

• PROCUREMENT TOOLKIT

Payroll Vendor Evaluation Kit

Complete procurement framework for HR leaders, CFOs, and Finance Managers evaluating payroll vendors. Five ready-to-use documents for structured, objective vendor selection.

WHAT'S INCLUDED

- | | | |
|----|--|--------------------------------|
| 01 | Payroll Vendor Evaluation Checklist | 38 criteria across 6 areas |
| 02 | Vendor Comparison Scorecard | Weighted scoring for 5 vendors |
| 03 | Payroll Software RFP Template | 8 sections, ready to send |
| 04 | Implementation Readiness Checklist | 20-point pre-go-live checklist |
| 05 | CFO Payroll Approval Worksheet | ROI + risk quantification |

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What's inside this kit

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03	Payroll Software RFP Template 8-section template ready to send to shortlisted vendors. Complete Section 1 internally.	p. 7–9
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05	CFO Payroll Approval Worksheet Financial justification with ROI, payback period, and risk quantification for board-level approval.	p. 11–12

HOW TO USE THIS KIT

Before demos

Send Document 03 (RFP) to shortlisted vendors. Require written responses before scheduling demos.

During demos

Use Document 01 (Checklist) live. Mark only what you witness. Score each vendor with Document 02 (Scorecard).

After selection

Complete Document 04 (Readiness) before kickoff. Use Document 05 (CFO Worksheet) for internal approval.

DOCUMENT 01

Payroll Vendor Evaluation Checklist

HOW TO USE THIS DOCUMENT

Use during live vendor demos. Mark each item Confirmed / Not Confirmed / Needs Verification based on what you witness — not what the vendor claims verbally.

Section A — Statutory Compliance

10 items

Evaluation Item	Confirmed	Not Confirmed	Needs Verification
PF ECR file generated without manual editing — demonstrated live	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESIC challan computed at 3.25% employer rate with auto-eligibility check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TDS calculated simultaneously under old and new tax regime per employee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Form 130 generated (not Form 16) — sample document shown during demo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PT configured for all 26 states — not just major states	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labour Code 2025: 50% basic wage rule applied in PF computation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labour Code 2025: 2-day F&F settlement workflow demonstrated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statutory compliance calendar with deadline alerts — live view	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Auto-update mechanism for statutory rate changes confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compliance update history for last 12 months available on request	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section B — Security and Data Governance

6 items

Evaluation Item	Confirmed	Not Confirmed	Needs Verification
ISO 27001 certificate number and renewal date obtained in writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CMMI Level 5 certification confirmed with documentation (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AES-256 encryption for data at rest and in transit confirmed in writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DPDP Act 2023 compliance position documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audit trail immutability tested — admin user cannot delete or edit entries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Role-based access control demonstrated with at least 3 user roles shown live	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C — Integrations

8 items

Evaluation Item	Confirmed	Not Confirmed	Needs Verification
Attendance system integration — your specific system name confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Biometric device model compatibility confirmed (not just brand)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration is API/push-based — not CSV export-import	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting software integration — your specific tool confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GL journal entries pushed automatically after each payroll run	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HRMS integration — new joiner auto-populates payroll without re-entry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank transfer file generated in your bank's specific NEFT/RTGS format	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ERP integration confirmed with timeline if applicable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section D — Implementation

6 items

Evaluation Item	Confirmed	Not Confirmed	Needs Verification
Dedicated implementation manager assigned — name and contact provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Implementation timeline documented with milestones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data migration scope confirmed: employee master, historical payroll, statutory records	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parallel run included as standard — not a premium add-on	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Post-go-live hypercare period confirmed in contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training for HR, payroll, and finance teams included in scope	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section E — Customer Support

4 items

Evaluation Item	Confirmed	Not Confirmed	Needs Verification
Named account manager or dedicated payroll relationship manager confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Payroll-day support SLA committed in writing — target response under 2 hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Escalation path for statutory emergencies documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statutory notice handling responsibility defined in contract (EPFO/TRACES/PT)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section F — Scalability and Exit Terms

4 items

Evaluation Item	Confirmed	Not Confirmed	Needs Verification
Pricing at 2x current headcount confirmed in writing before contract signature	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multi-entity support confirmed with per-entity pricing disclosed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data portability clause in contract — full export in usable format on request	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contract exit terms reviewed — no financial penalty for early exit confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section Scores Summary

Section	Items	Confirmed	Not Confirmed	Needs Verification	Status
A — Statutory Compliance	10	___	___	___	<input type="button" value="Pass"/> <input type="button" value="Fail"/>
B — Security and Data Governance	6	___	___	___	<input type="button" value="Pass"/> <input type="button" value="Fail"/>
C — Integrations	8	___	___	___	<input type="button" value="Pass"/> <input type="button" value="Fail"/>
D — Implementation	6	___	___	___	<input type="button" value="Pass"/> <input type="button" value="Fail"/>
E — Customer Support	4	___	___	___	<input type="button" value="Pass"/> <input type="button" value="Fail"/>
F — Scalability and Exit Terms	4	___	___	___	<input type="button" value="Pass"/> <input type="button" value="Fail"/>
TOTAL	38	___	___	___	<input type="button" value="Proceed"/> <input type="button" value="Reject"/>

Vendor: _____ Evaluated by: _____ Date: _____

DOCUMENT 02

Vendor Comparison Scorecard

HOW TO USE THIS DOCUMENT

Score each criterion 1–10 during the demo. Multiply by weightage for weighted score. The vendor with the highest total is your recommended choice, subject to contract review.

Step 1 — Enter Vendor Names

Label	Vendor A	Vendor B	Vendor C	Vendor D	Vendor E
Vendor Name:					

Step 2 — Score Each Criterion (1 = Poor, 10 = Excellent) x Weightage = Weighted Score

Evaluation Criteria	Wt.	Priority	Vendor A	Vendor B	Vendor C	Vendor D	Vendor E
India statutory compliance depth	25%	Critical	__x25%	__x25%	__x25%	__x25%	__x25%
Labour Code 2025 readiness	10%	Critical	__x10%	__x10%	__x10%	__x10%	__x10%
Security certifications (ISO 27001, CMMI)	10%	Critical	__x10%	__x10%	__x10%	__x10%	__x10%
Integration capability (named systems)	10%	High	__x10%	__x10%	__x10%	__x10%	__x10%
Implementation quality and parallel run	10%	High	__x10%	__x10%	__x10%	__x10%	__x10%
Customer support SLA	10%	High	__x10%	__x10%	__x10%	__x10%	__x10%
Scalability (multi-entity, EOR)	8%	High	__x8%	__x8%	__x8%	__x8%	__x8%
Reporting and CFO analytics	7%	Medium	__x7%	__x7%	__x7%	__x7%	__x7%
Mobile experience	5%	Medium	__x5%	__x5%	__x5%	__x5%	__x5%
Data portability and exit terms	5%	High	__x5%	__x5%	__x5%	__x5%	__x5%
Total Weighted Score	100%		__/100	__/100	__/100	__/100	__/100

Step 3 — Decision Summary

#	Vendor Name	Score	Key Strength	Key Concern	SLA	Decision
#1	_____	__/100	_____	_____	__ hrs	<input type="button" value="Proceed"/> <input type="button" value="Reject"/>
#2	_____	__/100	_____	_____	__ hrs	<input type="button" value="Proceed"/> <input type="button" value="Reject"/>
#3	_____	__/100	_____	_____	__ hrs	<input type="button" value="Proceed"/> <input type="button" value="Reject"/>
#4	_____	__/100	_____	_____	__ hrs	<input type="button" value="Proceed"/> <input type="button" value="Reject"/>
#5	_____	__/100	_____	_____	__ hrs	<input type="button" value="Proceed"/> <input type="button" value="Reject"/>

Recommended vendor: _____ Evaluated by: _____ Date: _____

DOCUMENT 03

Payroll Software RFP Template

HOW TO USE THIS DOCUMENT

Complete Section 1 internally. Send the full document to all shortlisted vendors. Require responses in the Section 7 format.

Section 1 — Company Overview and Context

Company Name	
Industry / Sector	
No. of Employees	_____ permanent _____ contract _____ daily wage
States of Operation	
Current Payroll Method	<input type="checkbox"/> Manual <input type="checkbox"/> Spreadsheet <input type="checkbox"/> Software (name: _____)
Worker Types Present	<input type="checkbox"/> Permanent <input type="checkbox"/> Contract/CLRA <input type="checkbox"/> Daily Wage <input type="checkbox"/> Apprentice
Current Pain Points	
Attendance System	
Accounting Software	
Salary Banking Partner	
Target Go-Live Date	

Section 2 — Statutory Compliance Requirements

Requirement	Natively	Configurable	Not Supported	Add-on Cost
PF ECR generation without manual editing — EPFO portal compatible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
ESIC challan at 3.25% employer rate with auto-eligibility check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
TDS under old and new tax regime simultaneously per employee declaration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Form 130 generation (replacing Form 16 — Income Tax Act 2025)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Professional Tax for all states listed in Section 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Labour Code 2025: 50% basic wage rule applied in PF computation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Labour Code 2025: 2-day F&F settlement automation confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Statutory rate auto-update mechanism with documented process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Section 3 — Technical and Integration Requirements

Requirement	Natively	Configurable	Not Supported	Add-on Cost
Attendance system integration — API/push-based (our system: _____)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Biometric device model compatibility (our device model: _____)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Accounting software integration — push-based (our tool: _____)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
GL journal entries auto-posted after each payroll run	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
HRMS integration — new joiners in HRMS auto-populate payroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Bank transfer file in our required format (bank: _____)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Role-based access control — configurable per role type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
ISO 27001 and DPDP Act 2023 compliance — documentation provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Immutable audit trail — admin cannot delete or edit entries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
API access for custom integrations available in base plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Section 4 — Implementation Requirements

Requirement	Natively	Configurable	Not Supported	Add-on Cost
Dedicated implementation manager assigned — name and contact provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Data migration included: employee master, historical payroll, statutory records	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Parallel run for one full payroll cycle — standard, not a premium add-on	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Implementation timeline confirmed in writing (target: _____ weeks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Training for HR, payroll, and finance teams included in scope	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Post-go-live hypercare period confirmed in contract (minimum _____ months)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Section 5 — Support Requirements

Requirement	Natively	Configurable	Not Supported	Add-on Cost
Named account manager or dedicated payroll relationship manager confirmed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Payroll-day support SLA committed in writing — response under _____ hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Escalation path for statutory emergencies documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Statutory notice handling (EPFO/TRACES/PT) defined in contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Section 6 — Commercial Requirements

Requirement	Natively	Configurable	Not Supported	Add-on Cost
All-in pricing at current headcount (_____ employees): INR _____/month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Pricing at 2x headcount confirmed in writing: INR _____/month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Form 130 generation included in base price — not an add-on	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Multi-state PT for all listed states included in base price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Implementation fee disclosed (one-time): INR _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Training cost disclosed (one-time): INR _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Contract term and minimum commitment period: _____ years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Data portability — full export on request at any time — contract clause	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Exit terms — no financial penalty for early exit confirmed in writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

Section 7 — Vendor Response Format

Vendors must respond in writing using one of these four categories. Verbal confirmation is not sufficient.

Supported Natively

Fully built-in — no configuration or cost required

Supported with Config

Available but requires setup — confirm timeline and effort

Not Supported

Not available — disqualifying if marked critical

Available as Add-on

Separately priced — vendor must disclose exact cost

Section 8 — Client Reference Requirements

Provide minimum 3 references of similar employee count and industry. References to be contacted without vendor present.

#	Company Name	Contact Name and Role	Phone / Email	Employees	Industry	Since
1	_____	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____	_____

DOCUMENT 04

Implementation Readiness Checklist

HOW TO USE THIS DOCUMENT

Confirm all 20 items before implementation kickoff. Items marked Pending or Blocked must be resolved at least 5 business days before start. Share with vendor on day one.

Section A — Data Preparation

7 items

Readiness Item	Owner	Status
Employee master cleaned: name, PAN, Aadhaar, bank details, date of joining	HR Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
PF UAN numbers collected for all enrolled employees	HR Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
ESIC IP numbers collected for enrolled employees	HR Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Salary structures documented per employee grade — minimum 1 template per grade	HR/Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Historical payroll data extracted from current system — last 12 months minimum	Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
PT state confirmed per employee based on work location (not HQ)	HR Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
PF, ESIC, and PT registration numbers for all legal entities collected	Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked

Section B — Systems and Access

5 items

Readiness Item	Owner	Status
Attendance system admin credentials shared with implementation team	IT Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Biometric device admin access provided (device IP + login credentials)	IT Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Accounting software credentials provided for GL integration setup	Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Bank account details for salary disbursement confirmed: account number, IFSC	Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
HR admin team identified and available for configuration calls (min 2 days/week)	HR Head	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked

Section C — Process Confirmation

4 items

Readiness Item	Owner	Status
Payroll calendar defined: target date each month payroll should run	HR Head	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Approval workflow defined: who inputs, who approves, who disburses	HR/Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Leave policy documented and ready for system configuration	HR Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Statutory compliance calendar reviewed and deadline alerts configured	HR/Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked

Section D — Parallel Run Preparation

4 items

Readiness Item	Owner	Status
Last month payroll register from current system available for comparison	Finance	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Test employee set defined: minimum 10 — covering all structures, states, types	HR Team	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Parallel run date confirmed with vendor implementation manager	HR Head	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked
Sign-off criteria defined: acceptable variance threshold before go-live	Finance Head	<input type="checkbox"/> Ready <input type="checkbox"/> Pending <input type="checkbox"/> Blocked

Implementation Readiness Sign-Off

Role	Name	Signature	Date	Status
HR Head	_____	_____	_____	<input type="checkbox"/> Ready <input type="checkbox"/> Not
Finance / CFO	_____	_____	_____	<input type="checkbox"/> Ready <input type="checkbox"/> Not
IT Head	_____	_____	_____	<input type="checkbox"/> Ready <input type="checkbox"/> Not
Implementation Manager (Vendor)	_____	_____	_____	<input type="checkbox"/> Ready <input type="checkbox"/> Not
Kickoff: _____ Parallel Run: _____ Go-Live Target: _____				

DOCUMENT 05

CFO Payroll Approval Worksheet

HOW TO USE THIS DOCUMENT

Complete Sections 1 to 3 for cost analysis. Section 4 calculates ROI. Section 5 quantifies compliance risk for board approval.

Section 1 — Current State Cost

Cost Item	Monthly	Annual
HR/payroll team time (hours x loaded cost)	_____	_____
Compliance errors and penalties (last 12 months)	_____	_____
Manual reconciliation (payroll to accounting)	_____	_____
Current software subscription	_____	_____
Audit preparation time	_____	_____
Total Current State Cost	_____	_____

Section 2 — Proposed Solution Cost

Cost Item	Monthly	Annual
Software subscription — all modules, all-in	_____	_____
Implementation fee (one-time, amortised)	_____	_____
Training cost (one-time, amortised)	_____	_____
Integration setup costs (IT developer time)	_____	_____
Ongoing support tier above base subscription	_____	_____
Total Proposed Cost	_____	_____

Section 3 — Projected Savings

Saving Category	Monthly	Annual
HR time recovered (hours x loaded rate)	_____	_____
Compliance penalty elimination	_____	_____
Statutory notice response cost eliminated	_____	_____
Reconciliation effort eliminated	_____	_____
Audit preparation time saved	_____	_____
Total Projected Savings	_____	_____

Section 4 — ROI Summary

Metric	Calculation Method	Value (INR)
Total Current State Cost (annual)	From Section 1 Total	_____
Total Proposed Cost (annual)	From Section 2 Total	_____
Total Projected Savings (annual)	From Section 3 Total	_____
Net Annual Saving	Section 3 minus Section 2	_____
One-Time Implementation Cost	Section 2 before amortisation	_____
Payback Period	One-time cost / monthly net saving	_____
Year 1 Net Benefit	Net saving minus one-time costs	_____
Year 2 Net Benefit	Net annual saving (no one-time costs)	_____
Year 3 Net Benefit	Net annual saving Year 3	_____
3-Year Total Net Benefit	Year 1 + Year 2 + Year 3	_____

Section 5 — Risk Quantification: The Cost of Staying on the Current System

Quantify compliance and operational risk exposure. Often the most persuasive argument for board-level approval.

Risk Category	Description / Incident History	Annual Exposure (INR)
PF/ESIC penalty exposure	12% interest p.a. + damages up to 100% of dues (EPF and MP Act)	_____
PT penalty exposure	Per-state penalties for missed filings — varies by state	_____
TDS short-deduction liability	Section 201 liability + TRACES notices + legal costs	_____
Statutory notice legal costs	Legal/consultant fees per notice received	_____
Employee trust and attrition	Estimated attrition cost from repeated payroll errors	_____
Audit finding and remediation	Statutory and internal audit penalty + remediation cost	_____
Total Annual Risk Exposure	Estimated annual exposure under current system	_____

Section 6 — Investment Decision Summary and Approval Sign-Off

Investment Decision Summary

Recommended Vendor	_____
Contract Value (Annual, INR)	_____
Contract Term	_____
3-Year Total Investment (INR)	_____
Projected 3-Year Net Benefit (INR)	_____
Payback Period	_____
Annual Risk Exposure Eliminated (INR)	_____

Approval Sign-Off

Approver	Name	Signature	Date	Decision
Finance Head	_____	_____	_____	<input type="button" value="Approved"/> <input type="button" value="Declined"/>
CFO	_____	_____	_____	<input type="button" value="Approved"/> <input type="button" value="Declined"/>
CEO / MD	_____	_____	_____	<input type="button" value="Approved"/> <input type="button" value="Declined"/>

Board Notification: Yes No Threshold: INR _____ Date: _____

THREE THINGS TO CONFIRM IN WRITING BEFORE SIGNING ANY PAYROLL CONTRACT

- 1 Data Portability:** Request a complete export of all historical payroll data and Form 130 archives on demand — always.
- 2 Support SLA:** Get the payroll-day support response time in the contract — not just in the sales conversation.
- 3 Compliance Updates:** Confirm in writing that statutory rate changes are applied automatically before the effective date.



Powering people behind your business

About TankhaPay

Developed by Akal Information Systems Ltd. (Est. 1998). CMMI Level 5 | ISO 27001 | ISO 9001 | ISO 20000. India's only payroll platform combining payroll software, managed payroll outsourcing, domestic and international EOR, NATS apprenticeship management, and global talent mobility. Trusted by 1,000+ enterprises including Bank of Baroda and UIDAI.

Our Services

- **Payroll Software** tankhapay.com/payroll/payroll-software
- **NATS Apprenticeship** tankhapay.com/nats-apprenticeship
- **India / Global EOR** tankhapay.com/emploer-of-record
- **Payroll Outsourcing** tankhapay.com/payroll/payroll-outsourcing
- **AI Hiring** tankhapay.com/recruitment
- **Compliance Checklist** tankhapay.com/blog/payroll-compliance-checklist

READY TO EVALUATE TANKHAPAY?

PHONE

+91 989-198-8811

WEBSITE

tankhapay.com

EMAIL

marketing@tankhapay.com