

DCAA TIMEKEEPING POLICY FOR [Organization Name]

1. Purpose and Scope

This policy establishes a standardized timekeeping practice to ensure accurate, complete, and transparent recording of time and labor costs.

It aims to support compliance with applicable federal contract and regulatory requirements by ensuring defensible timekeeping documentation for all employees charging labor to US government contracts, subcontracts, or proposals.

The policy applies to:

1. All employees who work for [organization name], including full-time, part-time, contract, and temporary staff.
2. Direct, indirect, billable, and non-billable labor
3. Supervisors who are responsible for staff timesheet review and approval

2. Policy Statement

[Organization name] and its staff are committed to maintaining a timekeeping system that:

- Accurately records all hours worked each day
- Separates labor costs by contract, project, and internal charge codes
- Supports compliance with Federal Acquisition Regulation (FAR) rules and the Defense Contract Audit Agency (DCAA) guidance for timekeeping and labor charging.

3. Roles and Responsibilities

3.1: Employees

All employees are responsible for:

- Recording their own time daily, not after the fact
- Recording all hours, including:
 - Compensated and uncompensated overtime
 - Time off (sick leave, emergency leave, etc.)
 - Activities directly and indirectly related to a government contract
- Assigning time to the correct contract, project, and charge code

- Providing accurate, truthful time entries that reflect actual work performed
- Submitting their timesheet by [deadline]
- Requesting timesheet adjustments or corrections promptly and documenting the reason for the change

Employees cannot:

- Pre-enter time or copy/paste schedules for future days
- Complete or tamper with another employee's timesheet
- Falsify or conceal time worked

3.2 Supervisors and Managers

Any employee in a supervisory role is responsible for:

- Reviewing each team member's timesheet for completeness and accuracy
- Approving timesheets promptly and within the defined timeframe
- Ensuring that timesheet corrections are justified and documented
- Training their team on timekeeping practices and ensuring that the policy is understood

Supervisors cannot:

- Direct employees to charge hours to an incorrect or unauthorized charge code
- Adjust any timesheet without a documented reason or without notifying the employee

3.3 Finance, HR, and Administrative Staff

All supporting and administrative roles are responsible for:

- Maintaining the timekeeping system
- Maintaining the charge code structure and documentation
- Tracking timekeeping training across all teams
- Performing periodic internal reviews of timesheets and documentation
- Retaining timekeeping records and audit trails in accordance with regulatory requirements
- Maintaining a clear separation between timekeeping and payroll

4. Timekeeping Requirements

4.1 Daily, contemporaneous entry

- Employees must enter time each day to reflect the actual hours worked
- Time may not be recorded in advance or in bulk at the end of the week
- If no work is performed on a particular day, the timesheet must reflect the reason why (sick, vacation, etc)

4.2 All hours worked

- Employees must record all hours worked, whether billable or non-billable, and regardless of whether they exceed standard scheduled hours
- Uncompensated overtime (hours worked in excess of standard hours without additional pay) must still be recorded
- Idle time, such as breaks, must be recorded

4.3 Charge codes and timesheet information

Employees must charge time to the appropriate charge code for:

- **Direct labor:** Specific contracts or projects
- **Indirect labor:** Overhead, general and administrative (G&A), business development, training, or other internal activities

Each timesheet must include:

- The date
- Name and role of the employee
- Total hours for that date, broken down by project and task
- Applicable charge codes per time entry
- Brief, meaningful description of the work performed

Important: Avoid generic descriptions on time entries, such as “*work*,” “*miscellaneous*,” or “*admin*.” Use concise descriptions that clearly identify the nature of the work.

4.4 Start and stop times

- Employees must record the actual start and stop times for tasks performed during their workday.
- Meal breaks and unpaid breaks must be recorded as non-working time in accordance with company policy.

5. Timesheet Submission and Approval

5.1 Submission schedule

- Employees must submit completed timesheets by [deadline]
- Late submissions must be documented and may be subject to corrective action

5.2 Supervisor review and approval

Supervisors must review timesheets promptly after submission and check that:

- All days in the period are completed
- Hours appear reasonable relative to work activities
- The charge codes used are valid and authorized
- Overtime and leave are charged to the appropriate codes

Once timesheets have been checked:

- Supervisors must electronically or physically sign to indicate approval
- Once approved, timesheets are considered final and may not be altered except through the correction process described below

6. Corrections and Changes

6.1 Employee-initiated corrections

When an employee discovers an error, they must initiate a correction as soon as possible.

The correction must:

- Clearly show the original entry and the corrected entry
- Include a brief explanation of the reason for the change
- Be dated and identified with the name or user ID of the person correcting

6.2 Supervisor involvement

Corrections must be reviewed and approved by the employee's supervisor.

If a supervisor corrects on behalf of an employee (e.g., due to absence, termination, or system access issues), the supervisor must:

- Document why the employee could not make the change directly
- Notify the employee as soon as it's practical to do so

6.3 Prohibited practices

Employees and supervisors cannot:

- Delete or overwrite time entries without retaining the original information
- Making retroactive changes to avoid overtime, to shift costs between contracts improperly, or to alter the appearance of performance
- Make any changes that are not fully documented with justification and the date

7. System and Audit Trail Controls

To ensure compliance, the timekeeping system must:

- Only allow each employee to maintain their own timesheet
- Use unique login credentials per user
- Prevent unauthorized access to, or modification of, another employee's time records
- Maintain a permanent audit trail capturing all actions, adjustments, and changes
- Lock or restrict timesheet edits after submission and/or supervisor approval

- Retain timekeeping records and audit trails for at least the period required by contract and law (commonly three to six years after final contract payment, or longer if required by company policy).

8. Training and Communication

All new employees must receive timekeeping training during onboarding.

Training will cover:

- The timekeeping policy and related procedures.
- Proper use of the timekeeping system
- Examples of correct and incorrect timekeeping and charging
- Consequences of non-compliance

Periodic refresher training will be provided when significant changes to the timekeeping system or policy occur.

9. Internal Monitoring and Reviews

The organization may conduct periodic internal reviews or audits of timesheets, labor distribution, and related records.

Reviews may include:

- Spot checks of timesheets for completeness and accuracy
- A comparison of hours to project assignments, payroll records, and leave records
- Interviews with employees and supervisors regarding timekeeping practices

All findings from internal reviews will be documented, and corrective actions will be implemented as needed, which may include additional training, process changes, or disciplinary measures.

10. Non-Compliance and Disciplinary Action

10.1 Expected conduct

- Employees must act responsibly and with integrity in all timekeeping practices
- Any suspicion of mischarging, falsification, or coercion related to time entry must be reported immediately

10.2 Non-compliance

Violations of this policy include:

- A failure to complete timesheets accurately or on time

- Recording time for another employee or allowing another person to record time for you (except in documented, approved circumstances)
- Charging time to an incorrect code, project, or contract intentionally or after repeated warnings
- Falsifying time records, including inflating or deflating hours, misclassifying direct vs. indirect labor, or pre-recording time

10.3 Disciplinary action

Non-compliance may result in corrective and/or disciplinary action, up to and including termination of employment.

In cases involving fraud or knowing misrepresentation, the organization may refer the matter to law enforcement, contracting agencies, or other authorities as required.

11. Policy Ownership and Updates

The [Title/Department, e.g., Director of Compliance or HR] is the owner of this policy and is responsible for maintaining and updating it.

This policy will be reviewed periodically and updated as necessary to reflect changes in regulations, contract requirements, or company operations.

Revised policies will be communicated to employees, and additional training will be provided.