

THE COMPLETE GUIDE TO EMPLOYEE TIME TRACKING

Employee time tracking is challenging without the right tools and information. This guide tells you all you need to know.



INTRODUCTION

At the core of every business's success, is the hours its employees put into building it. But to stay profitable, business owners need to be accurate with their employee time tracking, for multiple reasons.

From staying compliant to continued profitability, employee time tracking is a necessity for your business to stay competitive.

WHAT EXACTLY IS EMPLOYEE TIME TRACKING?

Simply put, employee time tracking is the recording of hours your employees spend working, so you can pay them accurately and stay compliant with Fair Labor Standards Act (FLSA) timekeeping requirements.

It also helps you keep accurate records for taxes, audits, budget analysis, Paid Time Off (PTO), and more. For companies that do government contracts, tracking employee's time must be accurate and detailed to avoid delays in payments or, worse, non-payment.

EXEMPT EMPLOYEE TIME TRACKING POLICY

An exempt employee is one who is usually salaried and is not entitled to overtime pay, according to the FLSA. However, there are benefits to having exempt employees clock in to track their hours, especially in construction and field service companies:

- Accurate billing and invoicing
- Accurate payroll records
- Easily track PTO
- Calculate overtime costs
- Better project management

While the law does not require employers to track the hours of exempt employees, having an exempt employee time tracking policy will help your business in these ways.

An effective policy does not need to be complicated. It can be as simple as requiring them to use the same employee time tracking system that your non-exempt employees use.

BENEFITS OF TRACKING EMPLOYEE TIME

Termed "The Most Dangerous Phrase in Business," by <u>Forbes</u>, "we've always done it this way," could be death to any business. So if you're still relying on paper timesheets, guesstimations, and the memories of your workers, you're likely losing money.

If not, you are certainly at risk of non-compliance with the FLSA.

But staying profitable and compliant are just a couple of benefits of employee time tracking.

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Bill Clients More Accurately

It's hard to build your company when you're billing based on inaccurate information. Tracking employee hours is how you get a clear picture of your labor costs. This, in turn, helps you bill more accurately.



Quickly Generate Payroll

Most modern, cloud-based time-tracking systems provide you with integration to help you run your payroll quickly - usually within minutes - by importing the time information from the app.

Better Project Management

With a mobile time-tracking app, you are always aware of where your crew is, and doing what. This helps you manage your projects more efficiently than having to go to each worksite to determine where the project stands.

Monitors Productivity

When you can see who is working on which job and task, you're better able to assign the right jobs and tasks to the right workers. While one employee might be a master at framing, another's strength might be demo. With detailed and accurate time tracking, you'll see for yourself and be able to assign jobs accordingly.

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Increase Transparency

When the team knows their times are being tracked, they're more likely to be productive. Conversely, when their time is tracked, they can see for themselves, how many hours they have put in, and have an accurate estimate of how much their next paychecks will be.

Better job costing

Job costing is essential to stay profitable but if you don't know your true job costs, you could be shorting yourself and your business. Accurate time tracking allows you to see exactly how much time was spent doing each job and each task within those jobs.

Eliminate Timesheet Rounding

Timesheet rounding can cost your company money when abused. Plus, you can't accurately track your labor costs. <u>Employee time-tracking app</u> removes this issue and gives you accurate labor data.

BEST PRACTICES WHEN TRACKING EMPLOYEES' TIME

When you have multiple job sites or field crews, it's challenging to keep accurate timesheet records. But an employee time tracking policy will make it easier to track employees' time.

Make One Person Responsible For Time Tracking

When you have a single person responsible for time tracking, it's easier to have regular records. When you have mobile workers, an administrator can send push notifications or set reminders for workers to clock in or out. Using a Kiosk Time Clock or Crew Timesheet App allows workers to clock in and out on one device, or foremen or supervisors to clock in for employees, respectively.



Set Clear Guidelines

Your employees should all know how to track their time, which time to track, when to track it, and how to track it. If you switch to a new employee time-tracking system, take time to hold a meeting and ensure each employee is clear on how the system works.

Explain That Time Tracking Is Mandatory

You might run into employees who resent having their time tracked, but the truth is, this is uncommon. Let them all know time tracking helps them as employees so they get the compensation they deserve, and the business as a whole. It's not a penalty but, rather, another tool to help your business grow.

Do a Pilot Test and Be Open to Suggestions and Feedback

As with any new policy or procedure, there may be a few kinks to work out. Test out your new time tracking policy for a couple weeks, and hold a meeting to get feedback. If your employees feel their opinions and thoughts matter, they're more likely to be on board and support your efforts.

Make Time Tracking Simple

As important as employee time tracking is to your business, it doesn't have to be complicated or difficult. The less steps there are to doing it, the easier it will be for your employees to do it.

Use The Right Tools

Each business is unique, so your company should provide the right tools to enforce a robust time tracking system. Whether you choose an oldfashioned wall-mount clock or mobile time tracking, choose the right tools for your company.

AUTOMATIC VS. MANUAL TIME TRACKING SYSTEM

Tracking employee time can be done either automatically or manually. Traditionally, paper timesheets have been used for employees to write down their hours worked and hand them in.

While this system was used prolifically before technology, it was rife with associated problems like inaccurate times, <u>buddy punching</u>, or lost timesheets. Such potential for errors and inaccuracies bleeds into other company processes such as job costing, compliance, and reporting, just to name a few.

Today, most companies are using automated time-tracking systems to simplify their time tracking and payroll processes. Using an automated software gives you more accurate data in real-time, and a slew of other benefits like more accurate job costing, easier certified payroll, faster payroll, and more.

The cost of manual time tracking is difficult to measure, since you don't know which data you're getting incorrect. While automated time tracking does come with a cost, the amount you save from simplifying processes and eliminating inaccuracies, more than compensates for the investment.

Save Time and Money with ClockShark

Try ClockShark Free



HOW TO CHOOSE TIME-TRACKING SOFTWARE SYSTEM

There are countless numbers of time-tracking software out there ranging from free to more expensive enterprise solutions. Some companies may not need all the features available in one solution, while others might not even be aware of the kinds of features available. When it comes to employee time tracking, there are a few minimum things you should look for.

Payroll Integration

Time-tracking software that integrates with your payroll software saves a lot of time and money. When you can simply import employees' approved hours and run payroll with a click or two. Before choosing a <u>clock in clock out app</u>, make sure it integrates with the payroll platform you use, or one you are willing to switch to.

Clock In/Clock Out Feature

Obviously, your employee time tracking should allow for clocking in and out. If you have field crews or multiple worksites, a mobile timetracking app allows them to do so on their mobile devices.



Reporting And Analytics

It's invaluable to have a clear picture of the performance of your business overall and automated time tracking is a cost-effective way to do this. Time tracking is just one part but when you can run reports that show you exactly how much of your revenue is going to what, you're better able to analyze your business expenses and improve your profits and job costing.

Time Off Tracking

Automated employee time tracking should be able to automatically calculate employee's time off (PTO).

Customer Service

When switching to an automated time-tracking system, be sure to go with one reputed to have exceptional customer onboarding. Learning a new system takes time so you don't want to go with one that simply sells you a system and leaves you to figure it out on your own.

HOW TO GET EMPLOYEES ON BOARD

When things have always been done a certain way, employees might be resistant to change. However, when they understand the benefits of automated time tracking, they're more likely to accept and appreciate it.

Be sure your employees know it's not a penalty but, rather, another tool you'll be using to grow the business and improve their jobs and lives.

BEST EMPLOYEE TIME-TRACKING SOFTWARE FOR SMALL BUSINESS

When it comes to choosing the right employee time-tracking software for small businesses, it's a little overwhelming to research all the options available. Here are a few options to help you track employee time.



Clockshark

ClockShark is a time-tracking app built for construction and field service teams. Get real-time visibility of where your crews are, who clocked in and when. With ClockShark you get 100% accurate timesheets, every time.

Mobile Time Tracking

Allows workers to clock in and out on their mobile devices with <u>mobile time-tracking</u> <u>app</u>, and choose which jobs and tasks they're working on.

Web Punch Clock

For office workers, ClockShark's <u>Web Punch</u> <u>Clock</u> allows them to clock in, clock out, check their schedules, from any computer.

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KioskClock™

With <u>Kiosk Time Clock</u>, a single device such as a phone or tablet can be used at any jobsite - whether in the field or the office -

for each worker to clock in, using their PIN. Biometric facial recognition ensures no buddy punching.

CrewClock™

Managers and foremen can use a <u>Crew Timesheet App</u> to clock their entire crews in and out for each worksite. This way, employees don't have to worry about it.

GPS Tracking

With a <u>GPS Time Clock</u>, you're able to know exactly where each employee was throughout the day with a breadcrumb trail. Plus each action on the ClockShark app receives a GPS stamp. When you know where your workers are, you are able to respond to emergency calls faster and more professionally.



Geofence

Set up <u>Geofences</u> so any time your employees enter or leave a predesignated location, they are reminded to clock in or out. No more forgetfulness.

Out Of Bounds

Clocked in or out from outside of a GPSFence™ geofence

Buddy Punch

Buddy Punch is a simple <u>portable time clock</u> solution that allows employees to clock in from their desks or mobile devices. Buddy Punch gives you flexible ways to monitor overtime and time off, run reports, and more.

Desktime

Desktime is a time tracking solution that allows workers to clock in and out via mobile or computer and can do so offline, too. You can use Desktime to create reports, schedule shifts, track projects, and more.

Hubstaff

Hubstaff is a time- and productivity-tracking solution available on computers or mobile devices. You can track employees, projects, and team tasks and export your timesheet data into Excel, all in real-time.

Paymo

Paymo is a complex time-tracking and project management solution that has a lot of useful tools. You can track employees' times and use their collaboration tools to show workflows and improve communication between teams and workers. Gantt charts give you a visual representation of workflows.

SAVE TIME AND MONEY WITH AUTOMATED TIME TRACKING

If you haven't switched to using technology for your employee's time, you're likely losing more money than you think. ClockShark offers a <u>free timesheet calculator</u> for you to use and see for yourself, how much you're actually spending on your payroll.

The shift to automated employee time tracking does not have to be complicated and, once you do, your organization will be taking the next step to expanding your business.