

# TIME & ATTENDANCE

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# in Today's



# Regulatory



# Environment

**A**ccounting scandals, overtime abuse, and homeland security initiatives have given rise to new laws and regulations and a heightened level of accountability. Now more than ever, organizations must reexamine their existing information technology (IT) infrastructures and seek technical solutions to monitor, track, and record compliance with government mandates.

With so much legislation—including the Occupational Safety and Health Act (OSHA), the Health Insurance Portability and Accountability Act (HIPAA), the Fair Labor Standards Act (FLSA), Executive Order 11246 (affirmative action), Title VII of the Civil Rights Act of 1964 (discrimination in employment), the Sarbanes-Oxley Act of 2002, and the Family and Medical Leave Act (FMLA)—what steps can a company take to improve compliance and reduce risk of violations?

Furthermore, how can organizations ensure their payroll systems remain current and address changing laws and regulations affecting employee compensation and benefits?

### Accurate Time Reporting Is Key

With myriad federal and state laws on the books, as well as union agreements and regulations, accurately tracking and recording employee time is critical to ensuring employees are paid properly and within the confines of the law.

Manual timekeeping methods such as time clocks or paper time sheets are susceptible to error, fraud, and omissions. In

each instance, the accounting or payroll staff must re-enter time data into the payroll system or internal accounting spreadsheets. Companies needing to validate their records then turn to manual reviews, which consume employee and manager time and do not eliminate the potential for human error.

Web-based workforce management systems can eliminate these problems by automatically capturing employee time, attendance, scheduling, and other labor-related activities. Often, workforce management technology platforms are built on a user-configurable work rules engine.

Coupled with industry-specific knowledge repositories, they allow organizations not only to automate some of the most difficult pay, leave, and union rules, but they also provide a simple way for decision-makers to make adjustments as rules or regulations change.

Workforce management solutions offer real-time reporting capabilities that contribute to the overall management of data throughout an organization. Interoperable with business-critical applications like human resource applications and payroll systems, workforce management solutions capture complete and auditable employee data.

Furthermore, this captured data contributes to the flow of information across the enterprise that is vulnerable to internal rules controlling how data is generated, manipulated, recorded, and reported. This allows an organization to address compliance and other labor issues with confidence.

### A System at Work

Workforce management systems can fulfill both the minimum wage and overtime requirements of the FLSA. Because the FLSA calls for all covered employees to receive at least the minimum wage for all hours worked in a workweek, accurately tracking and recording hours is critical to ensuring employees are properly paid.

Using a Web-based workforce management solution enables employee time and attendance to be tracked in real time. In turn, this information is automatically shared with the company's payroll system, improving payment accuracy and record keeping.

Many systems offer employees an intuitive and self-serving environment for requesting leave time and documenting the application approval process. This proves useful when applied to federal legislation such as the FMLA.

Using the previously discussed workflow engine and industry-specific knowledge repositories—in conjunction with time and attendance and staff scheduling modules—managers can determine individual eligibility, coordinate the approval process, and effectively deploy remaining workforce assets to ensure customer service and productivity levels remain high.

Additional use and functionality provided by workforce management solutions when applied to the FMLA include:

- Automated eligibility calculations and notifications
- Configurable workflow process for management, follow-up, and approval of applications
- Routing of applications based on company-determined rules
- Discussion thread management



Workforce management solutions arm decision-makers with tools to monitor and manage worker productivity and performance, assist with corporate governance, reduce costs, and provide management with up-to-the-minute information on resource availability.

- Tracking of deliverables against commitments
- Unlimited historical tracking of updates and events
- Automated notification process, including e-mail and online notifications
- Automated printing and tracking of form mail correspondence

## Corporate Governance and Technology

As a result of the Enron and WorldCom accounting scandals, the accounting reform and investor protection legislation known as the Sarbanes-Oxley Act of 2002 (SOX) holds chief executive officers (CEOs) and chief financial officers (CFOs) personally responsible for the accuracy and representation of company performance. With regulators requiring greater consistency and transparency of financial data, many executives are using technology to streamline and facilitate SOX's compliance requirements.

A workforce management system's real-time reporting capabilities contribute to the overall management of data throughout an organization. These capabilities can help CEOs and CFOs comply with stricter financial reporting rules by providing accurate and instant employee data. This data can impact quarterly numbers and withstand the audit scrutiny of internal controls and processes involved in financial reporting.

Industry analysts confirm that workforce management applications are becoming increasingly important to companies for documenting processes and establishing regulatory controls. According to an article published in the August 21, 2003 edition of the *AMR Research Alert*, "HR organizations can and should

be using their WMS applications to support their companies' Sarbanes-Oxley Act activities and other corporate governance programs."

Furthermore, SOX guidelines require information from all systems within an organization to be reconciled, and also call for companies to assign different IT workers to administer program changes, test the changes, and move them into production. These tasks require a different person to perform each activity in order to prevent error and fraud.

Using advanced scheduling capabilities within the workforce management system guarantees reconciliation and accountability. Why? Because the solution enforces and applies scheduling rules to ensure the right worker is assigned the right task at the right time.

## Put Workforce Management to Work

Workforce management solutions arm decision-makers with tools to monitor and manage worker productivity and performance, assist with corporate governance, reduce costs, and provide management with up-to-the-minute information on resource availability.

More importantly, a Web-based workforce management solution provides the scalability and robust knowledge repositories to update compliance requirements when they happen, subsequently guaranteeing information provided to payroll systems is current and addresses union, state, and federal laws automatically.

*Robert Farina is Chief Executive Officer of CyberShift, Inc.*

## CyberShift Streamlines FMLA Compliance

CyberShift, Inc., a provider of workforce management software and services, enables organizations to better plan and adjust for long-term employee absences with the Family and Medical Leave Act (FMLA) case management module.

"The FMLA module assists corporate governance initiatives, drives down costs, and provides management with up-to-the-minute information on resource availability to generate optimal work schedules and improve employee satisfaction," said Robert Farina, Chief Executive Officer of CyberShift.

Available as a component of the CyberShift Workforce Management Suite, the FMLA module documents and automates the entire FMLA process from requesting leave to determining eligibility and final application approval.