

# Extensive functionality supports Defense Contract Audit Agency compliance

UKG AutoTime™ (formerly Kronos Workforce AutoTime™) is a time and labor solution that goes beyond the attendance standard to ensure that employee labor data is 100% correct. Labor data is used as a basis for contract bids and charges and is subject to intense scrutiny. The data must be validated, approved, and sometimes audited by the Defense Contract Audit Agency (DCAA) before it is submitted by the contractor. Audits also may be performed after data is submitted.

## Key benefits

1. **Enforces valid labor charging**
2. **Restricts labor edits to original time reporter**
3. **Forces mandatory comments and reasons**
4. **Requires employee approval of changes made by others**
5. **Allows changes to an individual's records on a single day through payroll unlock**
6. **Detects policy violations with the timecard checker**

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## How UKG AutoTime helps manufacturers

Because accurate labor reporting and compliance are critical to manufacturers, UKG AutoTime has been built to address their needs through six configurable functions:

1. **Enforces valid labor charging:** UKG AutoTime ensures that only valid, chargeable jobs can be reported at the right time and by the appropriate people with the correct skill and certification sets.

Because UKG AutoTime knows exactly which job an employee did last, checks are performed before an employee can start the next job.

- **Charge validation:** Every job (e.g., work order, project, or account) is date- and status-controlled to prevent an attempt to charge against an incorrect job.
  - **Charge filtration:** Even when a job is open to charge, time reporting can be limited to only a specified group of employees, such as preventing a contract worker from reporting time against a job that is not part of the worker's assigned cost allocation structure.
  - **Skills and certifications:** Another level of control is provided for specified jobs that allow only those persons holding appropriate valid certification to work on that job.
2. **Restricts labor edits to original time reporter:** UKG AutoTime can prevent anyone other than the original time reporter from making changes to labor data.

Employees can make labor corrections but not attendance corrections. Many companies enforce the policy that the original time reporter is the most reliable source to perform any necessary labor data corrections. Employees, however, are prohibited from making changes to their own attendance punches, such as clock in, clock out, or other transactions that would alter their pay.

3. **Forces mandatory comments and reasons:** UKG AutoTime can force an individual performing a correction to a transaction to select a corresponding reason code (picked from a customer-defined drop-down list) and/or add a free-form comment.

These reasons and comments are automatically embedded in the audit trail, enabling system administrators and auditors to easily see the change and why the change was made.

4. **Requires employee approval of changes made by others:** When a manager makes corrections to an employee's timecard, the employee approval is automatically removed, and that employee is notified through a system message. Only after the employee reviews and approves the change does that timecard move forward to the next step of the process.

UKG AutoTime provides an additional level of control over the employee's timecard through the signing and approval process. In many situations, employees who report time only through a clock (punch) device have their timecards automatically signed. UKG AutoTime requires employees to attest to any subsequent changes to their timecards.

5. **Allows changes to an individual's records on a single day through payroll unlock:** Payroll locking in UKG AutoTime is designed to prohibit any changes to locked records (both pay and labor) but allows an authorized user to remove that lock to allow timecard data to be edited and then relocked.

With this fine degree of control when unlocking a specific day, UKG AutoTime continues to prohibit changes to any other timecard data, while allowing edits to only the specific information that requires changes.

6. **Detects policy violations with the timecard checker:** UKG AutoTime performs a final overall compliance check with the timecard checker, which automatically detects any violations of policy that could otherwise result in a compliance violation.

Configured to exactly match customer policy requirements, the timecard checker can:

- **Resolve unapproved changes from prior period adjustments:** When changes must be made for prior period timecards, reapproval is generally required. The timecard checker looks at prior periods for any unapproved changes and requires resolution.
- **Detect underreported and overreported hours:** The timecard checker indicates when an employee reports fewer or more hours than are on the employee's approved schedule.
- **Identify hours posted on unscheduled day:** The timecard checker notes when an employee reports otherwise proper data on the incorrect day.
- **Confirm all required data is submitted:** When UKG AutoTime is the data collection engine for an external system that cannot

provide all the data necessary for a compliant time record, the UKG AutoTime timecard checker will enforce compliance and force the user to enter the data as required.

## Maintain compliance with complex contract requirements

UKG AutoTime customers who operate as prime or subcontractors are responsible for compliance with contract requirements:

- **The McNamara-O'Hara Service Contract Act (SCA)** requires contractors and subcontractors performing services on prime contracts in excess of \$2,500 to pay service employees in various classes no less than the wage rates and fringe benefits found prevailing in the locality, or the rates (including prospective increases) contained in a predecessor contractor's collective bargaining agreement.
- **The Davis-Bacon and Related Acts (DBA)** applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works.

To assist in complying with these requirements, UKG AutoTime ensures that each individual labor transaction includes the assigned job code status, deployment status (e.g., OCONUS), and the ZIP code where the job was performed.

UKG AutoTime can be configured to automatically calculate these values as required, as well as force mandatory data entry for required codes when the data was initially captured by an external system (such as a manufacturing execution system) that does not have access to that required data. The powerful rules-based configuration of the AutoTime timecard checker helps ensure that customers stay in compliance with these complicated requirements.

## Extensive DCAA audit and compliance support

UKG AutoTime customers who operate as prime or subcontractors are responsible for compliance with Federal Acquisition Regulations (FAR) requirements and are subject to DCAA oversight and audit.

- When the DCAA performs an audit or a pre-award survey of a government contractor, it is assessing the contractor's compliance with FAR, which provides policies and procedures that government acquisition officials and contractors must follow in the procurement process for goods and services.
- FAR, together with agency supplemental regulations (e.g., the Department of Defense Federal Acquisition Regulation Supplement [DFARS], which applies to all defense components), cost accounting standards (CAS), and specific contractual provisions, should be the primary guidelines for contractors' conduct in administering contracts.

UKG AutoTime helps with DCAA audits and compliance as follows:

- Reconciles payroll time and labor in real time
- Provides comprehensive audit trails that identify when records are updated and by whom
- Supports historic edits or prior-period adjustments with full audit trail

- Offers increased functionality for labor distribution and costing
- Enables clear processes for review and approval of submitted time
- Allows configurability for unique labor rules and policies, and has the ability to assign different levels of security within the system to employees and supervisors
- Integrates seamlessly with well-known ERP systems to maintain data integrity
- Accommodates labor tracking for every employee, including temporary workers, and reduces the risk of potential fraud and misreporting of labor expenses
- Provides built-in system reports and ad hoc reporting capabilities
- Tracking of compensated and uncompensated labor supports automation of total time accounting calculations

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**Building on 70 years of experience from two leaders in HR solutions, UKG™ combines the strength and innovation of Ultimate Software and Kronos®. Individually, we've always put people at the center of everything we do. Together, we're committed to inspiring workforces and businesses around the world, helping to pave the way forward for our people, customers, and industry.**