

Time & Attendance

White Papers

Topic
Manual Time Keeping vs. Automation

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Overview of Time Tracking Automation

Time and attendance software is designed to automate the manual process of using time sheets to record time and attendance information.

However to understand what areas/steps are automated and their effect, it's first necessary to understand what's involved in using a manual time sheet process. The following describes a typical time sheet process using a manual method.

Steps	Description
Data Collection Error Risk Factor: Very High	Employee either records a punch on a wall clock or fills out a time sheet. This information can include any of the following: <ul style="list-style-type: none"> - Start and end time or total time worked - Department or job worked - Day off hours - Holiday worked hours.
Time Sheet Collection Error Risk Factor: Medium	The time sheet is handed or delivered to the person who approves and calculates the hours recorded on the time sheet.
Calculation Error Risk Factor: Very High	The following calculations are typically made based on the data recorded in the time sheet: <ul style="list-style-type: none"> - Regular hours worked - Overtime hours worked - Double-time hours worked - Holiday Hours worked/not worked - Paid Time Off (vacation, sick, etc) - Evening and night shift differential hours - Total hours worked for the week
Time Sheet Approval Error Risk Factor: Low	The supervisor or manager marks their approval.
Time Sheet Submission Error Risk Factor: Medium	The time sheets are sent to the payroll/HR department for compensation and long term archival of time sheet record.
Data Entry Error Risk Factor: Very High	The information and totals from the time sheet are keyed into the payroll system for compensation.

Due to the high number of steps which require manual intervention or data calculation, it's no surprise the high degree of errors that can be introduced during this process.

According to the American Payroll Association, some companies who still use a time collection process similar to what's been outlined above, have an error factor rate between 1-8%. That means if your total payroll cost for the year was \$500,000, you should expect to pay as much as \$20,000 of that amount towards human based errors that could have been easily avoided.

By simply adopting an automated time and attendance process, you could eliminate that error factor rate and increase your bottom line by as much as 8% annually.

Here is a brief description of how each step above is handled using the TimeMD system:

Steps	Description
<p>Data Collection Error Risk Factor: Low</p>	<p>Employee records time data at an electric time clock or enters information online. This information can include any of the following:</p> <ul style="list-style-type: none"> - Start and end time or total time worked - Department or job worked - Day off hours - Holiday worked hours. <p>Since data is entered from the source and in real-time, you have good data entered from the very beginning.</p>
<p>Time Sheet Collection Error Risk Factor: None</p>	<p>Since all data is stored digitally in a central location, there is no need to collect data. Managers can review punches in real-time and inform employees as needed to record any missing punches. Data is then made available to all involved on demand and in real-time.</p>

Steps	Description
<p>Calculation Error Risk Factor: None</p>	<p>Calculations are preformed automatically as they are entered. The following information is typically computed:</p> <ul style="list-style-type: none"> - Regular hours - Overtime hours - Double-time hours - Holiday Hours worked/not worked - Paid Time Off (vacation, sick, etc) - Evening and night shift differential hours - Total hours for the week - Gross pay <p>Since data is calculated automatically, you remove any human error factors.</p>
<p>Time Sheet Approval Error Risk Factor: None</p>	<p>The supervisor or manager approves the time sheet data by electronically signing it. No need to manually pass time sheets around.</p>
<p>Time Sheet Submission Error Risk Factor: None</p>	<p>The time sheet data is automatically and instantaneously made available to the payroll/HR department. No need to wait for time sheets to arrive.</p>
<p>Data Entry Error Risk Factor: None</p>	<p>No data entry is necessary since the information has already been entered and calculated. Time sheet information is then stored permanently and securely for long term storage.</p>

Summary

Using time and attendance software automates the entire process of collecting and calculating time and attendance information. As outlined above, this eliminates many manual and time consuming steps.

As a result, the return on investment you'll receive by implementing an automated solution can be substantial.

For more information on the return possible, please contact us at www.timemd.com