

Annual, Quarterly, and Other Non-Recurring Bonus Accruals

Purpose

This article explains how non-recurring bonuses, such as annual, quarterly, semi-annual, or one-time incentive payments, should be processed in FirstBIT ERP configurations.

System Behavior

In the current FirstBIT ERP payroll functionality, accruals assigned in the [Employment Contract document](#) are considered recurring payroll components.

The payroll engine operates on a monthly calculation cycle, and the system does not provide additional accrual frequencies such as:

- Quarterly;
- Semi-annual;
- Annual;
- One-time;
- Any other non-monthly period.

As a result, any accrual assigned in the **Employment Contract** document (or - [Employment Contract Change](#) document) will automatically be included in the **Payroll Calculation** document every payroll period.

How to Process Non-Recurring Bonuses

Bonuses that should be paid less frequently than monthly, such as:

- Annual sales bonuses;
- Quarterly performance bonuses;
- Year-end incentives;
- One-time management bonuses;
- Other irregular compensation payments;

should not be assigned in the **Employment Contract** document.

Instead, these accruals should be entered manually during the payroll period in which they are due.

To process such payments:

1. Do not assign the bonus accrual in the **Employment Contract** document.
2. Create or open the corresponding **Payroll Calculation** document.
3. Add the required accrual manually.
4. Enter the calculated bonus amount.

If the bonus amount depends on KPIs, sales figures, project profitability, or other performance indicators, the amount should be calculated beforehand according to the company's internal rules.

Additional Information

The standard FirstBIT ERP functionality does not support automatic generation of annual, quarterly, or other non-recurring bonus accruals.

If the organization requires automatic calculation and generation of such bonuses based on specific business rules, additional customization or separate processing may be required.

Example

An organization pays employees an annual sales bonus every December.

Since FirstBIT ERP supports only monthly recurring accruals within the **Employment Contract**, the annual bonus should not be assigned there.

Instead, in December payroll processing, the payroll specialist should manually add the bonus amount to the **Payroll Calculation** document.

This approach can also be applied to quarterly, semi-annual, and other irregular bonus payments.

Thank you for being FirstBIT customer!