

Prepared by the Vice President for Research
This is a new procedure.

A10.110
July 2007

A10.000 Applied Research Laboratory
Administrative Policies and Procedures

P 1 of 7

A10.110 Labor Recording System

1. Purpose. To establish policies and procedures to ensure proper allocation of ARL at UH employee effort and compensation to ARL at UH and non-ARL at UH activities.
2. Applicability. The policies and procedures shall apply to all employees of the ARL at UH. See footnote on ARL at UH employees hired through RCUH.
3. Definitions.
 - a. "ARL at UH activities" shall refer to all work conducted by ARL at UH employees on or behalf of the ARL at UH such as for ARL at UH task orders, grants and contracts and for ARL at UH administration and support.
 - b. "Non-ARL at UH activities" shall refer to: work conducted by ARL at UH employees hired through UH that is allocable to their UH duties and responsibilities outside the ARL at UH and thus is not chargeable to ARL at UH projects, Prorated Direct Costs (PDC) or fee.
 - c. "Alternate" shall refer to a person authorized to enter labor time and attendance information into the timekeeping system on behalf of another employee.
 - i. "Supervisor alternate" shall refer to a management level employee with approval authority (e.g., ARL at UH Executive Director, ARL at UH Business Office Director, ARL at UH Department Head) who:
 1. Approves the attendance of employees assigned to another manager in the absence of, or on behalf of that manager.
 2. A manager authorized to enter and approve the original time and attendance information for another employee.

- ii. "Read only alternate" shall refer to an employee authorized to view labor screens for designated employees.
- d. "Job number" or "Charge line" shall refer to a field established in the timekeeping system to represent a task order, project or account that an ARL at UH employee is authorized to work on. Taken as a whole, job numbers or charge lines encompass all ARL at UH and non-ARL at UH activities that an employee is authorized to work on and charge during a semi-monthly pay period.
- e. "Temporary record" shall refer to a record that may be maintained by an employee outside the on-line timekeeping system, listing hours worked and the associated job number or charge line information. The employee uses these records to input labor attendance and recording information into the formal timekeeping system and to verify the accuracy of the input. The temporary record is not to be retained after the employee has entered his/her time into the timekeeping system. The timekeeping system records are then the only, formal auditable accounting records.
- f. "Timekeeping system" shall refer to the system used by ARL at UH employees to record labor charging and attendance information.
- g. "Work authorization" shall refer to the process for identifying charge lines that an individual employee is authorized to charge.
- h. "Overtime" shall refer to authorized hours scheduled for non-exempt employees in excess of a standard workweek (i.e., five consecutive eight hour days). Overtime shall be paid in accordance with the respective collective bargaining contract.
- i. "Compensatory time off" shall refer to time off given in lieu of overtime compensation to non-exempt employees. Guidelines for compensatory time off are found in the applicable collective bargaining contract. Award of compensatory time off must: 1) be approved by the principal investigator in the case of task orders and other research projects and the employee's supervisor in the case of ARL at UH administration/support and 2) be approved the ARL at UH Executive Director.
- j. "Request for leave" shall refer to the process of requesting leave of any kind (e.g., vacation, sick leave, jury or witness duty, leave without pay, leave without pay, etc.). Request is made using a paper or on-line form called the "Leave of Absence Form" (UH Form 1). It must be submitted in advance for most leave types, or immediately upon return from unplanned

sick leave. The request for leave form shall be signed by the employee's immediate supervisor.

4. Policy. All ARL at UH employees shall, as a condition of their employment by the ARL at UH, account for 100% of their ARL at UH and non-ARL at UH effort in the ARL at UH timekeeping system. The ARL at UH shall not be charged for the costs of work conducted by ARL at UH employees if the work is for non-ARL at UH purposes.

Above all, the work performed shall determine the proper distribution of time, not availability of funding, type of contract, or other factors.

Actual semi-monthly payroll, including applicable fringe benefits, shall be allocated to benefiting task orders, other ARL at UH activities, and non-ARL at UH activities in proportion to the percentage of total productive (direct labor) hours recorded on individual timesheets.

a. General guidelines.

- i. UH faculty are considered exempt employees under the Fair Labor Standards Act (FLSA) and thus are not entitled to overtime on ARL at UH projects.
- ii. UH faculty in accordance with the general rule on overload compensation, are not entitled to overload compensation on ARL at UH projects unless the faculty member's work meets the exception criteria under OMB Circular A-21, J.10.d.(1). Because overload is excess compensation in addition to the employee's base salary, it is not recorded in the timekeeping system. However, overload shall be charged to the appropriate ARL at UH or non-ARL at UH activity and not be pro-rated or otherwise allocated to non-benefiting activities.
- iii. UH APT employees and student assistants (non-exempt UH employees under FLSA) may earn overtime on ARL at UH projects provided that the principal investigator approves it in advance.
- iv. UH APT employees may earn overload in accordance with the Unit 8 Agreement, provided however that the work to be charged to and ARL at UH project must provide direct benefit to the project and the cost must be allowable, allocable and reasonable in accordance with federal regulations.
- v. Unused vacation credits for ARL at UH employees hired through UH are handled through fringe benefit assessments and are addressed at termination of employment of the

employee. Thus, projects (e.g., task orders) will not be assessed for unused vacation credits at termination of the project. Refer to UH policy A8.947, Extramural Vacation Reserve.

- vi. Nonproductive hours shall include holidays, leaves (except for leaves without pay and compensatory time off), timesheet preparation, and general meetings not specifically identifiable to task orders, projects or accounts. Compensatory time off shall be recorded in the system to monitor remaining hours owed to the employee and shall not result in charges to ARL at UH or non-ARL at UH activities.
- vii. Workforce stabilization funds shall only be used in the case of ARL at UH employees: hired through RCUH 100% on sponsored funds, who will be out of work for an extended period of time (2 or more days) and that the ARL at UH would like to retain. In order to place an employee on stabilization funds, the approval of the applicable Department Head and ARL at UH Executive Director is required. Idle hours shall be charged (i.e., salary and fringe) to the charge line "Stabilization."
- viii. Workforce stabilization funds shall not be used for ARL at UH employees that have duties and responsibilities outside the ARL at UH. Such employees should be released from their ARL at UH duties and increase their other work commitments if they will not have ARL at UH work for an extended period of time (month or more).

b. Responsibilities.

i. Employees will:

- 1. Comply with the labor recording practices described in this procedure and its references.
- 2. Cooperate with the ARL at UH administration and government auditors during labor compliance reviews ("floor checks").

ii. Supervisors will:

- 1. Provide charging information to employees. Ensure that employees are familiar with the labor recording responsibilities in this procedure and its references.

2. Adhere to policies and procedures governing labor recording as described in this procedure and its references.
3. Review, validate and approve each employee's attendance.
4. Contact the ARL at UH Business Office to assign employees to the correct labor charge lines/job numbers.

5. Procedures.

a. Time recording.

- i. Employees are responsible for the accuracy of their own labor charging information. In certain circumstances, supervisor alternates may be used to input time on behalf of an employee. The use of an alternate does not diminish the employee's responsibility for ensuring the accuracy of the information recorded.
- ii. Employees are required to record the amount of time worked on a job to the nearest quarter of an hour (15-minute increments) and to the appropriate job number/charge line listed on the timekeeping system input screen. Exempt employees will not record uncompensated overtime.
- iii. Employees working in locations, other than their usual work locations, must record and time attendance information at an available workstation, or call or fax their time to their immediate supervisor or a supervisor alternate if access to the Internet is not an option.
- iv. Employees are required to validate time and attendance information. The employee's time record transmittal (forwarding) is their certification of the accuracy of the time recorded, charging (job number, charge line), and attendance information (e.g., regular or overtime worked, vacation, sick leave, leave with pay, leave without pay, etc.) The employee's time record transmittal is treated as their signature.
- v. When a supervisor alternate enters time for an absent employee, the supervisor alternate will note in the "Internal Comments" section of the time card screen that the employee was absent, that the supervisor alternate completed the time record for the employee and will initial the comment. The supervisor alternate's input, comment and initials only validates an employee's

attendance, not necessarily the accuracy of the labor charging.

- vi. Time and attendance information must be recorded in the timekeeping system by the end of the employee's shift for each day, unless circumstances warrant otherwise (e.g., the system is down or a terminal is not available). Time and attendance information must be entered into the timekeeping system no later than the middle of the employee's shift on the following workday that the system is available. A temporary record will be kept by the employee until the information has been entered into the timekeeping system.
- vii. Under no circumstances shall the employee record time prior to actually performing the task that the hours represent (with the exception of vacation or other pre-approved leaves).
- viii. Non-exempt employees must record compensated overtime worked in the timekeeping system.
- ix. Employees must record compensatory time off use in the timekeeping system.
- x. Employees falsifying time or labor are subject to disciplinary action and possible civil and/or criminal liabilities.
- xi. Employees shall not make prior pay period job-number-to-job-number changes or adjustments to attendance using the on-line timekeeping system. Employees must coordinate charge line changes with the ARL at UH Business Office. Prior period attendance and charge line changes require management approval.
- xii. Employees will submit "Leave of Absence" forms (i.e., UH Form 1), signed by the employee and supervisor, to the ARL at UH Business Office in advance of leave, or immediately thereafter for unplanned sick leave.

6. References.

- a. [Unit 7 Agreement](#)
- b. [Unit 8 Agreement](#)
- c. [UH Policy & Procedure: A9.035 Fair Labor Standard Act](#)
- d. [UH Policy & Procedure: A9.880 Policy and Procedure on Student Employment \(Section 6. Overtime and Premium Pay\)](#)

Footnote

In accordance with the agreement between the University of Hawai'i and Research Corporation of the University of Hawai'i (RCUH), employees hired

through the RCUH for the ARL at UH are subject to RCUH policies and procedures. However, as a condition of their employment at the ARL at UH, RCUH employees must adhere to the timekeeping policies and procedures and prior approval requirements contained within this procedure.