



TimeControl® Timesheet Types White Paper

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A timesheet is a timesheet is a timesheet, isn't it?

Well, no. At least that hasn't been the experience here at HMS over the last 2 decades. When an organization chooses a timesheet it is often looking from a single perspective and it is usually a surprise to those people that there is more than one perspective to be had. Each group or aspect of the organization may have different requirements for how they need to collect and analyze hours and costs and this can result in organizations having multiple timesheets. It is not that the organization wishes to deploy multiple timesheets but different perspectives make for different needs. TimeControl was designed to fulfill many different requirements at the same time.

Though there may be no limit to the number of timesheet types that exist, here are some of the most common categories:

Time and Attendance for Payroll

Time and Attendance timesheets are the most prolific type of timesheets on the market. They are typically delivered as part of the Human Resources (HR) system or the Payroll or ERP systems. Time and Attendance systems focus primarily on how much time you have spent working for the organization during a particular period and whether or not you should be paid for this time. They usually allow for the entry of whether or not an employee worked, whether special pay is required for example for overtime, exception days such as holidays, vacation or, sick leave.

Time and Attendance timesheets are divided into two types of entry: Positive-Entry or By-Exception. A Positive-Entry system requires each employee to complete his or her timesheet for a given period. A By-Exception system requires a timesheet only for recording absences with the reason for the absence.

Time and Billing

Time and Billing systems are most commonly used for professionals such as lawyers, accountants and consultants but are also often found within large organizations for internal chargeback of hours between departments. The basic purpose of a time and billing system is to capture hours, apply rates to those hours and then generate and justify invoices to clients. The key element of each detail item is the client identifier. Most time and billing systems allow for a descriptive element. This is to ensure that there is enough information to justify an invoice for each period. Terms such as “project” and “task” are common in such systems but they are usually best thought of as qualifiers for an invoice rather than a pre-determined set of tasks each with a schedule, budget and scope.

Time and Billing systems are often driven by per-client rates rather than per-employee, or per-project rate schemes.

Job Costing Timesheets

Job costing can be required for numerous purposes, not the least of which is profit analysis on a job-by-job basis. Job Costing timesheets require that all time spent on the job be priced at real internal costing amounts. This may not be at all a match for the invoicing of time as job costing may include tasks which are shared among many jobs and tasks which are not costed at all as they include marketing or training or other non-invoiceable time. Additionally, invoicing may include tasks that are not a part of job costing such as contingency, overhead and others.

Human Resources exception timesheets

Human Resources Departments will also often require a timesheet to track time when an employee is not present. This is sometimes done as part of the payroll’s time and attendance system and sometimes done distinctly by HR. HR is often tasked with tracking the entitlements of employees such as remaining sick leave, vacation time, personal time off or other such time and ensuring that policies regarding the time allotted and time taken per

employee are respected. The HR department may also be responsible to track banked overtime or other banked time to ensure it is accumulated and used appropriately

Project/Task tracking timesheets

These days, almost every project scheduling system includes some kind of timesheet entry. These interfaces are designed to allow end-users to enter time against any activity. The data, once entered, is used to update the activity's resource progress. There is often some level of project-manager approval commonly referred to as line-item approval.

For many project management environments, this type of timesheet is all that is required. However, these timesheets and the architecture used to produce them are rarely sufficient for financial purposes. It would be unfair to characterize this as a deficiency of these systems. The first thing to remember is that most project management systems are, by their very nature, forward-looking planning and analysis tools. For a planner, the actual-hours per task is only interesting to the degree it reveals the future. A planner, for example, might elect to delete a task from a project. Perhaps future plans have changed and no additional work will be done on that task. Or, perhaps the task will be replaced by two or three other tasks which have been now defined in more detail. No problem for the planner, they are only interested in what will happen in the future. For anyone interested in historical data such as a Financial timesheet however, there may be more of a problem. In many project/task update systems, the loss or change of an activity means the automatic removal of any data linked to that task. Even if data is not deleted, the financial controls such as post-period adjustments, financial approvals, and business rules compliance are rarely managed within such systems. Even simple functions such as determining if all timesheets have been entered are often not supported in such a system. This makes project-update timesheets best suited when only the project data must be updated.

This category is made more complicated if more than one project management system is in use. If there is a mix, for example of Microsoft Project, Primavera, Project Server 2013 and Project Server 2016, collecting actuals could require multiple systems. In this example, it might need up to four separate timesheets just to collect the progress on these projects.

Research and Development Tax Credit Timesheets

Many countries have tax credit programs for organizations who do research and development. The criteria for these programs varies from jurisdiction to jurisdiction but one thing is constant: the effort and costs for the credit being applied for must be backed up by documentation such as a task-based timesheet.

Most R&D tax credit audits have a three-cornered approach:

1. First, check the payroll records against the list of researchers who were in the claim. If there is a discrepancy between what people were paid and what was claimed, the audit is likely to end up rejecting the R&D tax credit
2. Next, check the project plans for the work that was described in the claim. Do the resources in the progressed project plan match those in the payroll records?
3. Finally, check the timesheet and cross reference against the time allocated in the project plan for R&D and the payroll records for all time associated to the claimed R&D tax credit.

The stakes are high in such claims as they can be worth millions. What is essential to the Finance department is that the documentation for the claim be complete and if this means imposing a timesheet system above and beyond the time and attendance timesheet system, it is well worth it.

R&D tax claim timesheets must be task-based. They must be flexible enough to characterize tasks as R&D tax claim eligible vs. ineligible and they must be able to characterize the researchers by location, by type of employee and other criteria that the tax claim requires.

Auditable Timesheets for Sarbanes Oxley Compliance

Sarbanes-Oxley (or SOX) is the shorthand for the compliance regulations that apply to companies which trade on any US stock exchange. The regulations were enacted in 2002 after the tech bubble burst in the early 2000's resulting in huge losses for investors. One of the tenets of the act is that the balance sheets of publicly traded companies must use comparable methods to value assets and this brings us to timesheets. For many companies, timesheets have been determined by their auditors to be "in-scope" for Sarbanes-Oxley compliance. This is because the true value of goods that have been built by the company and appear on the balance sheet as an asset must be costed at their true cost to the company. This is often best determined by an auditable timesheet. A timesheet used for SOX compliance must be task based and must be able to characterize some tasks as appropriate for a particular balance sheet asset item and some not. Costs must be able to be associated to true costs rather than billing costs or average costs.

Field Data Collection (LEMs)

Some timesheets are not oriented around the individual. In an industrial context, there is often a requirement to collect actual effort and progress in the field. Data points may be in a construction zone, a mine or even offshore. The work is organized by crews and a supervisor or clerk will collect the labor effort, the equipment usage and, the material consumption of the crew during a shift. This type of timesheet may look quite different from those of a white-collar timesheet. It may be collected per day or even per shift. It will have the effort of multiple people in it and the interface will include entries for material and equipment. Items like hazard weather bonuses or shift premiums are common.

DCAA Compliance timesheets

The US-based Defense Contract Audit agency is charged with ensuring that work done for the US government is adequately accounted for. It oversees not just the Defense Department contracts but also those of the Department of Energy and numerous other US government agencies. The standards of the DCAA have been well thought out and, as a result, these standards have been adopted by a number of other governmental agencies who are not directly under the guidance of the DCAA.

One key aspect of the DCAA standards is timesheeting. There are numerous criteria to be DCAA compliant and the DCAA does not certify some products vs. others. It certifies and audits the process, not the tools. Yet, using timesheet systems in a way that will fulfill DCAA compliance requires using tools that meet their stringent requirements. Some of those include the ability to ensure that the person who did the work will sign-off on any timesheets of that work. So, regardless of who typed in the timesheet, the employee has to be able to see it and any changes ever made to it. Another criteria is the ability to ensure that the original timesheet as it was first entered by the employee can be completely reconstituted. Yet, another criteria is

to be able to audit any change ever made by the timesheet with identification of who made that change and when. These types of criteria coupled with the potential rewards of government contracts often result in a timesheet being deployed for just the requirements of the DCAA.

Compliance reporting timesheets

There are many government agency requirements that can generate a need for a unique timesheet. In some jurisdictions such as the Government of Quebec, tracking training time can result in a big tax credit. In others, such as the State of California, timesheets must be able to follow the California Work Rules. Federal requirements such as the Family and Medical Leave Act of 1993 must be tracked for compliance reporting to the Department of Labor. In Europe the European Time Directive require timesheet tracking of each employee to ensure their work falls within the legal requirements of the EU Directive. The penalties for not complying with these compliance requirements can be severe and these types of requirements often have a timesheet reporting component. Any of these can result in a unique timesheet being implemented to add to existing timesheets already in place.

And much, much more...

While this may make up the bulk of the most commonly requested timesheet types, this is by no means an exhaustive list. There are other timesheet types for industrial purposes that are associated to assembly line work. These are often tied into RFID or Barchart scan technology. There are, of course, the original punch clock timesheets for time and attendance that have evolved to include biometrics and many other time-oriented technologies that may be considered timesheets.

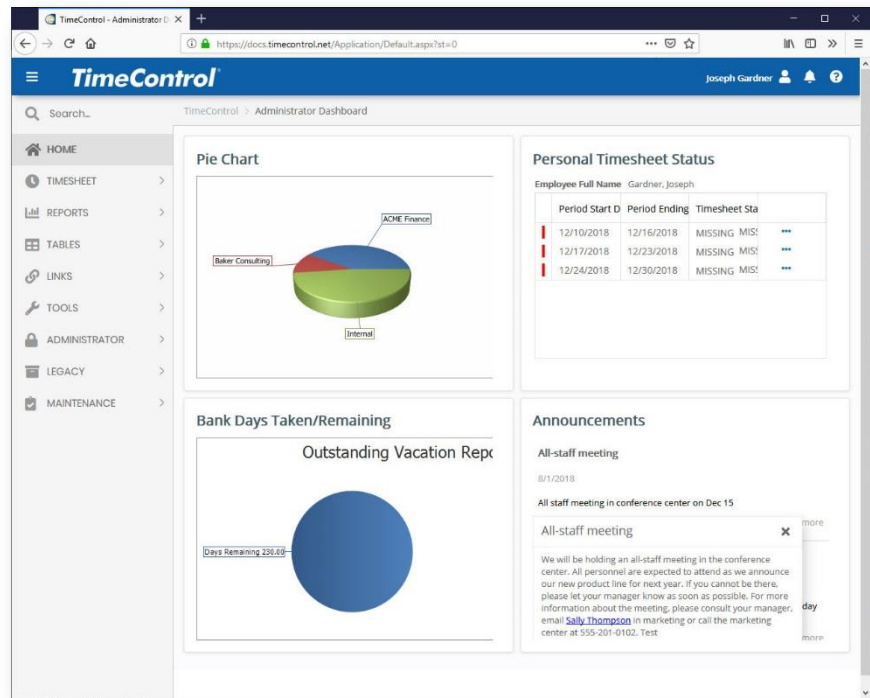
With all of these types of timesheets it is perhaps no surprise that organizations will implement more than one. While no one wakes up in the morning with the idea to deploy multiple timesheets into a single organization, the wide variance in requirements can make that exactly what happens.

In a common scenario, an employee might have to complete 2, 3 or even 4 timesheets in a given week to accommodate each system. This is a needless waste of time and generates significant inefficiencies in the organization. Worse, when this is done, there is often a futile exercise in trying to reconcile the numbers between each timesheet. This sounds like an easy task in theory but the difference in timesheet types and what they are used to often makes this an expensive and time consuming nightmare in practice.

The ideal scenario is to find a single timesheet interface that would accommodate more than one of these requirements at a time.

About TimeControl, the multi-purpose timesheet

In today's challenging economy, tracking productivity is more important than ever. It is no longer enough to know only how much time has been spent. Now management demands that you know what was done with the time. Many organizations are turning to project and task based management as a way of being more effective. One of the most difficult aspects of implementing project control is the capture and approval of labor actuals. *TimeControl* provides an electronic timesheet system designed to serve both Finance and Project Management



Subscribe in the Cloud Online or Install on-premises

TimeControl is available both as a subscription model with our Timesheet as a Service *TimeControlOnline* or as a purchasable license to be installed on your premises. You can find out more about our online subscription at www.timecontrol.net.

Multi-lingual

We know that not every user speaks English as their first language. *TimeControl* comes with a number of languages already in the system but every label and every message is open to the *TimeControl* Manage Languages module so you can change the existing translations or even add your own. This is a great feature for adjusting terminology in the system to match your organization's (The only word you can't change is: "*TimeControl*").

Easy to use web interface

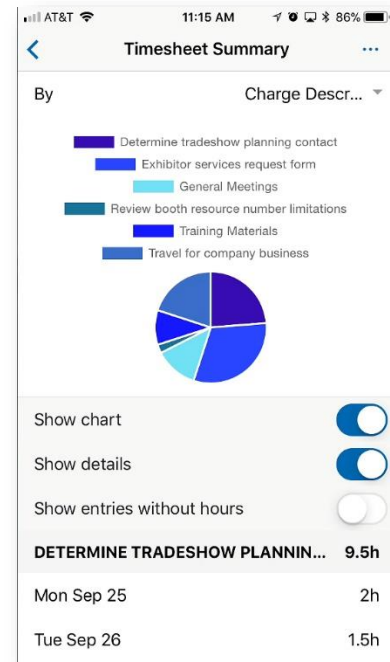
TimeControl's interface is browser-based and user-intuitive. User Profiles determines what the user will be presented with and the user can define where *TimeControl* should start and what defaults they wish. End users can use a variety of browsers such as Internet Explorer, Firefox, Chrome, Safari, or Mozilla.

Free TimeControl Mobile App

TimeControl includes a free Mobile App available from the Apple App Store for iOS devices and Google Play for Android devices. Enter timesheet hours and expenses you can even manage approvals. When linked to TimeControl Industrial or TimeControl Industrial Online, you can also add Crew Timesheets and Material consumption.

Timesheet Approvals

TimeControl supports HMS Software's unique Matrix Approval Process for Labor Actuals which allows for quick authorization of project data. This process resolves the inherent conflict that is found when both the financial and project management hierarchies must approve timesheet data simultaneously. Automated validation of timesheet data is handled by TimeControl's remarkable Validation Rules. Additional approvals can be done manually with a simple Approve/Reject or Approve/Update process. The Project Manager Validation screen displays an easy-to-view hierarchical interface for managing project approvals.



Total Flexibility with User Profiles

TimeControl's User Profiles allows the Administrator to determine which menu choices, reports and fields are accessible by each user. The entire interface can be tailored to the user's individual needs. No other system on the market today offers this much flexibility. Field level security ensures that only the information which is important to each user, is displayed. Fields can be made read-only or invisible, removing them from view entirely. This makes *TimeControl* at once a secure, deployable system and an easy-to-use one as well.

Links to Project Management Systems

TimeControl includes direct links to project management systems including Oracle-Primavera Pro and EPPM, Microsoft Project, Project Server, Project Online and Project for the Web, JIRA, Deltek's Open Plan and Cobra, ARES PRISM, InEight's Hard Dollar, BrightWork and SharePoint. In fact, multiple products and versions can be supported simultaneously.

Integrating with a project management system drastically reduces timesheet errors as only valid tasks will be available in which to charge time. Hours entered in *TimeControl* are returned directly to the project management system as activity and resource progress.

TimeControl also supports customizable export formats for integration with virtually any financial or HR system.

Vacation Approvals with TimeRequest™

The TimeRequest module allows users to make a request for certain types of times to be approved for entry in future timesheets. The most common application of this module may be for requesting Vacation time off. Once approved, the time is then automatically entered by *TimeControl* into the appropriate future timesheet.

The TimeRequest module is, however, not restricted to just Vacation requests. Any category of time can be exposed to the module. This allows an infinite number of applications such as for travel time, training time, offsite or onsite time or any other type of time category where the organization wishes it to be approved in advance.

E-mail Enabled

TimeControl allows email notifications to be sent for various events such as missing timesheets, incomplete or non-approved timesheets as well as timesheets that were rejected or re-released for approval.

Expense Reports

TimeControl includes extensive expense report functionality. Users can enter an unlimited number of expense report items for each timesheet line.

Links to Payroll, HR and ERP/Finance

TimeControl is designed with a Links module that lets you define links to corporate systems and software including Payroll software or online services, Human Resources systems and ERP/Finance systems.

Using TimeControl to fulfill the requirements of not only project management but also Finance, HR and Payroll means you can eliminate the costs and inefficiency of multiple timesheets.

Reporting

TimeControl's reporting engine looks just like Excel™. Reports can even be saved in Excel or HTML format.

TimeControl's Reporting Wizards make report generation easy. *TimeControl's* field-level security is always active so only the fields which a user has permission for will be shown. Predefined reports are available in a variety of formats which include posted timesheet data, table lists, printouts of the timesheets themselves and missing timesheet reports.

For more information

For a more complete description of TimeControl and its features, visit TimeControl.com. To try the timesheet system for free, visit freetrial.timecontrol.com.

HMS Software Partial Client List

Amongst our many clients we're proud to include the following:

Engineering/Construction

CANAM
Koch Business Solutions
Keppel Floatec
JRI Engineering (Chile)
Aegion
SCX (UK)
Foster Wheeler
BOSCH Security Systems
ESI Inc of Tennessee
Karridale (Australia)

Manufacturing

Hamon Deltak
Georgia Pacific
Tennant
Volvo-Novabus
Esterline Advanced Sensors (UK)
Kirchhoff Automotive
Progress Rail
Enerkem
Scheidt Bachmann
ASL Environmental Sciences

Defense / Aerospace

Aero Info (a Boeing Company)
CAE Electronics (Australia)
General Dynamics (Australia)
Safran
PAL Aerospace

Government

USCG (United States Coast Guard)
SFMTA (San Francisco Mass Transit)
Ville de Montreal
AEMO (Australia)
Alachua County
RBQ (Régie du Bâtiment du Québec)
City of Rocklin
Ross Valley Sanitary

Technology

EXFO
Ricoh
Accedian
Videojet
Scisys (UK, Germany)
Ascendant (Bermuda)

Financial

Centre de Recherche Informatique de Montreal
CPA du Quebec
MCAP
Residential Mortgage
Value Recovery
Vancity

Health/Pharmaceutical

SmileDirect
Conduent
Sandoz
Zoetis

Conservation

Kawartha Conservation
Minnesota Land Trust
Conservation Ontario

Other

Kelly Services
Reebok-CCM
Pontoon Solutions

About HMS Software

HMS Software, a division of Montreal, Canada-based Heuristic Management Systems Inc., is a leading provider of enterprise timesheet and project management systems.



Founded in 1984, HMS Software's expertise in implementing enterprise project-management and enterprise timesheet systems is recognized worldwide by some of the world's best-known organizations. HMS's signature product, TimeControl, an enterprise timekeeping system designed to serve the needs of both Finance and Project Management, is distributed worldwide through an extensive list of distributors and dealers located on every continent with representatives in the US, the UK, Australia, Mexico, Europe, Asia, South Africa and the Middle East.

HMS Software's client list includes some of the world's leading corporations in the telecommunications, IT, finance, engineering, defense/aerospace and government sectors including such organizations as Acergy, Aecon Construction, Alcan, the Atlanta Airport, Akzo Nobel, The Canadian Business Development Bank, The City of Montreal, EDS, Ericsson, General Motors, the Government of Saskatchewan, John Deere, Kelly Services, The UK's National Health Service, Standard Life, UPS, Volvo Novabus and hundreds of others. HMS maintains offices in Montreal, Quebec and Toronto, Ontario. For more information about HMS, please visit www.hms.ca.

TimeControl

First published by HMS in 1994, TimeControl has been adopted hundreds of clients and over 150,000 users around the world. TimeControl is designed to serve the needs of both project and finance simultaneously. It allows an organization to use a single timesheet for project tracking, time and attendance, time and billing, HR tracking, R&D Tax Credits, DCAA and project costing instead of having to deploy many timesheets to serve these needs. TimeControl is available for purchase for an on-premises implementation or as a subscription as service. TimeControl's architecture is flexible and extensive supporting numerous databases such as Oracle, Microsoft SQL Server and MySQL, multiple browsers such as Internet Explorer, Firefox, Safari and Chrome and even includes a free Mobile App available on Google Play for Android devices and the Apple Store for iOS devices. For more information about TimeControl please visit: Timecontrol.com.

