

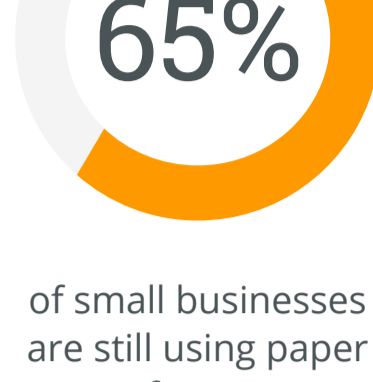
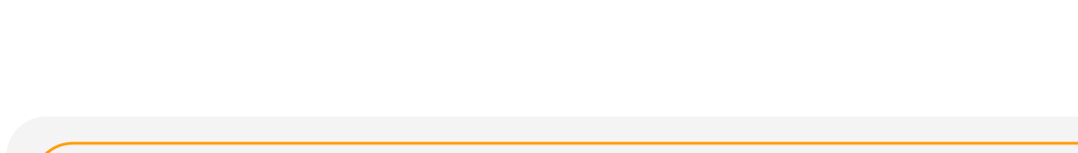
Common Payroll Mistakes & the Cost to Your Business

Getting your employees paid accurately and on time should be pretty simple, right? Well, it's not exactly a walk in the payroll park. Capturing accurate time and attendance data and then managing the administrative process is cumbersome and often riddled with error. Here we look at some of the biggest mistakes operators make and a few ideas to put a cork in the problems that cost time and money.



1 Relying on Manual Systems

Payroll can encompass **50%** of your operation's **GROSS REVENUE**.



65% of small businesses are still using paper forms



60% of small businesses are still using paper punch cards

But small-to-midsize employers aren't doing anything about it and are suffering from costly time & attendance mistakes.



2 Tolerating Errors

Manual processes for tracking time & attendance **ERRORS** can cost ...

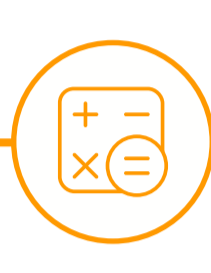
1-8% of **TOTAL PAYROLL COSTS**

The more locations you add to the mix, the more **THOSE COSTS GO UP.**

This Can Come From:



Keying in numbers incorrectly



Transposing numbers



Misreading handwritten records

Hard Costs
Additional Manpower

Soft Costs
Managers' Time, Morale & Turnover
Hourly Staff Time, Morale & Turnover

It takes **7 MINUTES** to review a single time sheet



ONE TIMESHEET
7 minutes



TEN TIMESHEETS
70 minutes



100 TIMESHEETS
700 minutes (11.6 hours)

Managers spend time on...

Collecting, approving & preparing employee hours for payroll

Distributing paychecks

Answering employee questions about benefits

Instead of...

Interacting with guests

Training employees

Improving Operations

Meeting or exceeding revenue goals

3 Failing to Comply



70%

7 in 10 companies fail to comply with wage-and-hour regulations

DUE TO:

Inaccurate Time Tracking

Employee misclassification

Lack of accurate workforce data



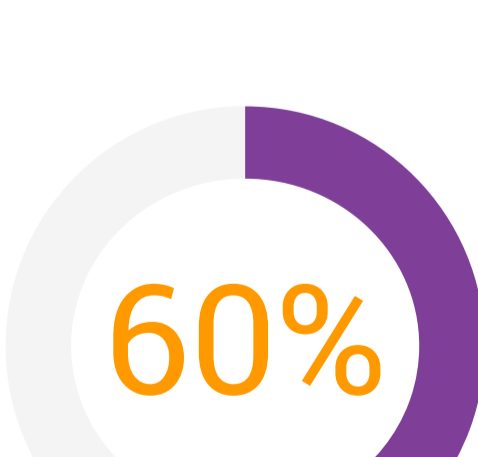
4 Mismanaging Time & Attendance

50% of Workers Commit Time Theft

The average employee "steals" anywhere from 50 minutes to 4.5 hours per week

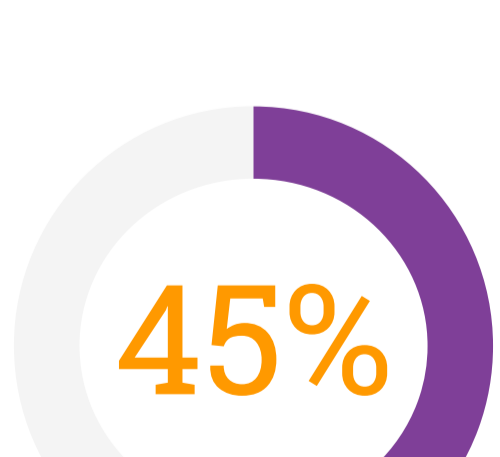
\$50K Reducing your payroll **ERROR RATE** by JUST **2%** could **save** your business **\$50,000** a year in **GROSS REVENUE**

50 EXTRA HOURS For 50 employees **WORKING 5 days/week**



60%

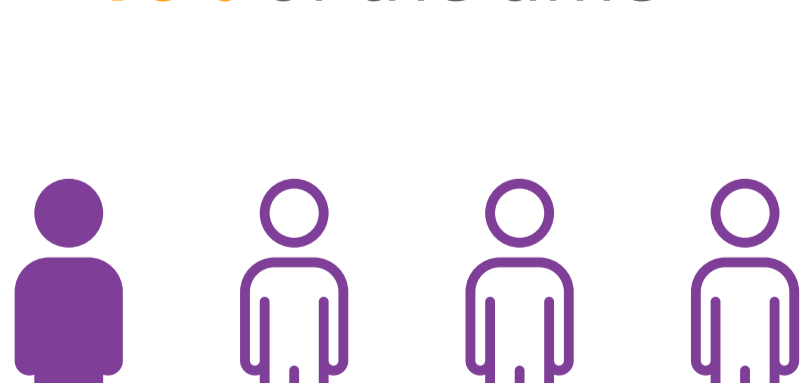
of respondents say their employees aren't accurately reporting their time, or they don't know if reported time is accurate.



45%

Unintentional time theft due to inaccurate recording is most common. (Turns out employees are pretty trustworthy after all.)

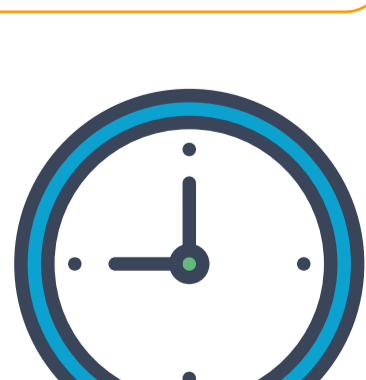
One-quarter of workers inflate their shifts over **75%** of the time



The majority of employees who do paid shifts added between **11 and 20 minutes** to the actual hours worked.



5 It's About Time!



If you reduce your payroll error rate **by just 5%**, Fourth Time & Attendance will pay for itself **10x over**.

Call us at **+877-741-9610** or learn more at **Fourth.com/time-and-attendance**

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Sources: Software Advice, <https://hatschedules.com/blog/time-theft-still-a-problem-for-75-of-companies/>
1. As cited in the "Stop wasting time with paper: create an attendance system." Washington Business Journal, <http://www.bizjournals.com/washington/stories/2003/12/22/smallb10.html>
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3. M2SYS Blog on Biometric Technology, <http://blog.m2sys.com/workforce-management/top-5-reasons-paper-time-sheet...>
5. "Trends in Wage and Hour Litigation Over Unpaid Work Time and the Precautions Employers Should Take," Laurent Badoux, Esq., 1, HR, Payroll, Benefits.
7. "Cloud Applications Multiply ROI by 1.7 Times Over On-Premise Solutions," Nucleus Research, <http://nucleusresearch.com/news?newsid=448>