

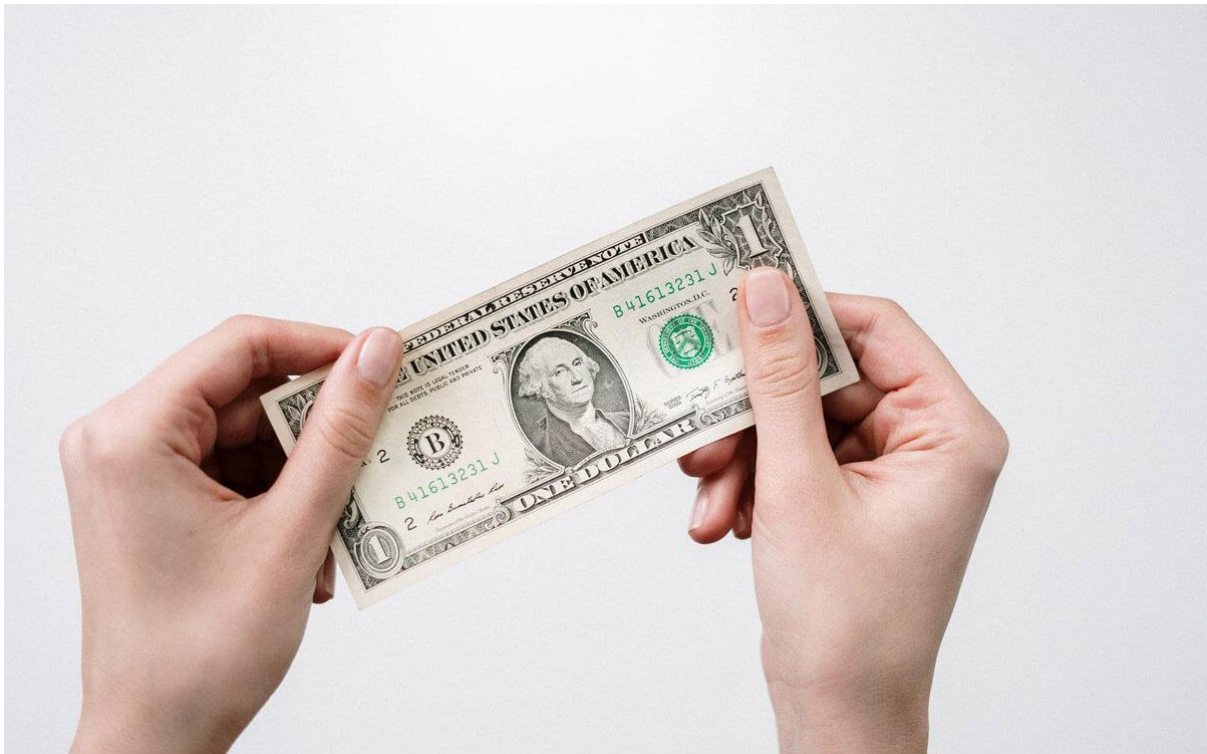


# 5 ways inaccurate timesheets could cost you big time

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**Making sure that your employees are paid correctly is one of the most fundamental tenants of owning or operating a business.**



## 1. Overpaying and underpaying employees

It's fairly obvious how overpaying your employees can cost you.

For a waged earner at \$20/hr, overpaying by 15 minutes a day, 5 days a week for a full year comes out at \$1,300 per employee that you could be put to use meeting business objectives.

What you may not realise is that underpaying could cost you drastically more.

We covered this a little in our blog post on dairy farming, but if it is discovered that you are accidentally underpaying your employees, you could end up with tens of thousands of dollars in penalties, on top of having to back-pay what you owe your employees.

In 2018, Smith City found themselves in hot water after not paying employees for their 15-minute pre-opening meetings. Not only did their employees suffer the stress of having to get this made right, but it resulted in some pretty bad press for the tech retailer.

It's easier than you think to make a mistake like this, especially with salaried workers.

With the Employment Relations Authority (ERA) requiring employees hours to be averaged out over a fortnight at the most, it could get dangerous quickly. If you have someone on a \$50,000 a year salary who works 100 hours over two weeks instead of 80, suddenly you're breaking minimum wage laws.

## 2. Compliance with employment obligations

Did you know it is a legal requirement to keep accurate timesheets for your employees?

Did you know you have to [keep exact records of hours worked](#) for at least seven years?

Did you know that if you fail to keep accurate records, you could face fines from the ERA of up to \$100,000?

Paper filing systems take up a lot of space and digital records on a personal computer are both difficult to keep tidy and at risk of being completely lost if the PC suddenly fails.

By using a [cloud-based time-clocking platform like TimeDock](#), you can make sure that your records are not only accurate but also safe, secure and always accessible.

## 3. Accurate and competitive job costing

With data, comes insight.

When you have detailed information about how much time certain projects or tasks take, you can use that information to forecast what certain jobs may cost you depending on what person you put on the job.

When you know Employee X earns \$40/hr and takes three hours to complete a job, you can ensure any quote you provide a potential client is accurate.

Not only will this mean you can be competitive in price, but that you won't end up committing your valuable resources to a job that could end up making you nothing, or even costing your business money.

#### 4. Enhance productivity within your workforce

Speaking of leveraging the power of data, there is no greater value in employee data than being able to compare their performance against expectation.

In New Zealand alone, [workplaces are losing billions of dollars due to low productivity](#).

With TimeDock's accurate, live time tracking, you can see which employees are underperforming and work with them to figure out ways to improve their productivity.

Whether it's mental health, personal issues or just a feeling of low morale, being able to provide employees with the support they need to work at their best level will only ever provide positive returns.

#### 5. Merger and Acquisition documentation

[M&A activity has been steadily increasing](#) over the last few decades and, despite the dip in 2020 for obvious reasons, it is showing no sign of slowing down when the world resumes its previous course.

If you end up with a generous offer from a larger company, it is highly likely that they will expect accurate and detailed reporting on the pay and performance of your employees. Dumping a folder full of spreadsheets in their hands may put off a potential buyer.

With software like TimeDock, not only do you get to-the-minute clock in/out information, but you can define what projects each person is working on and granularly break down what their pay is costing you by timeframe.

Having all this info to hand could be the difference between a successful sellout, or losing the opportunity altogether.