, attendance is created
A wrong punch	Open the **Employee Checkin**, and correct or delete it. Then recreate the attendance for that day
Person on approved leave	Attendance is marked **On Leave** from the leave application. See Leave types, allocations and applications
Device was off for the day	Enter the day's attendance manually, or create the check-ins by hand, with a note
Someone punched for another person	Treat it as a disciplinary matter. Correct the record and tell the HR officer

Always keep a note of why a change was made.

6. At month end

1. Run through the **Monthly Attendance Sheet**. Look for absent days that should be leave, and half days that need review.
2. Make sure all attendance is **submitted**. Draft attendance is ignored.
3. Run payroll. See Running payroll and payslips. Days absent and leave without pay reduce the salary.

Practical example

A shop opens at 8:00 with a 10-minute grace period. Wanjiru punches in at 8:04 and out at 17:02: present. Otieno punches in at 8:20 and out at 12:15, so his working hours are below the half-day threshold: half day. Kamau does not punch at all and has no leave, so he is marked absent. He tells HR he was in a meeting off site, and his manager creates an attendance request. After approval, he is changed to present.

Privacy and fairness

Fingerprints and face data are **sensitive personal data** under the Kenya Data Protection Act. Before you start:

- Tell staff what you collect, why, and who can see it, and get their **written consent**.
- Limit who can view attendance and check-in records. See Permissions and restricting access.
- Keep the device and its software secure, and delete data for people who have left, as the law and your policy require.
- Ask your lawyer to review your policy.

Hesabu ERP stores the **times** and IDs it receives. Whether the device keeps fingerprint templates, and where, depends on the device. Ask our team and the device supplier.

Important notes

- Biometrics tells you **when** someone punched, not whether they worked. Use it with supervision.
- The device clock must be right. A clock that is wrong by minutes causes false late marks. Ask us to check it if staff complain.
- Employees who work in the field or from home need **Attendance Requests** or manual attendance.

Common mistakes

- Two employees sharing a device ID.
- Forgetting **Enable Auto Attendance** on the shift, so check-ins never become attendance.
- Not submitting attendance before payroll.
- Editing an attendance record without recording why.

Troubleshooting

Problem	Likely cause
Check-ins appear, but no attendance is created	Auto attendance is off on the shift, the employee has no shift, or **Process Attendance After** is later than the check-in date
A person has no check-ins	Their device ID is missing or wrong on the employee record
Everyone is marked late	Wrong shift start time, or the device clock is out
An overnight shift shows absent	The shift crosses midnight and is not set up as a night shift. See Shifts and rosters
No check-ins at all	The device or its connection is down. Contact us

Who to contact

Our team, for the device connection and any change to it. Call or WhatsApp us with your workspace address and the device model.

Next steps

Read Running payroll and payslips and the HR officer guide.

Related documentation

- Attendance
- Shifts and rosters
- Running payroll and payslips
- Employees
- Leave types, allocations and applications

Support

Call or WhatsApp 0117 801 786.
Support requests: https://www.hesabuerp.co.ke/support.html
Website: https://www.hesabuerp.co.ke
Online documentation: https://www.hesabuerp.co.ke/documentation/

When you contact us, please give your workspace address and a short description of what you were doing. A screenshot helps.