


Category: Business & Financial Management		
	Policy Title: Adjusting Timecards Policy	Policy #: 3.2.14
	Subcategory: Accounting Operations	
	Preparer: Corporate Controller <i>Jack Tade</i>	Approval Date: 05.2021
	Executive Owner: Chief Financial Officer <i>Lau</i> <small>Luther Lau (May 4, 2021 12:50 EDT)</small>	Revision Date: 05.2024
Chief Executive Approval: President & CEO <i>A. G.</i>		

1.0 Purpose and Scope

Employees must ensure labor hours are reported accurately. On occasion, adjustments are needed to an employee's timecard that has already been certified and approved. This policy provides acceptable reasons for adjusting an approved timecard, the documentation requirements, and the approval for adjusting timecards.

2.0 Policy Statement

It is AUI's policy that:

- Employees are responsible for ensuring their reported time accurately reflects the hours spent on the different activities, whether they are projects for a customer, overhead activities, or other allocations of worktime
- Adjustments to certified timecards must be submitted as soon as possible after the need for the change is discovered
- Adjustments to certified timecards must be properly documented and approved

2.1 Management's Statement

Timekeeping compliance is the responsibility of every AUI employee. Our clients require that we follow mandated rules when we record the labor hours that are the basis of our contract billing. These rules are most responsively met when we record time, on a regular basis, including all hours worked. This policy provides guidance on correcting labor when necessary to ensure accurate billing to our clients and provide regulatory compliance. Staff should use their best professional judgment in applying the guidance below in ways that meet the equitable distribution of labor cost to our clients, and should always do the right thing, consistent with the values expressed by AUI related to ethics, and standards of conduct.

2.2 Recording Time Accurately

Total salaries charged to Federal awards (including extra service pay) are subject to the Standards of Documentation as described by 2 CFR §200.430(i). Per this section, salaries and wages charged to Federal awards must be based on records that accurately reflect the work performed. These records must:



- Be incorporated into the organization’s official records;
- Reasonably reflect the total activity for which the employee is compensated across all grant-related and non-grant related activities (100% effort);
- Support the distribution of employee salary across multiple activities or cost objectives (for example, effort spent on multiple federal awards, spent on general/or administrative activities, vacation, sick leave, leave without pay, etc.); and
- Utilize an "after-the-fact" review of the employee’s actual hours worked during the reporting period for identifying and correcting significant changes (as defined by the organization’s written policies).

To ensure timekeeping records accurately reflect the work performed, employees should record time regularly and make corrections when necessary.

2.3 Charge Time to The Business Unit Benefitted

Direct Work- Employees must charge their time to the Business Unit (BU) designated for the project/grant, or associated subtask for the project/grant. The appropriate Business Units should be provided by supervisor or budget manager with an understanding of who is sponsoring the direct work (i.e., NSF, NRL, Private Foundation, etc.). Employees must always ensure that the work charged is required by the statement of work of the project/grant charged, and not to any other project/grant, indirect business unit, or fringe pay code (i.e., vacation, holiday, sick).

Indirect Work- Employees must charge their time to the BU designated for indirect work (i.e., Admin I, Admin II, Facilities I, Facilities II, OH, B&P, G&A, or IDC) or to the appropriate pay code for fringe and other cost pools (i.e., vacation, sick, holiday, broader impact, holiday worked, etc.).

All Time Worked- All time worked in support of any AUI activity in any single day must be recorded on the employee’s timecard for that day, even if the total time worked for that week will exceed the number of hours in the employee’s standard work week. This is required to ensure that unreported hours do not result in a disproportionate cost allocation.

2.4 Documentation Requirement for Correcting a Certified Time Recorded

On occasion, employees will need to correct time previously recorded. All labor corrections must be properly documented. The documentation/explanation provides an audit trail supporting customer billings and indirect cost submissions to the government. Inaccuracies in timecards (a critical source record) could subject AUI to disallowed costs, penalties, and under certain circumstances, could be deemed a violation of federal law resulting in civil and criminal penalties.

2.5 Corrections Made Prior to Submitting (certifying) Timecard

Corrections made during the timecard period (prior to timecard submission), should be made promptly once an error is discovered. These corrections will not require



additional documentation since they were made prior to certification. At the end of the pay period, the employee will submit the timecard and certify it as accurate.

2.6 Corrections made After Submitting (certifying) Timecard

Also known as an adjusting timecard, these corrections require a much closer examination since the employee has previously certified that the hours were properly reported. The employee is required to provide a comment which is adequate to explain the correction, and in certain circumstances may require additional documentation (i.e., memo to file).

2.6.1 Creating an Adjusting Timecard

Corrections to labor entries are to be made promptly after an error is noted and are to be properly approved and adequately supported. Corrections made more than 3 months after the original timecard period will require approval by the Corporate Controller.

To submit an adjusting timecard, follow these steps:

1. Print a copy of the previously submitted and approved timecard from the Electronic Time Keeping (ETK) system. To print, select the 'print' icon when viewing timecard after selecting the appropriate pay period. Employees are encouraged to print to pdf format and edit and certify electronically.
2. Make corrections to timecard using a red font.
3. Provide a written justification on the timecard using a red font. See section below on adequate justifications.
4. Sign your adjusting timecard. The preferred method is via electronic signature (i.e., Adobe Sign). However signatures may be performed with an ink pen.
5. Obtain your supervisor's approval (electronically or signature).
6. Submit your correcting timecard to Payroll Department at Payroll@au.edu.
 - a. Payroll will forward completed adjusting timecards for Budget Department review as appropriate.

Employees may print their ETK timecard to PDF, edit in the PDF file and route for digital signatures. However, the adjusting timecard can be done via hardcopies.

See appendix A for an example of a completed adjusting timecard.

2.7 Comments/Explanations for Corrections:

The explanation must demonstrate that the employee understands the reason for the correction. Employees should explain the reason that an adjustment is needed and provide sufficient information such that the reasons can be understood by the approval



chain as well as independent reviews of the information, which may happen several years later.

2.7.1 Examples of Explanations:

Vague explanations should be avoided. Below are examples of vague explanations and how to correct them:

- “Used wrong business unit”
- “Correcting my error”
- “Supervisor instructed me to change my time”
- “Project is overrun”

Explanations that are consistent with section 2.7 may include:

- “Estimated work schedule for Friday changed after timecard was submitted. Correction reflects hours actually worked.”
- “Mistakenly charged labor to BU XXXXXXXXXX, which has an expired period of performance. The continuation of the work has been funded under BU YYYYYYYYYY.”

2.7.2 Approvals

Adjusting timecards must be approved by the employee and the employee’s supervisor.

3.0 Regulatory References

Government contractors must adhere to regulations and procedures in order to qualify for the federal procurement process and to maintain their status. AUI’s timekeeping requirements are governed by the Uniform Guidance and NSF’s Award and Administration Guidance (Documentation of Personnel Compensation).

Timecards are viewed as "statements" under the Federal False Statement Act (18 U.S.C. § 1001), and their accountability to any Government contract or subcontract could be perceived as a "false claim" under the False Claims Act or its Amendments (18 U.S.C. § 287, 31 U.S.C. § 3729).

Government contractors are required to have comprehensive written timekeeping policies that demonstrate the company’s practices and compliance with the federal government requirements.

4.0 Responsibilities

4.1 Employee’s responsibilities

- Receive the appropriate business unit from supervisor. Understand what work/tasks are covered by the business unit. It is also expected that the employee knows the funding source.



- Know when to use the appropriate pay code for fringe labor (i.e., vacation, sick holiday, etc.) and other pools (i.e., Broader Impact, Vaccine Time etc.).
- Accurately record all time worked and certify accuracy at the end of the pay period.
- Promptly correct timecard once errors are discovered.

4.2 Approver's Responsibilities

- Ensure employees are using the correct business unit for work performed.
- Carefully review employee's timecard prior to certifying at the end of the pay period.
- Ensure that adjusting timecards contain clear justification.

4.3 Budget Departments responsibilities

- Ensure the BU used are appropriate
- Ensure that adjusting timecards contain clear justification
- Review management practice for improvement, as needed

4.4 Payroll's Responsibilities

- Ensure that adjusting timecards are appropriately documented as outlined by this policy.
- Process adjusting timecards once fully approved and documented.

5.0 Revision History



APPENDIX A (Examples of Adjusting Timecard)

Time Sheet Print Personal Form: (No Personalization) ? X

✓ ✗ ⚙ Tools

Click Here to Print this Time Sheet

NRAO BI-WEEKLY LEAVE AND TIME REPORT							
Emp. No.		Employee Name				Period Ending	
8977529		SMITH, JACK W				04/09/21	
Work Date	Hours	Leave Code	Description	Bus Unit (Dept)	Sub (Proj)	Bus Unit Desc	Acct Desc
03/29/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/30/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/31/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/01/21	4.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/05/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/06/21	6.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/07/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/08/21	9.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/09/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
04/02/21	8.00	H	Holiday	181000		Labor & Benefit	Wages
04/01/21	4.00	V	Vacation	181000		Labor & Benefit	Wages
04/06/21	2.00	DV	Doctor/Dentist	181000		Labor & Benefit	Wages
<i>RV (Vaccine Time)</i>							
Period Totals:	Regular	Vacation	Sick	Sick Family	Doc/Den	Other	Total
	67.00	4.00	.00	.00	2.00	8.00	81.00

*** All days are calculated in 8 hour increments. ***
*** All balances are estimated values as of the period end date indicated above. ***

Close

On April 6, 2021, I received my COVID-19 vaccine. I recorded that time to "Doctor's Visit". Per new time charging guidance, the time should have been charged to "Vaccine Time".

Jack Smith
Employee

Marjorie Burton
Supervisor



Time Sheet Print

Personal Form: (No Personalization) ? X

✓ X Tools

Click Here to Print this Time Sheet							
NRAO BI-WEEKLY LEAVE AND TIME REPORT							
Emp. No.		Employee Name				Period Ending	
8977529		SMITH JACK W				03/12/21	
Work Date	Hours	Leave Code	Description	Bus Unit (Dept)	Sub (Proj)	Bus Unit Desc	Acct Desc
03/01/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/02/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/03/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/04/21	8.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/05/21	9.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/08/21	9.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/09/21	9.50	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/10/21	9.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/11/21	4.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/12/21	8.00 9.00	R	Regular	9501		AUI Residual Ma	Tuition Reimbursement
03/11/21	4.00	V	Vacation	181000		Labor & Benefit	Wages
Period Totals:	Regular	Vacation	Sick	Sick Family	Doc/Den	Other	Total
	80.50	4.00	.00	.00	.00	.00	84.50

*** All days are calculated in 8 hour increments. ***
*** All balances are estimated values as of the period end date indicated above. ***

Close

My estimated work schedule for Friday, March 12, 2021 changed after the timecard was submitted and certified. I worked an additional 1 hour.

Jack Smith
Employee

Marjorie Burton
Supervisor












Adjusting Timecards Policy

Final Audit Report

2021-05-04

Created:	2021-05-04
By:	katryna carter (kcarter@aiui.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAA7kJ_0z-d-ASwLSut4BXUgf2cQKKiqDiD

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-  Document created by katryna carter (kcarter@aiui.edu)
2021-05-04 - 4:15:50 PM GMT- IP address: 107.181.101.146
-  Document emailed to Jack Tade (jtade@aiui.edu) for signature
2021-05-04 - 4:19:31 PM GMT
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