

# Timekeeping in Compliance with DCAA MyWebTimesheets

Businesses that obtain federal contracts must follow DCAA ( Defense Contract Audit Agency) and DOL (Department of Labor ) timekeeping rules.

## DCAA compliance and How does it work?

When you secure a government contract, the DCAA (Defense Contract Audit Agency) is required to guarantee that your company meets all timekeeping and accounting regulations. This implies that your business needs to abide by the DCAA standards so that the agency can evaluate you more easily.

Following these guidelines is referred to as DCAA compliance.

The DCAA timekeeping standards govern how to record an employee's working hours. In the opinion of the authorities, time tracking records indicate that no time was lost and no fraud was committed regarding work hours.

Because of this, it's essential to maintain precise timesheets detailing each employee's work hours to achieve DCAA compliance.

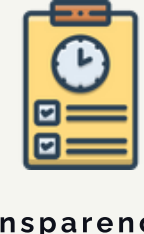
DCAA conducts surprise audits to determine whether contractors follow their timekeeping policies. Their representatives may come to your business and speak with the staff to ensure everything is in order. This technique is referred to as a floor check.

A DCAA audit investigates whether government contractors comply with the following:

- Perform daily time recording
- Maintain accurate records with audit trails for all modifications.
- Practice thorough reporting.
- Get necessary clearances from your superiors and more.

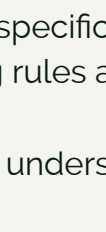
## Benefits of timekeeping that complies with DCAA

In addition to receiving a federal contract, adhering to the DCAA timekeeping rules provides several other benefits. These are a few of them:



### • Streamlined Processes and Flow

A tight timekeeping policy encourages everyone to prioritize their work and break it down into smaller, easier-to-manage activities.



### • No late payments to your business

The way you track your time helps you stay on top of all the necessary paperwork, like reports and invoices, which you can send to your clients promptly.



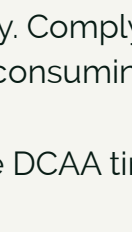
### • Improved Transparency in operations

Timesheets are kept by the employees and are available at all times.



### • Increased Efficiency

The daily tracking of time allows you to observe how employees use their work hours and determine whether or not there is room for productivity improvement.



### • Scope for Future contracts

Passing DCAA audits increases your chances of landing future government contracts.



### • Data-driven judgments

Gaining in-depth knowledge of how employees use their time can help you better prioritize activities and decide which projects to take on.

## DCAA Timekeeping Compliance Checklist

We will get into the specifics of the DCAA's timekeeping standards shortly. Complying with the DCAA's timekeeping rules and regulations can be challenging and time-consuming.

But first, to help you understand it better, below is a condensed list of the DCAA time tracking requirements:

- **Everyone in your organization must keep track of time.**
- **All work hours must be recorded by employees (even Overtime, vacation, unpaid, etc.).**
- **Employees are responsible for keeping track of their time (managers and supervisors must not log time for others).**
- **Employees must keep a daily time log (Employees should complete all timesheets at the end of each day).**
- **Employees must indicate which project or task they worked on (all time entries must be grouped by project/task).**
- **You must have transparent submission and approval processes.**
- **The time sheets must be examined and approved by both the employee and the manager.**
- **The process and rules for timekeeping must be understood by all employees (via training and public procedures).**
- **Continuously but discretely remind staff of time monitoring standards.**
- **If approved (that is, locked) timesheets are changed, you need unchangeable documentation and an audit trail (so it's clear what was changed, when, and why).**
- **Time reports must be prepared at least once a month and indicate the consequences of charges to the contract (if not more frequently).**
- **Whoever approves timesheets can not also be responsible for running payroll (In other words, your accountant and timesheet administrator cannot be the same person).**

## MyWebTimesheets - DCAA Compliance Features

### Establishing an Organization-Wide Timekeeping Policy

Creating a documented timekeeping policy that complies with the DCAA criteria is the first step in guaranteeing compliance.

This policy will advise the DCAA auditors of what to anticipate from your time tracking system and act as a guide for your staff.

### Ensuring complete knowledge of the time-tracking processes

The time tracking procedures must be well understood by all employees to ensure that employees accurately log their hours.

Both the supervisor and the staff should be able to grasp and follow these processes quickly.

During a floor check, the DCAA could question any employee on the process flow, so it's imperative that everyone is ready and has clarity.

Additionally, you and your employees can log time anywhere, across numerous devices, and have all data synced with DCAA-certified time tracking software.

Employees can use MyWebTimesheets to log the work done as time entries.

MyWebTimesheets enables you to lock timesheets and implement timesheet approval to stop people from entering backdated entries. By enabling these features, the time records are protected from data theft.

Remember that supervisors are only permitted to record time for their staff members if there is a legitimate basis for doing so, such as recording time for staff members on sick leave or traveling on business.

### Daily Time-Tracking Practice

All staff should record their time daily in real time. Also included are unpaid hours, overtime, and compensated vacation time.

Employees should only record their time for the present day and not for previous days or future days.

As all activities need to be documented daily, using a digital solution such as timesheet software like MyWebTimesheets is ideal. It is simpler, quicker, and more accurate than manually keeping time.

### Labour Cost Estimates

Whether your team is paid by the hour or not, DCAA bases its project cost calculations on the number of hours your team contributed.

Based on the number of hours worked, MyWebTimesheets automatically calculates labor costs. Set the hourly rate for each person; anytime you run a time report, you'll see the hours worked and labor costs.

### Timekeeping requirements for Overtime

All overtime must be documented, regardless of whether personnel is paid hourly or receive fixed pay.

The average hourly rate of an employee changes based on the number of hours they've worked, i.e., overtime.

Labor costs can only be accurately calculated by recording overtime.

You may compare the estimated and actual time for each user to discover who has gone over their allotted time or is almost there.

Alternatively, you can look up your employees' work hours in the weekly report to determine if anyone has put in more than 8 hours per day or 40 hours per week.

Overtime is classified into two types:

- **Unpaid Overtime** — For Fair Labor Standards Act exempt workers (salaried workers making a minimum of \$684 per week) (FLSA). Unpaid overtime occurs when the employee receives a fixed salary under the terms of the contract, which stays the same regardless of how many hours they work.
- **Paid Overtime** is permitted under the FLSA for nonexempt workers (including other paid and hourly workers). Such overtime must be compensated.

Your employees' timesheets need to account for both sorts of overtime.

A failure to register overtime may be construed as fraud. Every hour of overtime reduces the effective hourly rate paid to the company's exempt employees, thereby increasing profits.

## Keeping track of paid time off

Paid time off comprises:

Statutory holidays

sick leave

vacation leave

personal days

parental and family leaves

bereavement leave.

MyWebTimesheets will ensure that employees do not log time on days when they are on leave.

Generally, it is required to disclose all time spent at work.

### Organize all logged time by project/task

DCAA requires the company to identify the projects and tasks on which the employees logged work hours.

Employees must enter their time for each task they begin under the project to which it belongs.

### Recording all Alterations

All modifications to time tracking data must be recorded so the government can understand why the modifications were made.

Once again, you can use the MyWebTimesheets locked timesheets feature to confirm that all the information is accurate and up to date. This ensures that no one can edit entries beyond the date and hour you set.

You can use an audit log provided by MyWebTimesheets to keep track of all the modifications. You may view who made what changes and when by turning on this feature.

### Employees approving timesheet entries

The employee must personally sign off on the timesheet while submitting the timesheet for approval. In MyWebTimesheets, you can do this using a PIN Number, Password, or Digital signature.

### Employees and managers jointly approve timesheets.

Users can send in their weekly time sheets for approval.

Supervisors can then review a thorough summary of their timesheets to ensure that everything is appropriately categorized.

Admins can formally approve timesheets after employees and managers have verified that everything is in order. Once a timesheet has been accepted, it is no longer editable.

Employees can log additional time and submit the revised entry for approval if they need to modify approved timesheets due to an error.

Alternatively, administrators can change the timesheet and remove approval. You (and DCAA) will be able to readily trace modifications made when an admin withdraws consent since an audit trail of the changes will be left behind.

### Separation of labor-related duties from timekeeping

Separate the duties of payroll and other labor-related tasks from those linked to timekeeping.

Employee time tracking information should be outside the jurisdiction of the payroll department.

The management might ask that all staff members create summary reports of their time-tracking activity and export them as PDF files once the monthly time-tracking is complete. Once received, the manager can send these reports to payroll.

## Allocation of expenses to pertinent cost targets

To correctly calculate billable hours, be careful to include the hourly rates of every team member in the workspace.

If you have an hourly rate as the default for the entire MyWebtimesheets workspace, all projects and team members' rates will be determined using this rate. Enter the price in the workspace settings.

On the project's page, you can also specify special hourly rates for each project.

As an alternative, you can establish hourly rates for every team member involved in a project, and the rates will be determined using that information.

Determining the pricing for each job per the DCAA regulations will be simple once you have your hourly rates under control.

## Employee task assignment

The project manager should make it apparent who is responsible for each work, with the manager assigning tasks and the employee carrying them out.

## Obtaining Access to Time-Tracking Software

All employees should take precautions to ensure the safety of their login credentials for the time and attendance system.

Users added to the system are sent a link inviting them to join MyWebTimesheets and create their strong passwords.

DCAA suggests password changes at least once every six months to keep data entirely safe.

You can rely on the single sign-on system (SSO) functionality offered by MyWebTimesheets if you wish to take further precautions to secure user access.

## Approving time sheets

Every timesheet needs to be signed, ideally electronically.

However, the manager can print off the timesheets and manually sign them if necessary.

## Monthly cost information releases

There has to be a report on costs and billable amounts at least once a month.

In MyWebTimesheets, you can quickly produce this data every month.

Every day of the month, you'll see how much is billable and how much isn't.

## Mandatory timekeeping participation

All personnel inside the organization must cooperate and engage in timekeeping to achieve the relevant standards.

**Note:** Using timekeeping software alone will not make you DCAA compliant.

Utilizing MyWebTimesheets or any other time-tracking software does not automatically make you DCAA compliant; it does enable you to track time in a way that complies with the standards of the DCAA.

Administrators, for instance, can change employee timesheets in MyWebTimesheets (with an audit log). Keep in mind, however, that per DCAA, managers should only make changes to an employee's timesheets with the employee's knowledge and approval.

In this specific situation, you need to ensure that time is locked down so that it cannot be changed, at least not without a documented record of the change (for audit purposes).