Slide 1

Common Compliance
Pitfalls You Can Avoid
Using Time Tracking Tech

Jason Patel

Product Manager, Arcoro

TRADE SHOW EDUCATION

Slide 2

This session is eligible for 1 Contact Hour.

For these hours to appear on your certificate, you must:

- Have your badge scanned at the door
- Attend 90% of this presentation
- Fill out the online evaluation for this session

TRADE SHOW EDUCATION

Slide 3

Understanding prevailing
wage and the business
opportunity

TRADE SHOW EDUCATION

Slide 4

TRADE SHOW EDUCATION

Big investment in public projects =
lots of potential work

1. **Bipartisan Infrastructure Deal (aka Infrastructure Investment & Jobs Act)**
   Grants for roads, bridges & other major projects (transportation, broadband, water)

2. **Inflation Reduction Act**
   Clean energy construction tax credits

3. **CHIPS Act**
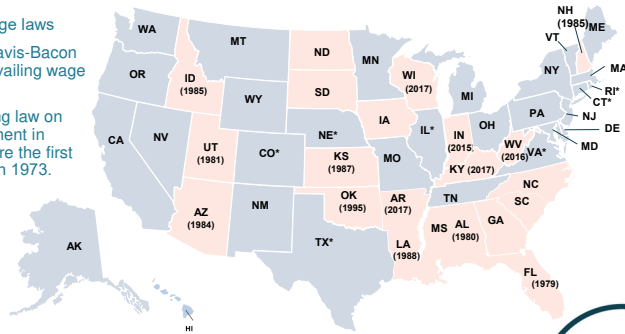   Semiconductor; supply chain projects

Plus…other Federal, state and locally funded projects

Slide 1: State Prevailing Wage Laws

- *21 states have no prevailing wage laws
- *8 states and D.C use federal Davis-Bacon determinations for their state prevailing wage rates.
- Michigan enacted a new prevailing law on March 24, 2023, following enactment in Virginia on May 1, 2021. These are the first states to do so since Minnesota in 1973.

Legend:
- No prevailing wage law (date of repeal)
- Prevailing wage law

Map labels: WA, MT, ND, MN, NH (1985), ME, VT, OR, ID (1985), WY, SD, WI (2017), MI, NY, MA, CA, NV, UT (1981), CO*, KS (1987), MO, IA, IL*, IN (2015), OH, PA, RI*, CT*, NJ, DE, WV (2016), VA*, MD, KY (2017), NC, AZ (1984), NM, OK (1995), AR (2017), TN, SC, GA, AK, TX*, LA (1988), MS, AL (1980), FL (1979), HI

Slide 2: Publicly funded work has upsides… and downsides

Compliance requirements:
- EEOC recruiting rules
- Diversity requirements
- **Pay requirements…prevailing wage & certified payroll**
- Certified payrolls/payroll systems: problem of tracking employees who multi-skill across different trades.
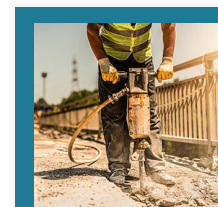- Contractors price in perceived risk and legal fees to interpret unclear rules.

Slide 3: Failure to comply carries potential risk

- Financial liability for underpayments
- Damages
- Civil or criminal prosecution
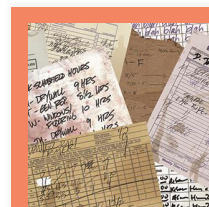- Disqualification from future public jobs

---

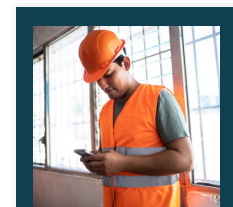## Slide 4: Three components related to hours/pay

Davis-Bacon Act — Requirements for paying workers on Federal or Federally funded

**Prevailing wage** — What wages are generally being paid in a specific region

Certified pay roll — Reporting that proves workers are paid prevailing wages

Slide 1

- Mandates workers don't receive below-average wages while working on federally funded construction projects & public works
- Applies to any job over $2k
- Contractor must pay workers no less than the prevailing wage as on similar projects
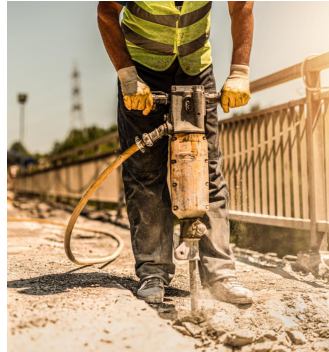
Davis-Bacon Act
Requirements for paying workers on Federal or Federally funded contracts

Slide 2

Prevailing wage is determined by the DOL

A prevailing wage is the combination of the basic hourly wage rate and any fringe benefits rate, paid to workers in a specific classification of laborer or mechanic in the area where construction, alteration, or repair is performed, as determined by the Secretary of Labor.

Varies by region, worker classification, type of project

The WHD sends surveys to every construction firm in a given region. Once the survey results are received, if 30% or more of workers in a classification have the same wage, that is deemed to "prevail" (prior to the August 2023 final rule, this was set at 50%)

Prevailing wage
What workers are generally being paid in a specific region

Slide 3

Certified payroll is an exercise in weekly reporting on subject projects

Using Federal Form WH-347, contractors must document various data including:

- Job classification
- Daily, weekly and total hours
- Rate of pay
- Deductions
- Amount paid in payroll

Submission is certified by signing the statement of compliance included in the form.
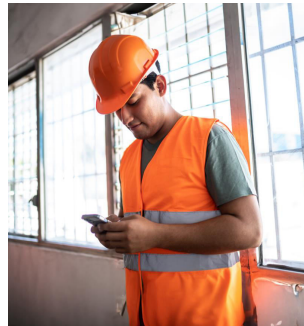
Certified payroll
Reporting that proves workers are paid prevailing wages

Slide 4

Accurate hours are the foundation for certified payroll

Time-keeping by job → Prevailing wage rate → Payroll system

Reporting requires accurate recordkeeping

- Capture data needed for prevailing wage tracking/certification
- Multiple job codes, data trail, reporting
- Beyond what can be accomplished with paper timecards or spreadsheets
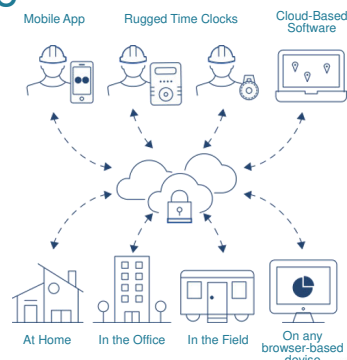
Potential pitfalls

- Issues with subs not paying correctly—you're on the hook for liability
- Wrong worker classification or wrong location
- Incorrect mapping with payroll software
- "Substantial time"
- Using apprentices/tracking their time correctly

Time Tracking Software

Software/Cloud based solutions gives you the power to manage employee time records, job costing information, locations, and other field data easily and efficiently.

Solves for accuracy and reporting needs of prevailing wage jobs.

Mobile App   Rugged Time Clocks   Cloud-Based Software

At Home   In the Office   In the Field   On any browser-based devise

TRADE SHOW EDUCATION

How can software be used for prevailing wage projects?

- Solution designed for variable-pay scenarios including prevailing wage
- Solutions are configurable for alternative pay
- Create job and cost codes for prevailing wage work
- Established integrations with payroll software
- At-a-glance oversight in dashboards
- Certified job reports

Slide 1: Overtime compliance tracking pitfalls

- Manual or spreadsheet calculations of overtime rules an be error prone and not time effective
- Incorrect pay impacts administrator time and employee morale

Slide 2: Let software do the math

Weekly Overtime
- ☑ Time after `40h 00m` will be calculated as overtime (OT1)
- ☑ Time after `60h 00m` will be calculated as doubletime (OT2)

Daily Overtime
- ☑ Time after `8h 00m` will be calculated as overtime (OT1)
- ☑ Time after `12h 00m` will be calculated as doubletime (OT2)

Slide 3: Let software do the math

Day of Week Overtime

DAY	OVERTIME STARTS AT	DOUBLETIME STARTS AT	EXCLUDE*
Sunday	☐ 0h 00m	☐ 0h 00m	☐
Monday	☐ 0h 00m	☐ 0h 00m	☐
Tuesday	☐ 0h 00m	☐ 0h 00m	☐
Wednesday	☐ 0h 00m	☐ 0h 00m	☐
Thursday	☐ 0h 00m	☐ 0h 00m	☐
Friday	☐ 0h 00m	☐ 0h 00m	☐
Saturday	☐ 0h 00m	☐ 0h 00m	☐

*Time on this day will not be included when calculating daily or weekly overtime

Slide 4: Let software do the math

Consecutive Day Overtime

DAY	OVERTIME STARTS AT	DOUBLETIME STARTS AT
Fifth in a row	☐ 0h 00m	☐ 0h 00m
Sixth in a row	☐ 0h 00m	☐ 0h 00m
Seventh in a row	☐ 0h 00m	☐ 0h 00m

Meal Break compliance

- California can set the tone for employer compliance
- California Meal/Break compliance is strict and can incur employees fine

Meal Break Policies

Software based class/activity code curtaining

Employee clock-in

Electronic employee timecard

How is compliance risk reduced using software-based time keeping?

- Electronic paper trail including employee sign-off
- Data accuracy
- Documentation for audit
- Electronic record detention

Summary: Effective Ways to Prove Prevailing Wage and Overtime and Break Compliance

Accurate tracking of hours is key

Tracking time by job/cost code to identify hours

Ability to validate, monitor jobs and hours

Reporting

Getting the right data into your payroll solution

When choosing a software solution

- Prevailing Wage Support
- Automatic Overtime Calculations based on your rules
- Meal Break Compliance
- Other Features to fit your business needs
  - Geolocation services
  - Mobile Forms for safety checklist or other compliance forms
  - Scheduling
  - Third party accounting and payroll integrations

Please complete the Online Evaluation

https://www.surveymonkey.com/r/NECA2024SanDiegoConvention

TRADE SHOW EDUCATION

NECA
San Diego
Sep 28 – Oct 1
2024