Guide

DCAA Compliance Guide 2014

*Built With **Your** Industry Knowledge*

Contents

Introduction

The Defense Contract Audit Agency (DCAA) performs contract audits for the Department of Defense (DoD) and other government agencies. Contractors working on the contracts or projects for these government agencies must comply with the DCAA guidelines.

There are other DCAA compliant software in the market covering different aspects of the audit, including timekeeping and accounting. Using DCAA-compliant software is important in the audit process because it shows DCAA that your company is professional, efficient and organized. The most important factor in passing a DCAA audit is a good record-keeping system that is customizable to your business type and has all the features that meets the DCAA requirements. The investment in good DCAA-compliant software will save you money and time.

BillQuick not only offers DCAA-compliant time tracking capabilities but powerful project management, expense tracking and billing capabilities as well. It provides hundreds of reports that cover all aspects of time billing and project management that support DCAA compliance. With BillQuick and its add-on modules, time and expenses can be captured for employees as well as independent contractors (consultants and vendors) working on a project. The best part is that BillQuick enables you to implement the DCAA compliant security settings throughout the program with a single click!

The goal of this **DCAA Compliance Guide** is to familiarize you with the features and processes of BillQuick that can help you meet DCAA requirements. It also helps you set up BillQuick in compliance with the DCAA guidelines manually. However, you must make sure that all your employees are trained on how to use BillQuick.

After reviewing the DCAA Compliance Setup Guide, we recommend that you use the BillQuick Getting Started Guide to install and implement BillQuick. For details about BillQuick, please refer to the **BillQuick Help** and **BillQuick Report Book**. Based on your preferred learning style and available time, you can use the BillQuick Help and other documents for self-learning or choose guided learning (custom training) to accelerate the process. *Check out BQE Services for more*.

DCAA Requirements

A prime concern of the DCAA is the Labor Charging System or timekeeping procedures adopted by contractors. Detailed labor and cost tracking is required because, unlike other cost items, labor is not supported by external documentation or physical evidence (for example, invoice, purchase order, receipt).

The key link in an effective time charging system is the individual employee. ***It is critical that management educates employees on their independent responsibility for accurately recording time charges.*** This is required by the DCAA to guard against fraud and waste in the labor charging system.

The table below summarizes the DCAA requirements and how BillQuick addresses them. The requirements are based on the DCAA publication, *Information for Contractors*.

For more information about the DCAA related publications, please check [DCAA website] and [DCAA Blog].

Area	DCAA Requirements	BillQuick Solution
Employee Awareness Program	1. Make employees aware of their responsibilities and train them in accurate time card preparation.	1. BillQuick training programs, consulting and documentation for managers and employees
Separation of Responsibilities	1. Supervisors responsible for project budgets and contracts cannot initiate employee time charges. 2. Separate responsibilities for labor-related activities and payroll accounting. Persons independent of timekeeping must prepare payrolls.	1. Set security profiles for employees to segregate responsibilities. 2. BillQuick does not have built-in payroll capabilities. It integrates and exchanges data with payroll and accounting systems. Internal procedures enhance this natural separation.
Time Card Preparation	1. Provide detailed instructions for time card preparation through a timekeeping manual or company procedure. 2. Record time on a daily basis by the employee who performs the task. 3. Use a remote data entry terminal for an automated timekeeping system, if appropriate. 4. Record all timekeeper hours, whether paid or not. 5. If shared, split resource time charges across multiple projects.	1. Has detailed reference information, tutorial and instructions (How Do I's) for time and expense entry. 2. Can record and submit time entries on a daily basis. BillQuick Agent monitors hours and emails reminders to tardy timekeepers. 3. Use the browser-based Web Suite, web-enabled Smartphone or subscription-based BillQuick Online for remote time entry. 4. Track all hours worked – billable, non-billable, overtime, extra time and personal time. 5. Charge time to one or multiple projects or phases.

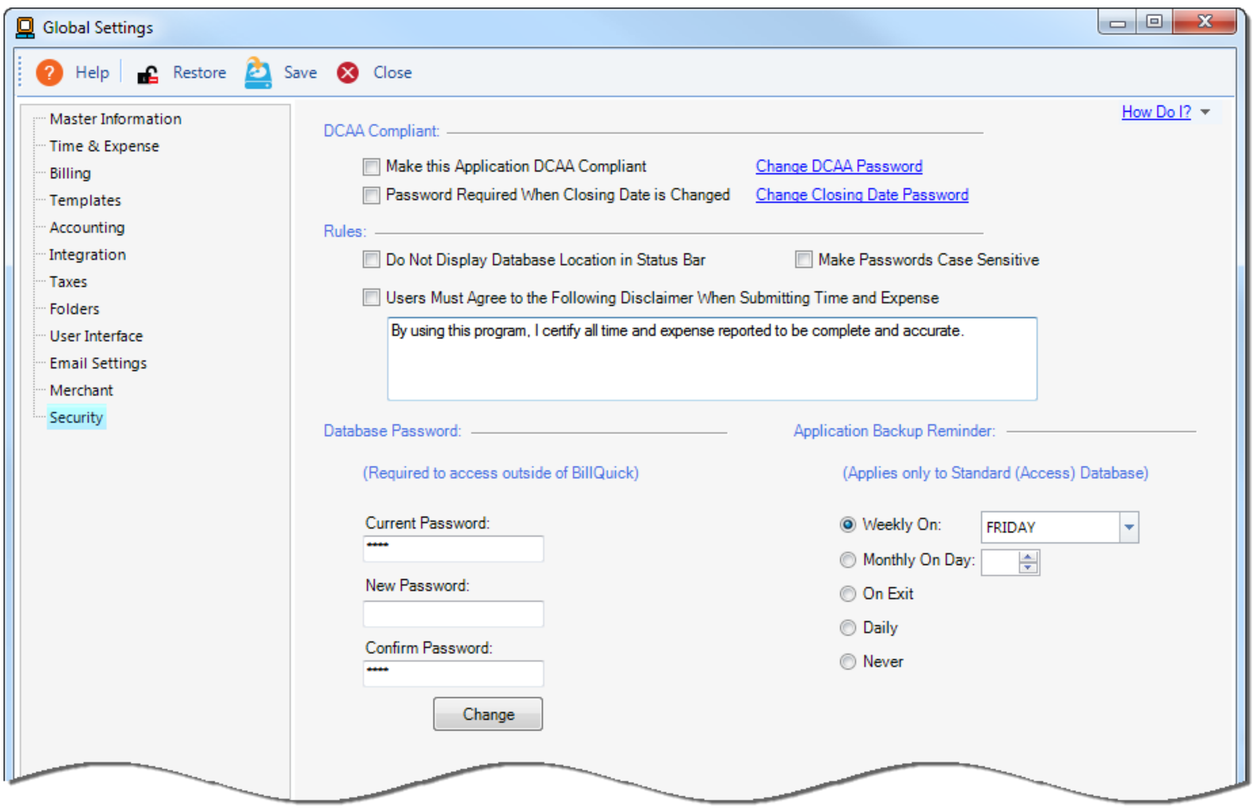
Area	DCAA Requirements	BillQuick Solution
Labor Distribution	1. Charge direct and indirect labor to appropriate cost objectives. Allocate costs to appropriate cost objectives. 2. Track employee time by work activity. Correct distribution of time by project or contract number or name, labor hours, rates and cost by category, or other identifiers. 3. Provide a list of projects and their descriptions to employees for accurate time tracking.	1. By design, charge hours to specific tasks, projects, contracts and clients with direct allocation of costs to projects, contract and expense types. 2. Track employee time by activity (task). Captured time includes date, project ID and name, activity description, hours worked, cost and bill rates, cost and bill amount, and billable or non-billable status. Support for detailed memos. 3. Drop-downs with pre-defined Project and Activity IDs and descriptions. Project lists available as a report and PDF file. Project and Employee Control assigns projects, activities and expenses to employees to ensure accurate and faster time entry.
Labor Authorization and Approval	1. Supervisory approval of employee time sheets. Multi-level approval process. Reportable audit trail of changes and approvals. 2. Corrections to time sheets by employees only, then documented, authorized, and approved by supervisor.	1. Requires approval of time sheets for billing. Support for multi-level and automated submission-approval workflow. Actions tracked in Log Viewer screen. 2. Option to set disclaimer for employees, which they have to certify before submitting time and expenses for approval. 3. Who can add and edit entries is controlled by security. Employees record and edit time entries, and supervisors approve or reject them. After being approved, entries cannot be changed.
Rates	1. Define rates for employees and override with specific task-based rates. Capture changes in an audit trail.	1. Support for standard bill and cost rates for employees and activity codes as well as special rates defined in a service fee schedule. Rates can also be set up on employee classification, title or labor category. Actions are captured in Log Viewer.
Cost Accounting	1. Comply with Cost Accounting Standards, accounting principles, and contract terms and clauses. 2. Segregate direct/project costs from indirect/overhead costs. 3. Substantiate costs by retaining records for 3 years after final contract billing. 4. Exclude unallowable costs.	1. Captures required cost accounting details, tracks actions in an audit trail, and allows you to define administrative settings at company, project and individual levels. 2. Segregates project and overhead costs based on contract type and identifies them by item or unit. Set up Chart of Accounts to segregate direct and indirect costs. 3. Stores data in a central and secure database. Old data can be archived and restored anytime. 4. Exclude expenses from the contract amount or make unallowable time and expense non-billable.

Area	DCAA Requirements	BillQuick Solution
Security	1. Monitor overall integrity of timekeeping system--password security, audit trail of logins and logouts, documentation and approval of labor transfers, adjustments of labor distribution, review and correction of labor errors, edits to time sheet, and so on.	1. Security monitors overall integrity of timekeeping system—secure login, role-based security permissions for screens and reports, confidentiality of sensitive information with Employee Control, audit trail by Log Viewer, documentation of actions or decisions using project journals, messages and memos, submission-approval workflow for time, authorized review and editing of time data, and adjustments to time sheets using negative hours.

Compliance Setup

This section shows you how to set up BillQuick in compliance with the DCAA requirements.

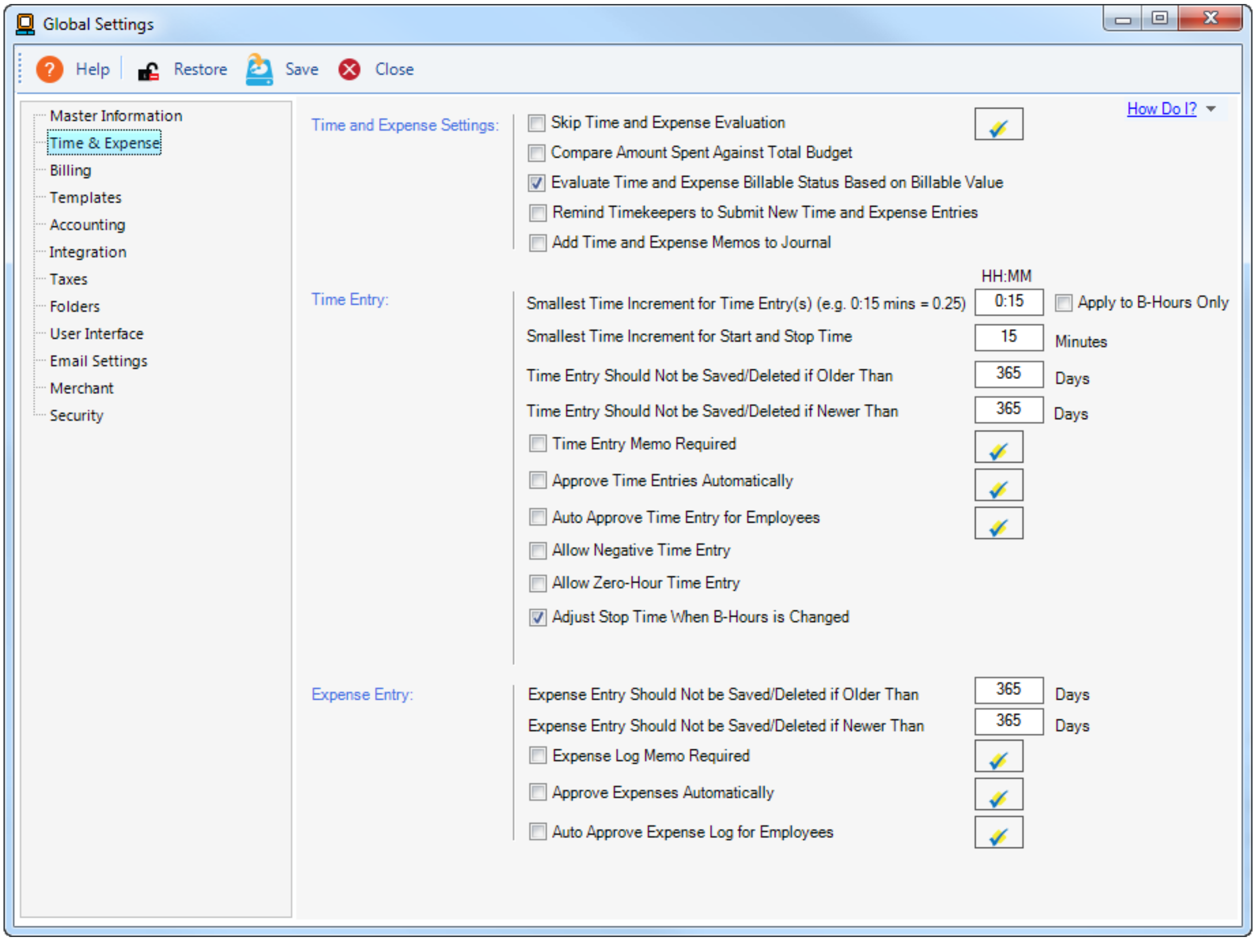
In BillQuick, you can override the default or existing security settings of users and implement standard DCAA compliant security settings with a single mouse-click. To do so, you need to check the ‘Make this application DCAA Compliant’ option in the Global Settings-Security screen. For security reasons, this setting is password-protected and hence you must set a DCAA password for it so that no one turns it off accidentally.



BillQuick also allows you to specify or edit manually other settings, rules and options that support DCAA compliance. To do so, read the sections below. Features which meet DCAA audit requirements are marked with Ⓡ. Additional or optional features that enhance the value of BillQuick to more-than-meet these requirements are marked with Ⓐ.

Global Settings

In the Global Settings screen (Settings menu), you can set business rules to match industry standards, company preferences and DCAA requirements. Some settings control the entry of time and expenses, their approval, processing and billing. These global settings apply to all BillQuick users.



Setting or Option	Description	Where Implemented
® Allow Negative Time Entry	Check this option to allow recording of negative hours for time entry. Combined with security permissions, this forces an obvious audit trail for all time entry edits.	Global Settings-Time & Expense
® Prompt for submission of new Time and Expense entries	Check this option for BillQuick to prompt all timekeepers to submit their time and expense entries to the designated reviewer or manager.	Global Setting-Time & Expense
® Approve Time Entries Automatically	Uncheck this option so that time entries are ***not*** approved automatically for all projects. Before they can be billed, entries must be submitted and approved.	Global Settings-Time & Expense

Ⓡ Auto Approve Time Entry for Employees	Uncheck this option so that time entries are ***not*** approved automatically for all employees. Before they can be billed, entries must be submitted and approved.	Global Settings-Time & Expense
Ⓡ Time/Expense Entry memo is required	Check these options so that all timekeepers add notes or memos to track details about the time and expense entries.	Global Settings-Time & Expense
Ⓐ Smallest time increment for Time Entry, Start/Stop time	Government contracts may define a minimum time increment, or you may choose to define one for all timekeepers. Enter that increment here (e.g., 15 minutes). You can apply the increment to Actual Hours (A-Hours), Billing Hours (B-Hours), or both. Check the box to increment only the hours billed to a client.	Global Settings-Time & Expense
Ⓡ Time Entry should not be saved/deleted if older/newer than	Enter the desired number of days in the past or future for the date of a time entry. This applies to new and edited entries. This setting can ensure that employees record or edit their time within the days specified by you, e.g., 7 days before or after the current day. The past or future period should be consistent with your company policy for recording, submitting, reviewing, editing and approving time entries. A timekeeper cannot edit a rejected entry outside the past or future period without temporarily disabling this option. We recommend that you allow for normal delays that may occur to avoid extraordinary procedures.	Global Settings-Time & Expense
Ⓐ Employee standard hours–per day/week	If you want BillQuick to track Overtime or Comp Time automatically, enter the standard number of hours employees work per day and per week. This default value carries to each new employee record. You can also enter standard hours in an employee record. These features are activated on an employee-by-employee basis. *See Employee Profile section below*.	Global Settings-Master Info Employee-Detail
Ⓡ Make this application DCAA Compliant	Check this option to implement standard DCAA compliant security settings in BillQuick automatically. For security purposes, BillQuick prompts you to set a DCAA password for this setting.	Global Settings-Security
Ⓡ Password Required When Closing Date is Changed	Check this option if you want the Closing Date feature in the Company screen to be password-protected. This way, no one can change the closing date for the company accounts unless authorized to do so. You can set the password for the closing date as well.	Global Settings-Security
Ⓡ Users Must Agree to the Following Disclaimer When Submitting Time and Expense	DCAA compliant companies require their employees (or vendors) who enter time and expenses to sign a disclaimer while submitting their entries. BillQuick allows you to set your own disclaimer message or accept the default one.	Global Settings-Security
Ⓡ Automatically Log Actions to a Log File	Check this option to record or log every action in the Log Viewer, including who performed it and when.	Global Settings-Folders
Ⓡ Log File Location	By default, BillQuick maintains separate audit trail files (text files) for each month in the same folder as your company database. We	Global Settings-Folders

	recommend keeping the log file on a server.	
Database Password	Set or change the administrator password to access your company database outside of BillQuick. The default password is 'admin' (case-sensitive).	Global Settings-Security
Do Not Display Database Location in Status Bar	Check this option to hide the location of your company database on the status bar of the BillQuick desktop.	Global Settings-Security

Security

Security permissions determine who can access company data using BillQuick (or its add-on modules). Security begins with login. After logged in, security settings determine which features, screens and reports a user can access in BillQuick and other modules. A BillQuick Supervisor or any authorized person sets up security permissions for employees and vendors.

When you check the DCAA Complaint option in Global Settings, BillQuick automatically overrides the existing or default security settings of all users to ensure DCAA compliance. We recommend that you implement this setting. However, if required, you can modify them or specify your own security permissions manually. You can copy these settings to other similar users. For time entry, two standard security profiles are included with BillQuick: Time Entry Only, and Time and Expense Only. You can open, edit and save a security profile with the following steps:

1. On the Security screen (Settings menu), select an Employee other than the Supervisor.
2. Under the Tools button, select Security Profiles.
3. On the screen, select Time Entry Only or Time and Expense Only from the drop-down list. Click Load. Red text (and an unchecked box) means security permission for that module or screen has not been granted.
4. Change the security permissions as needed (*see below*).
5. When you have finished, again select Security Profiles under the Tools button and enter a new name for the modified settings. Click Save and then close the dialog box. (*This **does not** assign the template to the employee unless you click Save on the main Security screen.*)

To assign a security template to a user, you can also use the Product Licensing and User Management Console, Employee screen or Vendor screen.

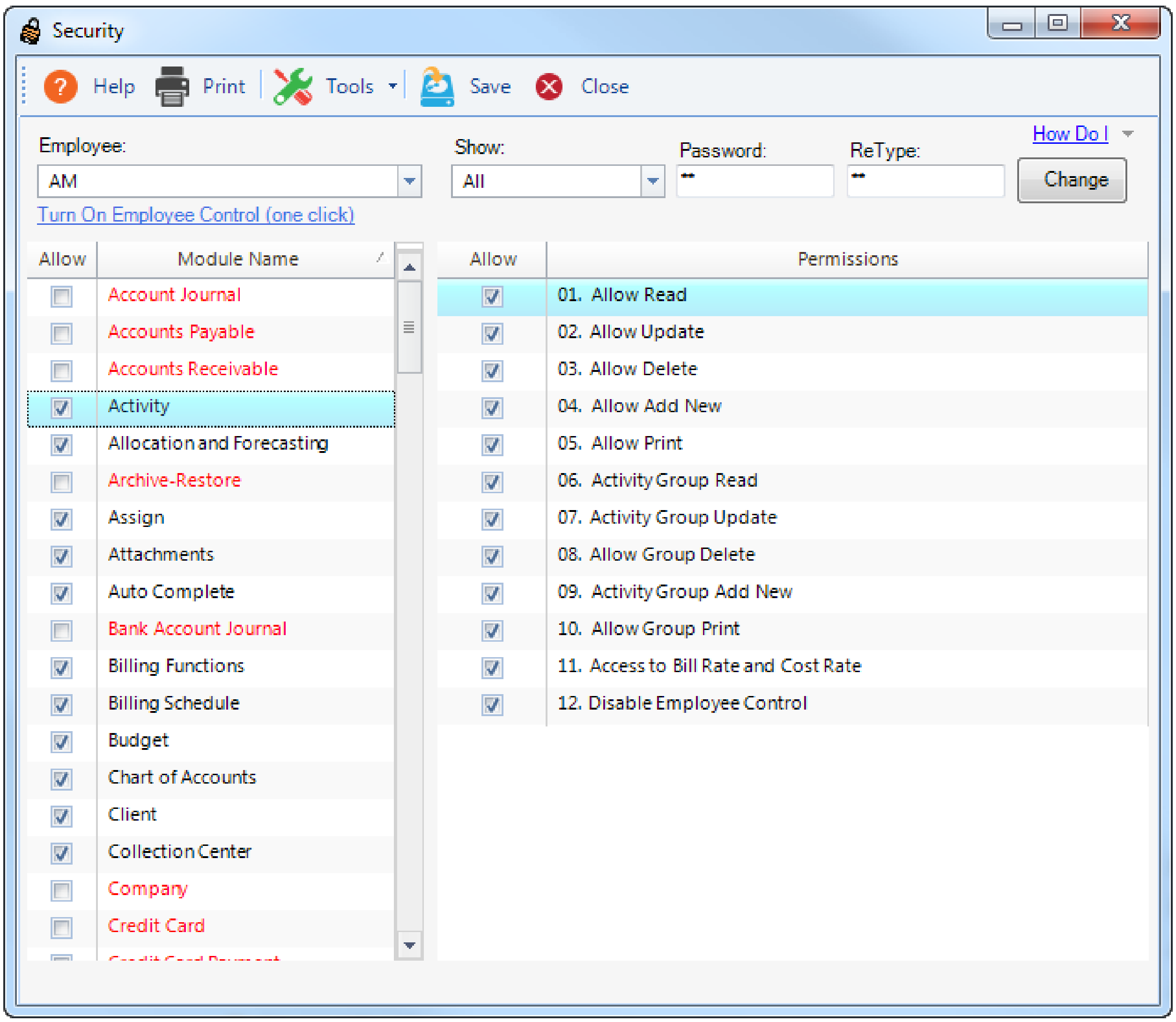
You can assign a set of security permissions on the Security screen to individual users as well as groups.

Please use the information below to fine-tune the permissions for a security profile, individual user, or a group of users. *See the BillQuick Help for more.*

1. Open the Security screen from the Settings menu and select an Employee from the drop-down.

2. Ⓐ Select a Module Name and then check or uncheck the Permissions according to the level of control required. For example,

    - *Activity*: Allow Read, Update, Delete, Add New, Access to Bill Rate and Cost Rate
    - *Archive/Restore*: Allow Read, Archive, Restore
    - *Expense Log*: Allow Update, Add New, Approve Expense Entries, Change Feature, Edit Billed or Approved Expense Entries
    - *Global Settings*: Allow Update, Change Database Password
    - *Log Viewer*: Allow Read, Delete
    - *Navigators*: Allow Access to Company, Time and Expense, Management Navigator
    - *Project*: Allow Add New, View Accounts, Set Billing Info
    - *Reports Center*: Allow Read
    - *Security*: Allow Update, Change Password, Turn Security On or Off
    - *Timer*: Allow Run Timer, Limit Editing to Self Only, Access to Data of all Employees, to Change Billable or Non-Billable, Adjust Date Beyond Global Setting Restriction



3. For DCAA compliance, turn off (uncheck) the following Time Entry permissions for timekeepers:

   - Ⓡ 03. Allow Delete
   - Ⓡ 05. Allow Access to Time Entries of all Employees
   - Ⓡ 07. Allow to Approve Time Entry
   - Ⓡ 08. Allow Change Billable/Non-Billable
   - Ⓡ 09. Allow Change
   - Ⓐ 10. Show Amount Spent During Entry
   - Ⓡ 13. Allow Adjust Date Beyond Global Setting Restriction
   - Ⓡ 14. Allow Edit Billed Time Entry
   - Ⓐ 15. Allow Edit Memo
   - Ⓐ 16. Show Bill Rate and Cost Rates
   - Ⓡ 17. Allow Edit Approved Time Entry
   - Ⓡ 19. Allow access to Employees I Manage
   - Ⓡ 22. Allow Approve My Time Entries
   - Ⓡ 24. Show WUD (write-up/down)
   - Ⓡ 25. Show Amount (charge amount)
   - Ⓡ 26. Allow Edit Amount

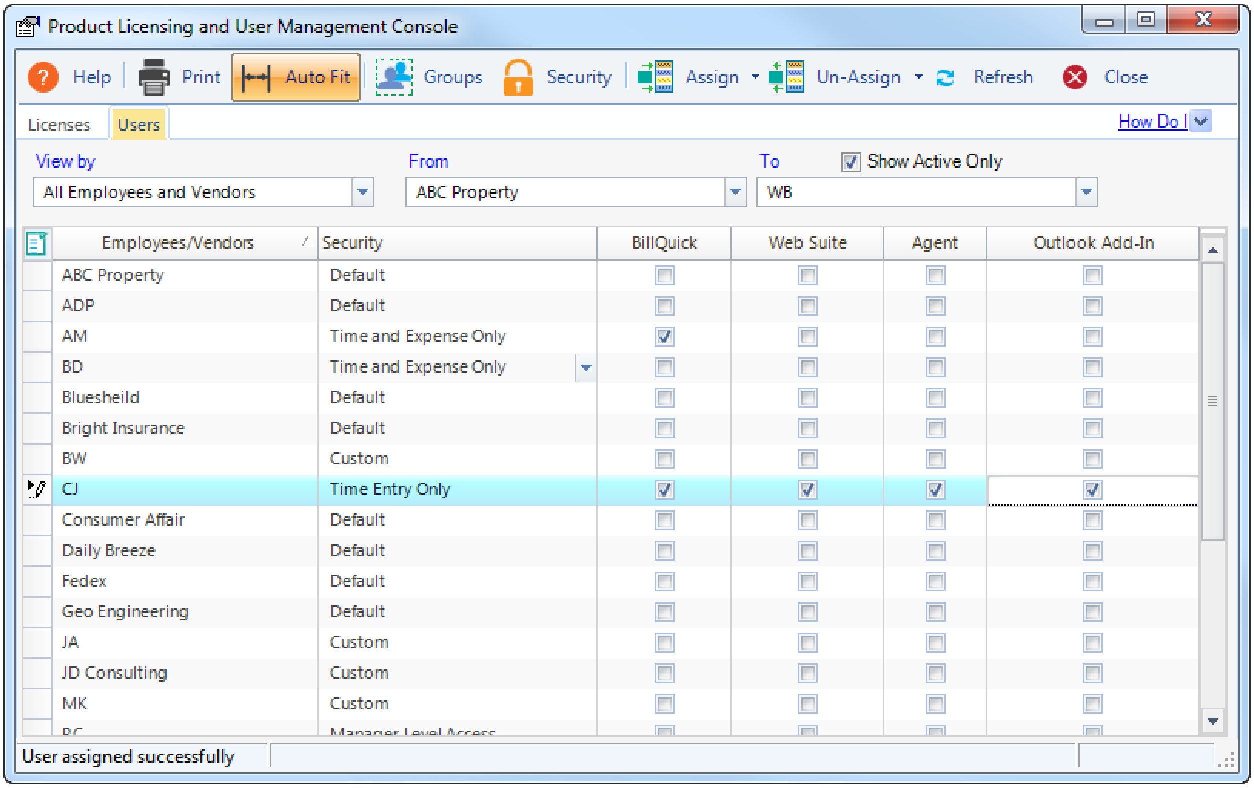
   However, turn on (check) the following permission:

   - Ⓡ 27. Hide Cost Rate
   - Ⓡ 36. Limit Editing to Self Only

After your security templates are ready, assign a license and security profile to each user. You can do this in two ways:

1. From the Employee or Vendor screen (View menu), select the General tab, check the BillQuick User box, select a security template from the Security drop-down, then click Save. *See Employee Profile below for more*.

2. From the Product Licensing and User Management console (File menu), first check the BillQuick, Web Suite or Outlook Add-In box to assign a license for the module. You can assign a timekeeper license for different modules if needed. Second, select a security profile for the user.



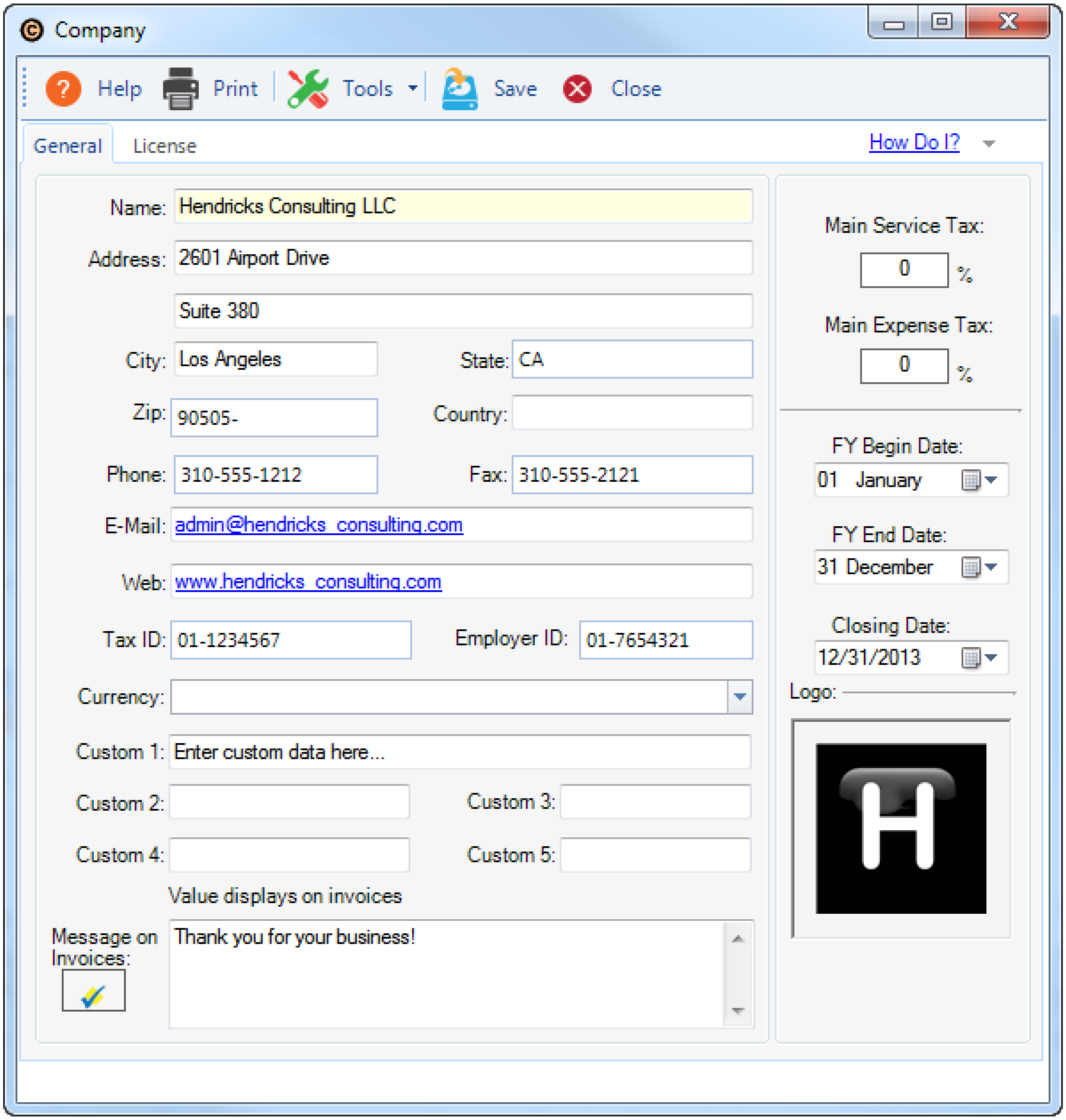
Finally, you need to assign passwords to users and turn on security. Open the Security screen and do the following:

1. Select an Employee from the drop-down. The default login and password is their Employee ID. To enhance secure access, replace the default (or current password) with a new one. Click Save after each password change.
2. When ready to turn on security, select 'Supervisor' from the Employee drop-down. The 'Security On' option displays. Check it and then click Save. You can also turn on security from the Settings menu, Security.

   When security is on, all users must log into the program. You need provide employees and vendors with their User ID and Password.

Company Profile

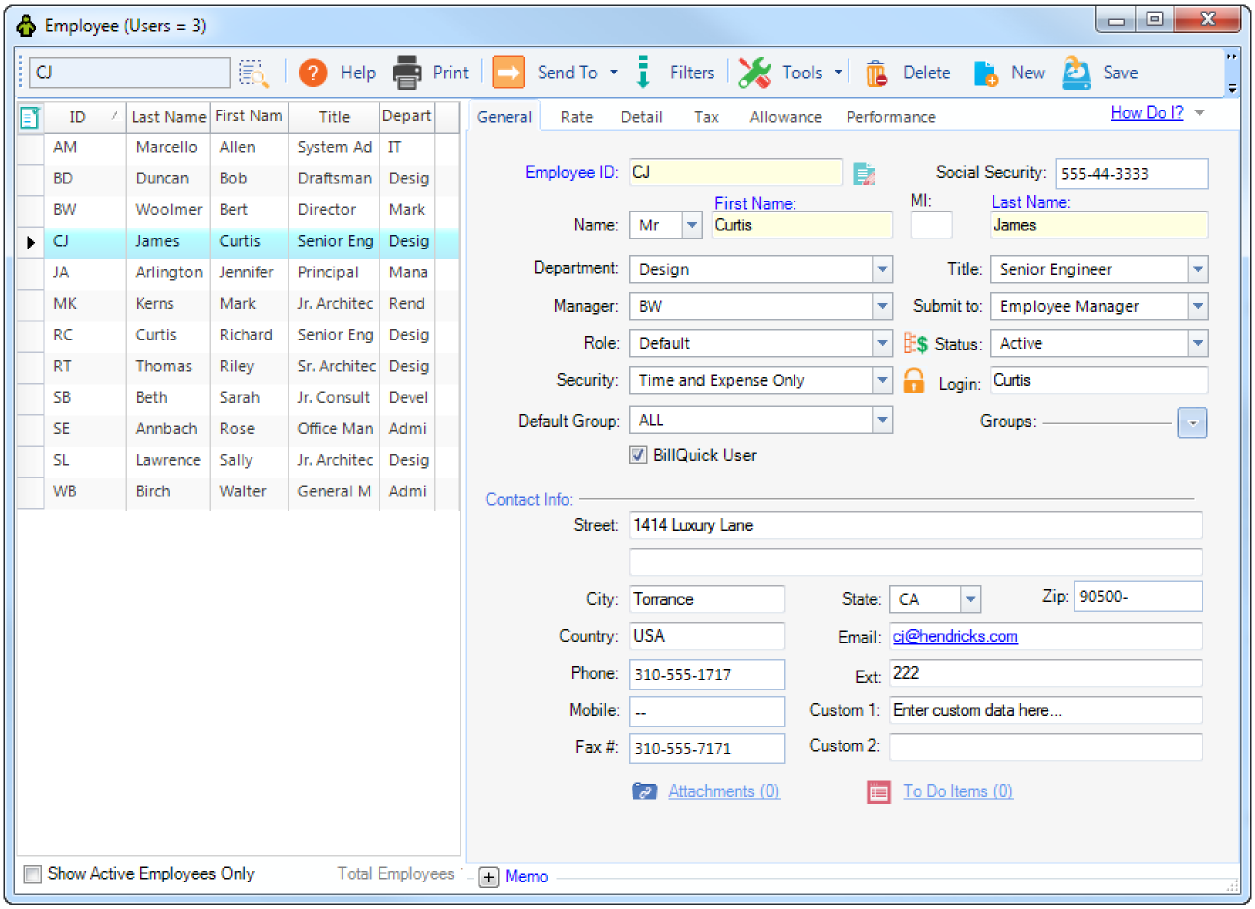
You can define your company profile and other settings in the Company screen. For companies requiring DCAA compliance, note the following option.



Setting or Option	Description	Where Implemented
Ⓡ Closing Date	Enter a closing date for the last accounting period. This prevents untimely editing of data in BillQuick after the financial year closing date. This option can be password-protected.	Company-General

Employee Profile

Employees and vendors (consultants, independent contractors and suppliers) can be set up and assigned login privileges to record hours worked (and other tasks). On the Employee or Vendor screens (View menu), you should consider the settings mentioned below. These settings take precedence over the Global Settings and User Preferences.

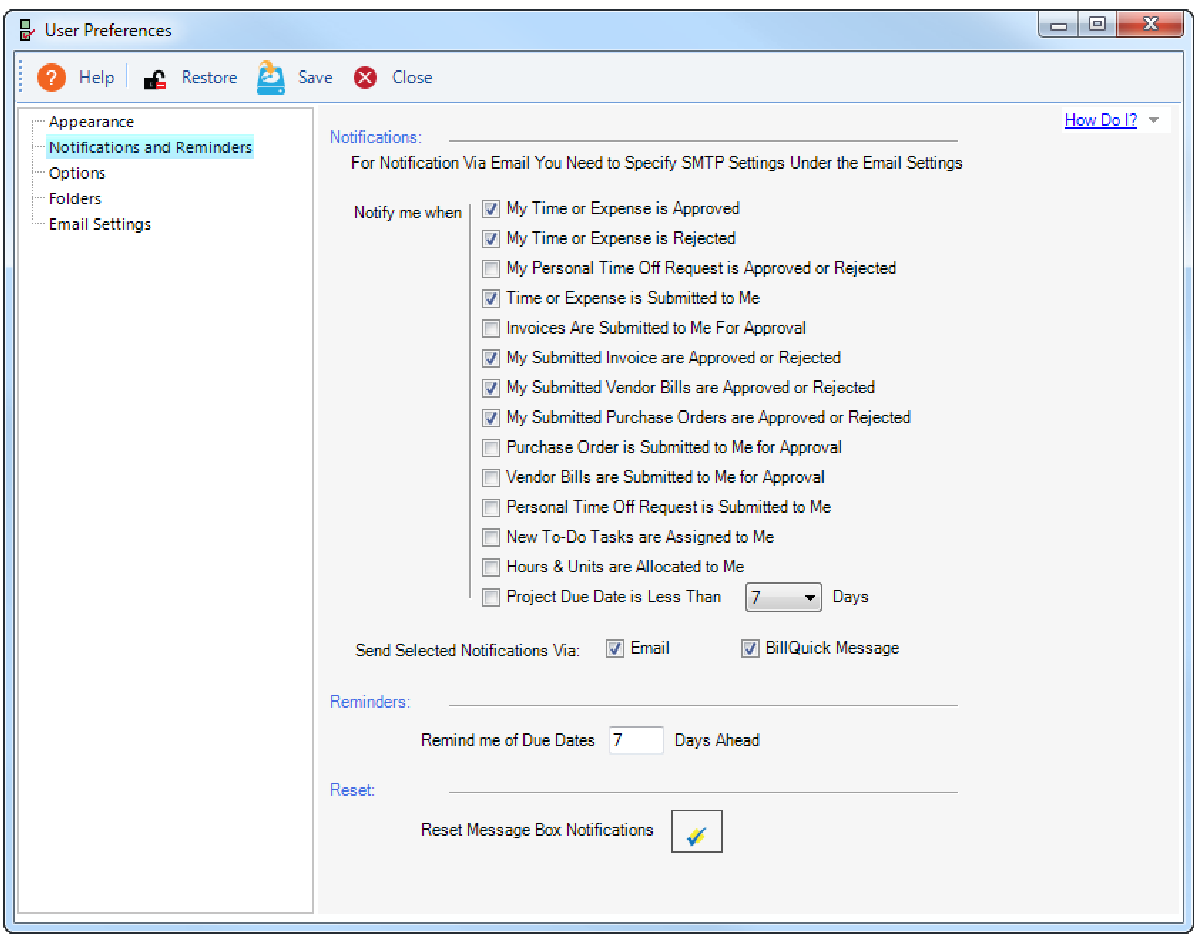


Setting or Option	Description	Where Implemented
® Submit To	Select to whom employees should submit their time entries for review and approval. If your company has a chain of approvers, this is the first person in the chain.	Employee-General Vendor-General
® Security	Select a standard security template for the employee. To create or modify a template, see the Security section.	Employee-General Vendor-General
® BillQuick User	Check to assign a license so the employee can log into BillQuick. If the employee will remotely capture time using Web Suite (browser or smartphone), assign a license on the Product Licensing and User Management Console.	Employee-General Vendor-General
® Bill Rate Cost Rate	Enter the default bill rate and cost rate for the employee. Pay Rate and Overhead Multiplier combine for the Cost Rate. Default rates are	Employee-Rate Vendor-Rate

	at the lowest level of Rate Hierarchy in BillQuick.	
Ⓐ Standard Hours–Per Day/Week	Enter the number of hours employees (or vendors) work per day and per week. (These carry from the Global Settings for new records.) If you turn on the Automatic Overtime and Comp Time features, BillQuick determines when all or a part of a time entry (entered on the Sheet View screen) is overtime or comp time. It applies the OT Bill Rate and Cost Rate (default or special rate) to overtime hours. Comp time is accumulated as banked hours.	Employee-Detail Vendor-Detail
Ⓡ Auto Approve Time/Expense	Uncheck these options so that a designated manager reviews and then approves all the time and expense entries submitted by an employee (or vendor).	Employee-Detail Vendor-Detail

User Preferences

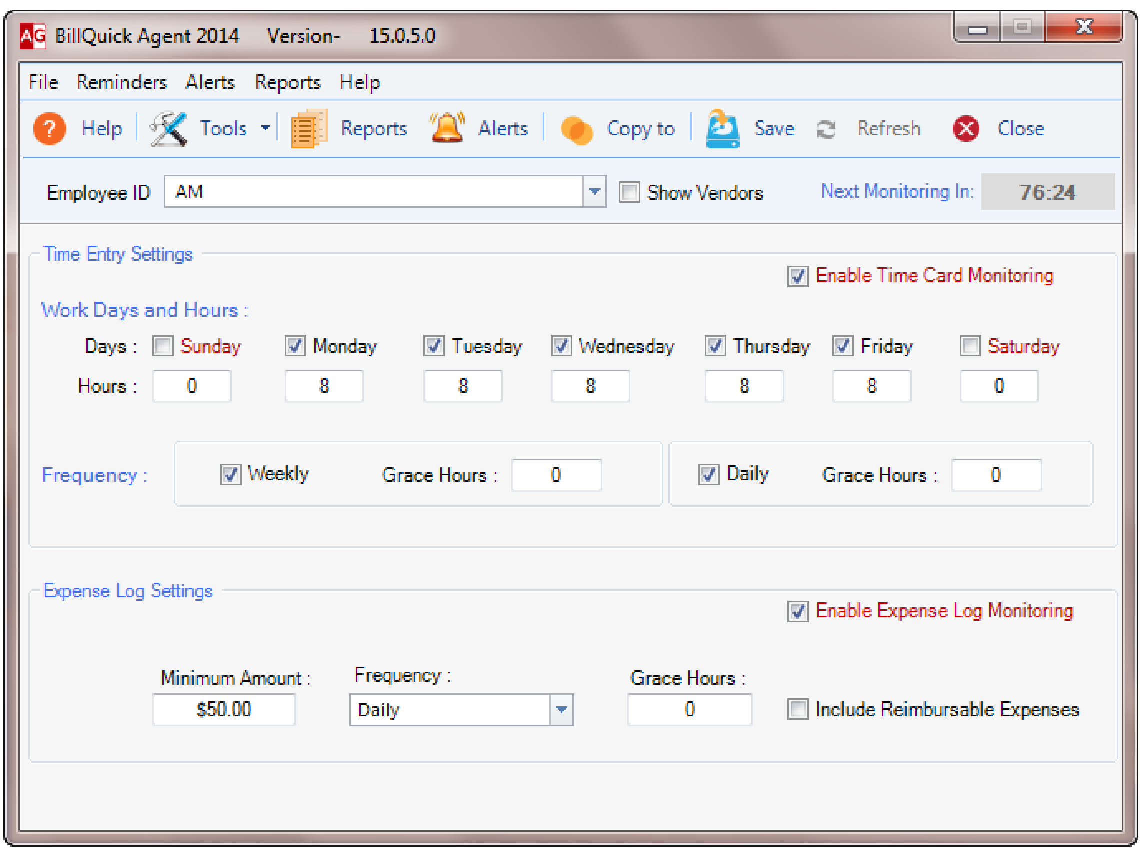
To increase productivity associated with timekeeping activities, you may activate appropriate User Preferences (Settings menu). These business rules and settings enhance user interaction and improve the quality of data. These preferences apply to only individual users and supersede (override) Global Settings.



Setting or Option	Description	Where Implemented
Notify me when . . . Time or Expense is Approved/ Rejected	When checked, BillQuick automatically sends an email or message to the users when their entries are approved or rejected. This is in addition to the standard rejection notifications.	User Preferences-Notifications and Reminders
Notify me . . . Time or Expense is Submitted to Me	When checked, BillQuick automatically sends an email or message to the reviewer when entries are submitted. This is in addition to the standard submission notifications, thus speeding up workflow.	User Preferences-Notifications and Reminders
Hide Features that I Do Not Have Access to	When checked, BillQuick simplifies the user interface by hiding menu options and toolbar buttons for which a user does not have security permission.	User Preferences-Options
Auto-fill Simple TE/EL and Calendar View . . .	On the Simple Time Card and Calendar View screens, this sets the number of projects carried from previous time sheets.	User Preferences-Options

BillQuick Agent

BillQuick Agent is an add-on module for BillQuick. It is a workflow automation tool that monitors time card entry to ensure timekeepers report all their hours daily. It will monitor a week at a time, if desired. (Agent automates other workflow tasks, including monitoring expense sheets, scheduling reports and providing business alerts.)

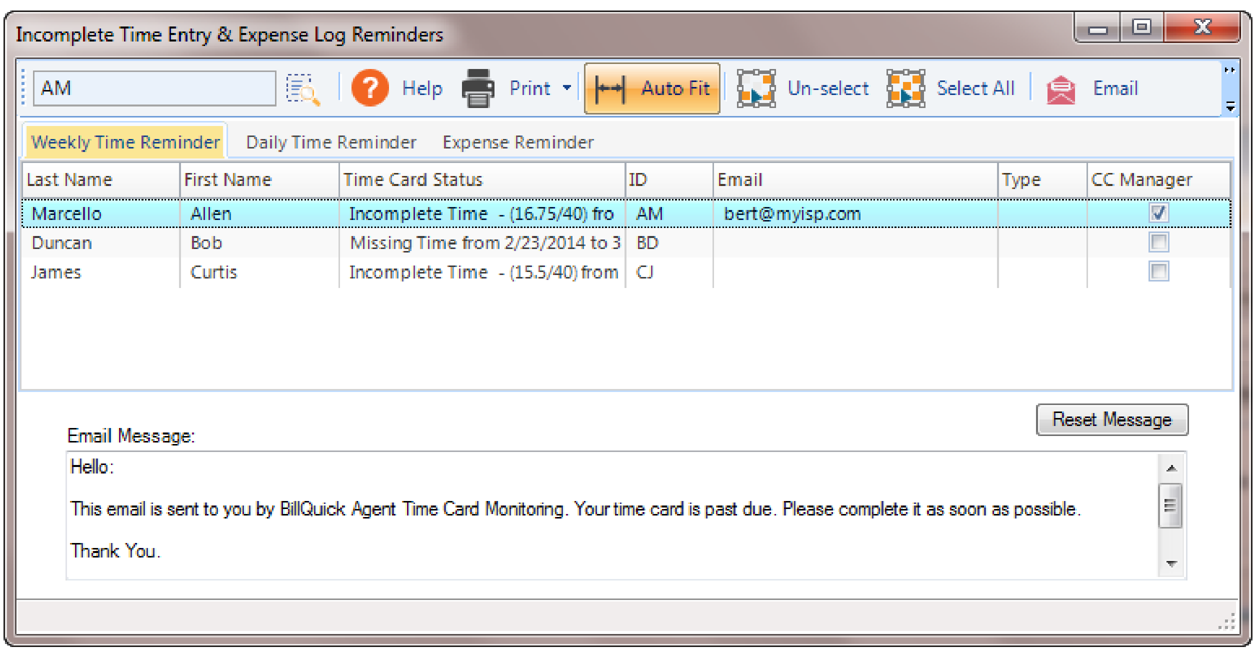


To set up an employee for automatic time sheet monitoring, do the following:

1. Start BillQuick Agent and select ‘Time and Expense Settings’ from the Reminders menu.
2. Select the timekeeper from the Employee ID drop-down.
3. Check the ‘Enable Time Card Monitoring’ option.
4. Check the days of the week the employee normally works.
5. Enter the minimum number of hours an employee works each day.
6. Select Daily or Weekly as the Frequency for checking employee timesheets.
7. In the Grace Hours field, enter the number of hours after midnight when Agent should begin checking for late timesheets.
8. Click Save and then Close.
9. Next, select the Global Settings screen under Tools.
10. Check ‘Send past due notifications…’ and enter how many emails to send per day. (*See the manual option below.*)
11. If desired, check ‘Send a copy of email to Employee Manager…’ option.
12. Click Save and then close the screen.

You can repeat this for each employee or use the Copy To option to clone these settings for other employees or groups.

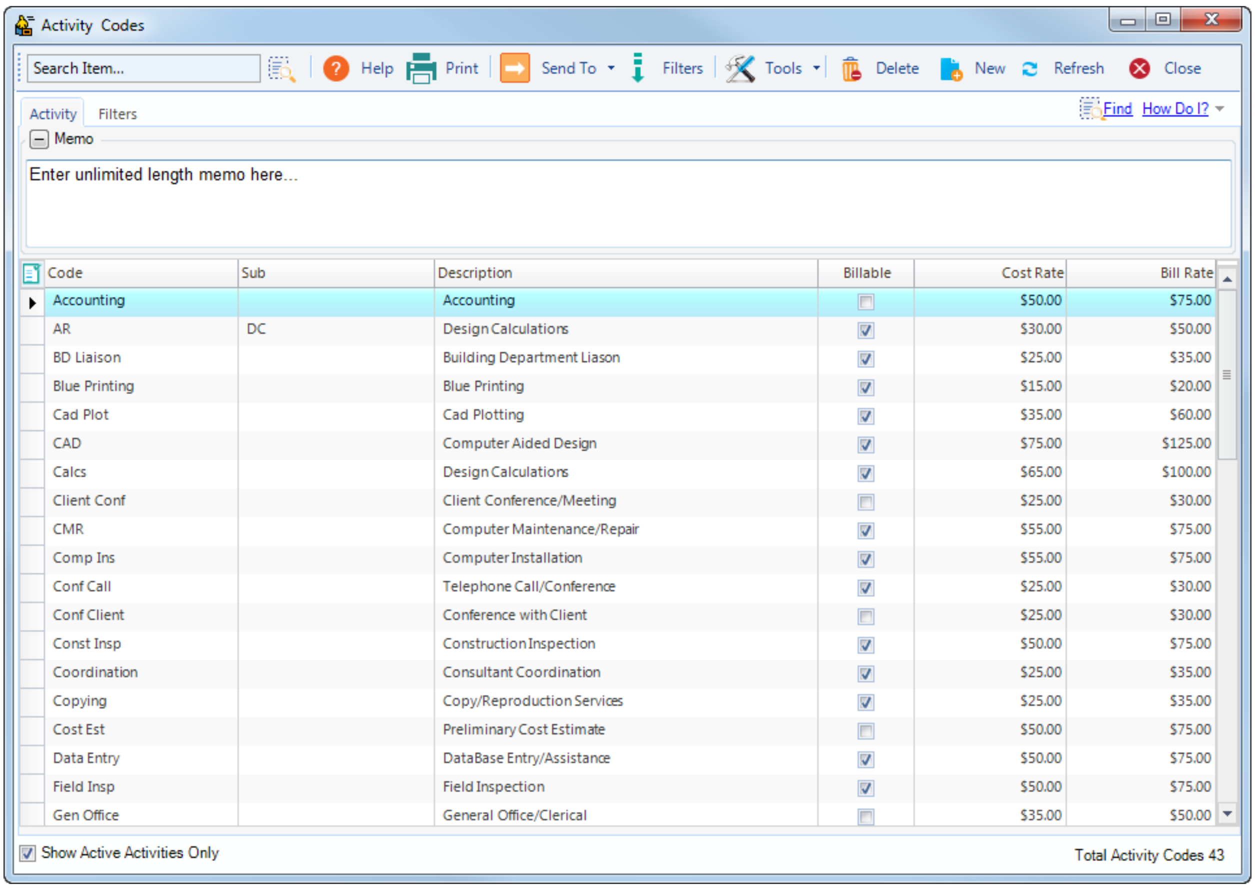
In addition, if you prefer, you can manually check for late timekeepers using the Incomplete Time Entry & Expense Log Reminders screen. Select the ‘Time and Expense Notification’ option from the Reminders menu or Tools, Notify to view it. (It also displays automatically when you open Agent and there are late timekeepers.)



Activity Codes

In the Activity Codes screen, you define the activities or tasks employees will charge to projects. Your contract determines which items are billable to the client. For effective job costing and profitability reporting, non-billable activities should still be charged to it. Default settings for activities carry to the time entry screens. If you use Project Control, Employee Control or other project settings, you can override these default settings for a particular project.

If appropriate, you can set up default bill and cost rates by activity. These rates apply to all employees who charge an activity to a project. These are a part of the Rate Hierarchy and are used if the Service Fee Schedule rates do not apply. Usage of activity rates is set on a project-by-project basis. For DCAA compliance, the following settings are important:

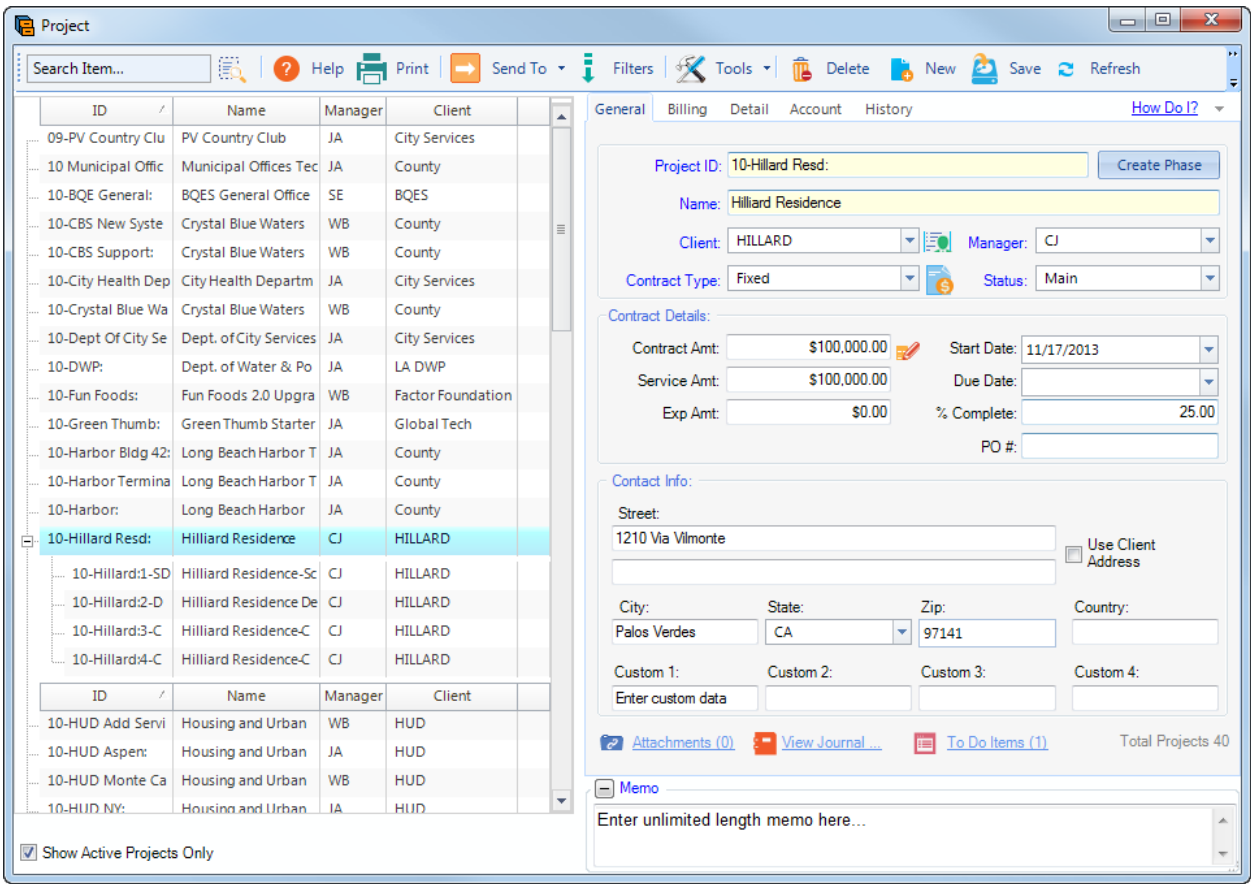


Setting or Option	Description	Where Implemented
Ⓡ Cost Rate Bill Rate	Enter the default cost and bill rate for the activity item. To activate the rate for a project, check the Rule on the Project screen.	Activity Codes-Activity tab
Ⓡ Billable	Check or uncheck the billable status for each activity item (billable or non-billable). If the status varies on a project or employee basis, you can change it using Project Control and Employee Control.	Activity Codes-Activity tab

Project Profile

In BillQuick, employees select the activities performed by them and charge their time (hours worked) to a project. A project may represent the entire scope of work in a contract, or it may be only a portion or phase of the overall project. Multiple contracts from the same client can be tracked as separate projects. As needed, phases can be further broken down into segments and sub-segments. Each project record has its own contract type, contract amount, PO number, and so on. This ensures a correct distribution of time by project ID or name, contract type or other identifiers as required by the DCAA.

Project-level settings get precedence over the Global Settings and User Preferences. The relevant ones for DCAA compliance include:



Setting or Option	Description	Where Implemented
R Project ID Name	Enter a unique project ID and name. A timekeeper selects a Project ID or Name to charge hours.	Project-General
A Contract Type	Enter the appropriate contract type (billing arrangement) for the project. The Fixed Fee and Hourly Not To Exceed types require a Contract Amount. In addition, BillQuick automatically checks that time and expenses do not exceed the contract amount for these types.	Project-General

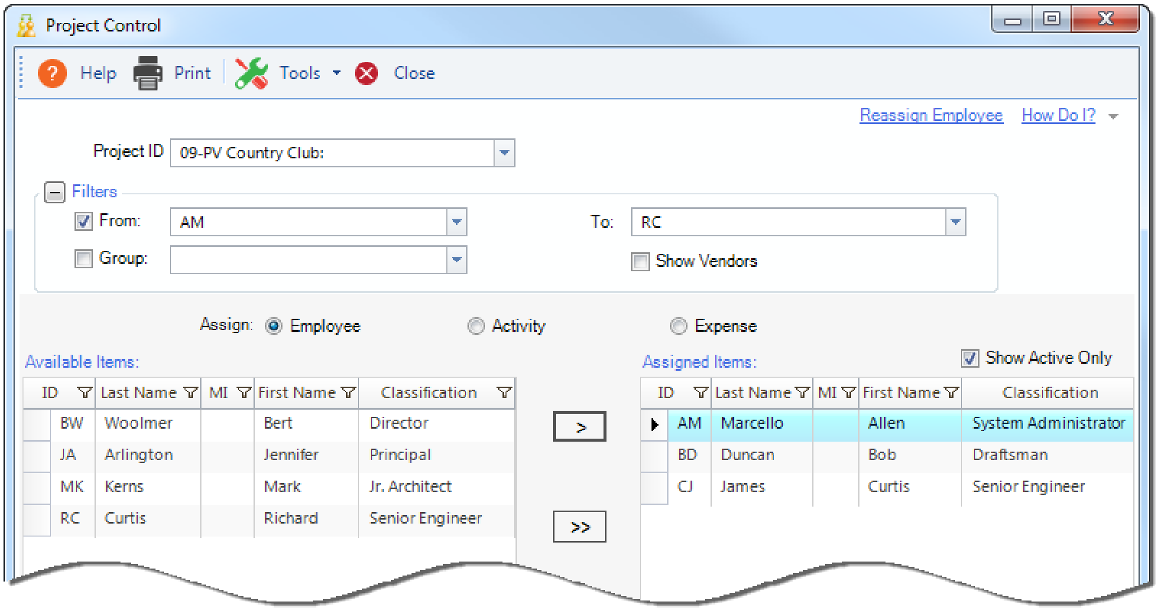
Ⓐ Project Journal	Click View Journal and enter project issues, events, billing decisions, change orders, and so on to track actions related to the project.	Project-General
Ⓡ Service Fee Schedule	Assign or create a service fee schedule with special rates. BillQuick always checks for a special rate in a schedule before moving down the Rate Hierarchy for the next rate option. *See the BillQuick Help for more.*	Project-Billing
Ⓡ Delayed SFS Trigger Type	When a special rate varies based on a trigger event – retainer or recurring amount used up or a unbilled hours or amount threshold, assign a delayed service fee schedule. *See the BillQuick Help for more.*	Project-Billing
Ⓡ Auto Approve Expense/Time Entries	Be sure that these options are *unchecked*. DCAA requirements do not allow automatic approval of time and expense entries.	Project-Detail
Ⓡ Expense/Time Entries Memo Required	Check these options so that timekeepers are required to add notes or memos to track all details related to their time and expense entries.	Project-Detail
Ⓡ Rates from Activity Table	To apply activity rates to a project, check this option. These rates will be used if a service fee schedule is not assigned or there is no match in the schedule for the employee and activity.	Project-Detail

Controls

In BillQuick and add-on modules, Project Control (Project menu) and Employee Control (Settings menu) restrict who can charge hours and to what activities for a project. This makes drop-down lists shorter, thus improving the speed and accuracy of time entry by timekeepers. It also reduces the review time.

Project Control

Ⓐ Project Control defines who can charge which activities and expenses to a project. Open the Project Control screen (Project menu); select the desired project; then select the Employee option. Highlight the individuals you want to assign and click the arrow button. Repeat it for the Activity option.



Employee Control

Ⓐ Employee Control has the same result as Project Control, but it also creates a large 'silo' of information. Using security permissions, you may restrict the portion of the information (for example, invoices and payments) that a user can view and edit. Employee Control is commonly used for project managers to limit them to information only about their assigned projects, and then through security, the functional areas and associated information they can add, edit, view and see in reports.

To create an information silo (assign projects and activities), open the Employee Control screen (from the Settings menu). Select the desired Employee and then select the Project Assign option. Highlight the desired projects and then click the arrow button. Repeat it for the Activity option.

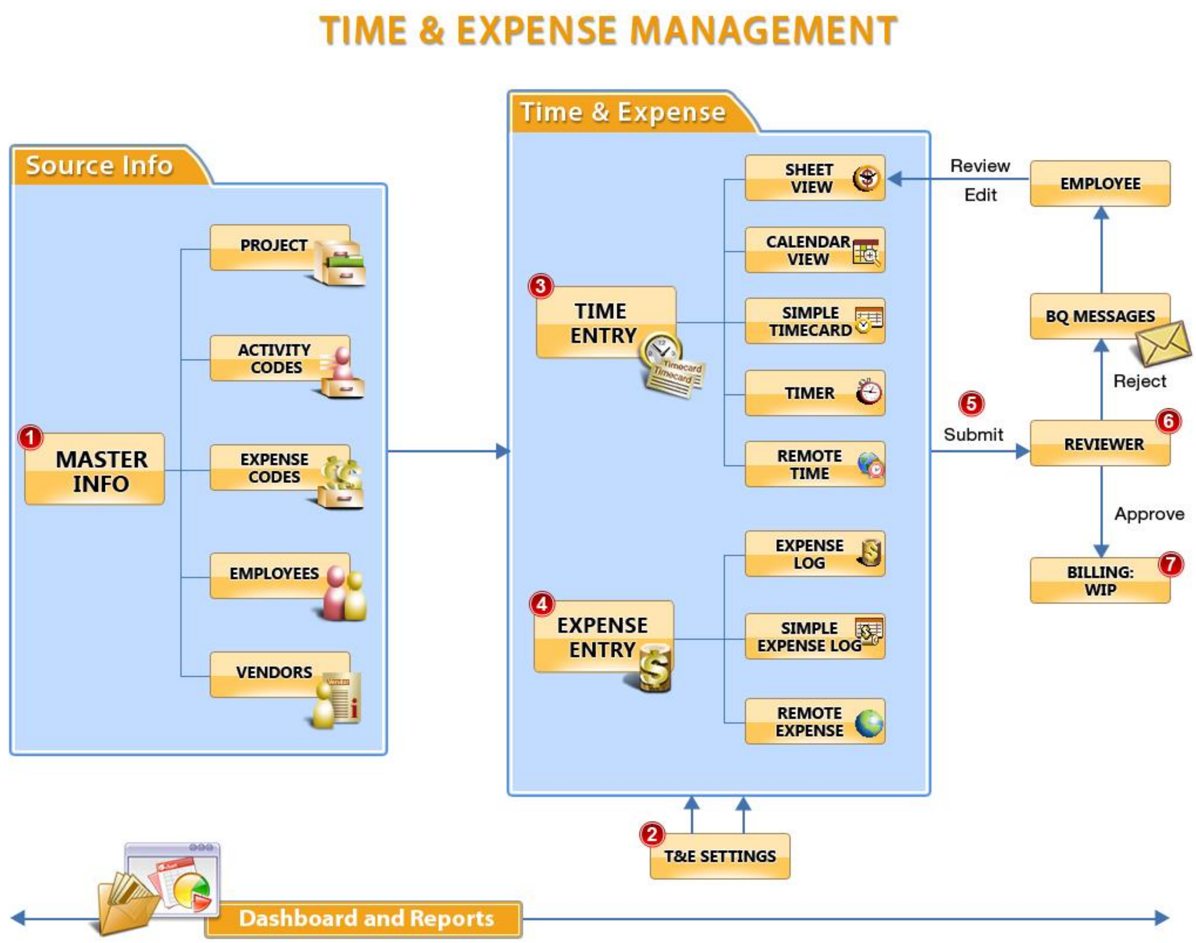
When you have finished, go to the Security screen, select the employee, and turn on or off Disable Employee Control in the appropriate modules.

Time Entry

BillQuick is not a payroll program nor does it have an integrated payroll module. Thus, time tracking and payroll processing are segregated. However, you can sync time entries with an accounting system or export them to a payroll solution. *See BillQuick Help and other documentation for more information*.

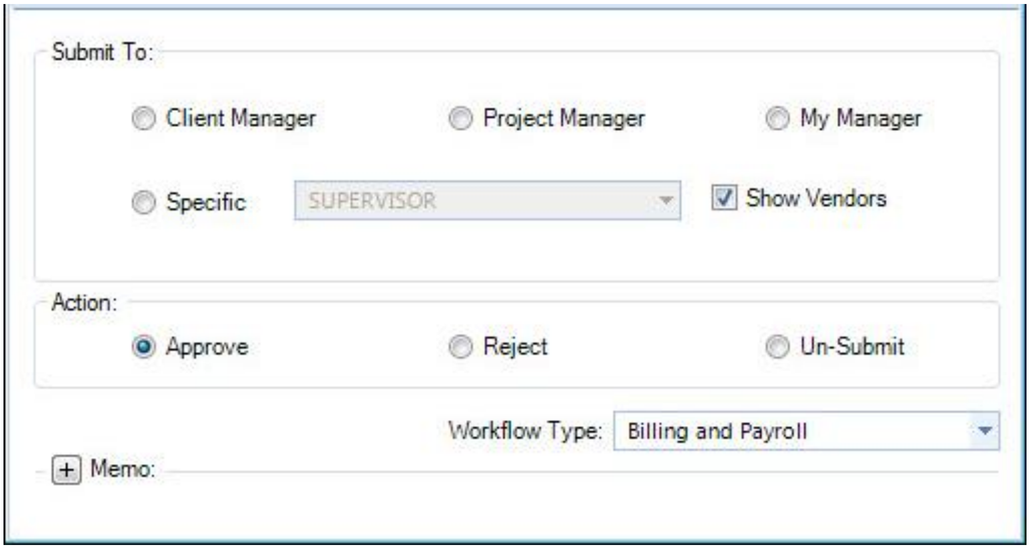
Time Entry and Approval Workflow

The overall time and expense workflow in BillQuick is illustrated below.



❶ Information from the master lists carries to time and expense entries. After setting up master information –projects, activities and employees—users enter ❸ hours worked on a daily basis in any of the several time entry screens in BillQuick or Web Suite. Using the Outlook Add-In module, you can save appointments, tasks and emails as time entries. BillQuick automatically applies the bill rate and cost rate to each time entry when it is recorded, calculating the bill value and cost value of the hours worked. The Rate Hierarchy determines whether a special rate, activity rate or default employee rate is applied to the bill value of time entries. Special rates are defined in a service fee schedule assigned to a project. Activity rates are activated on a project-by-project basis. Default employee rates are always available. ❷ Time-related settings specified at the global, user, or session level affects the time entry process.

❺ After entering hours worked, timekeepers submit their entries to a designated supervisor for payroll or billing, according to company policy.



❻ The Submit-Approve or Workflow feature in BillQuick allows one reviewer or a chain of reviewers (client manager, project manager, employee manager or a specific person) to check submitted time entries. A reviewer is notified of submitted items via the navigator, reminders, messages or email.

A reviewer approves or rejects an entry. By default, BillQuick notifies a timekeeper of a rejected entry only by displaying a message when the user logs in. Optionally, a user may choose to receive an email or message (approved or rejected). After a rejected item is corrected, the timekeeper re-submits it.

❼ The goal of a particular reviewer may vary – simple accuracy check, ready for payroll or okay to bill. In BillQuick, the last reviewer is the one who decides whether a time entry is ready to bill. If other checks are part of your procedures, reviewers who are not making the final 'okay to bill' will just reject an item or submit the entries to the next person in the chain.

We ***STRONGLY*** recommend capturing all hours to ensure accurate and complete job cost and project profitability. This also ensures quality management information such as staff performance and utilization.

Time Entry for Timekeepers

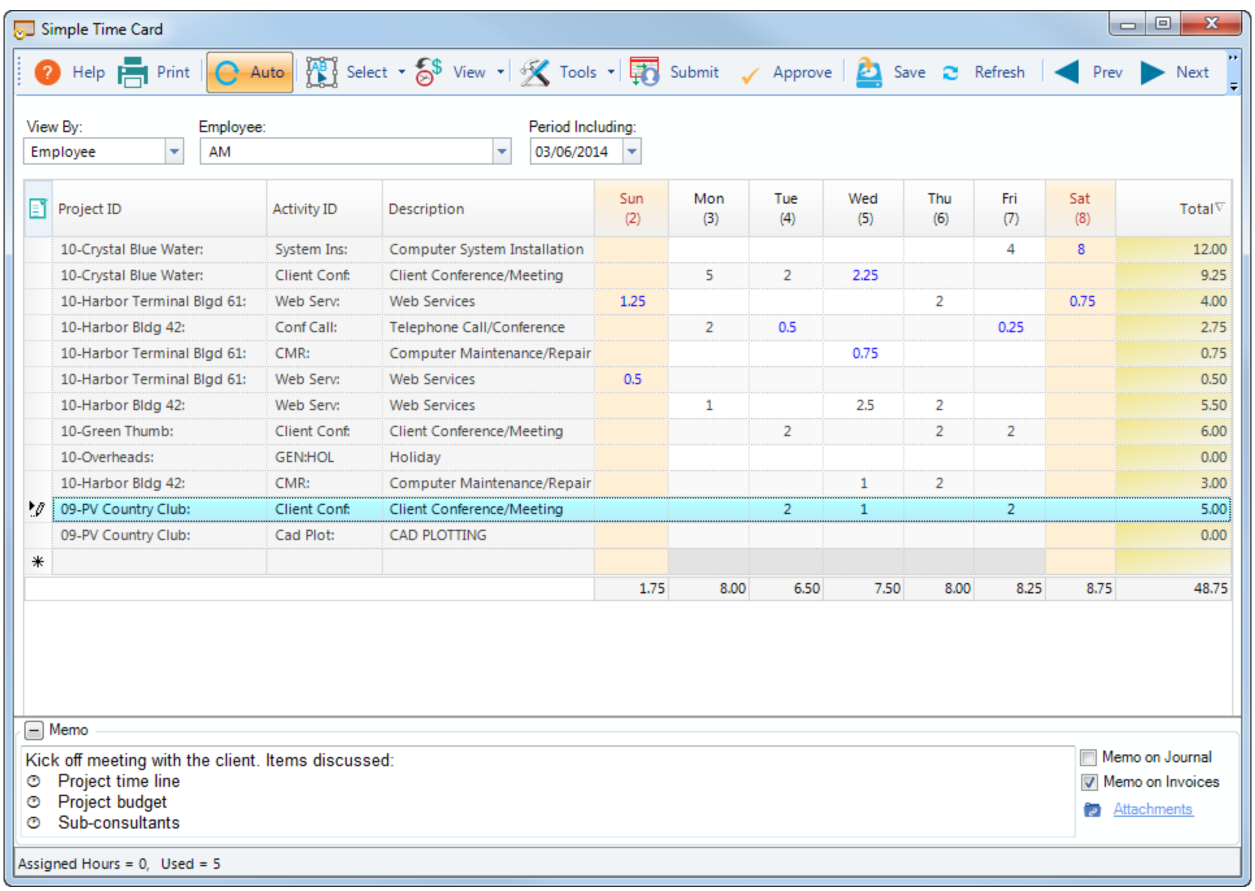
Timekeepers can record the number of hours worked on various activities against the appropriate projects on any of the several time entry screens in BillQuick and Web Suite. These include:

- Simple Time Card
- Sheet View
- Timer
- Calendar View

In addition, you can turn appointments, tasks and emails into time entries using BillQuick Outlook Add-In. For mobile users away from office, the BillQuick Mobile app allows anytime, anywhere capture of time.

To ensure timekeepers enter time daily (and you do not waste productive hours manually checking), use BillQuick Agent to monitor users automatically. It also reminds tardy timekeepers via automatic emails to complete their time card and expense sheet. Project managers can also be informed of tardy timekeepers via email.

Using the Simple Time Card, a timekeeper would record hours worked as follows:



1. Select a date in the week for which you want to record hours worked.
2. Select a Project ID and Activity ID from the drop-down or use one carried forward from a previous time sheet.
3. Enter the hours for the day in the row for the desired project-activity.
4. When you have finished, click Save.
5. To submit all items for approval, choose Select All from the Select button.
6. Click the Submit button; select the person to whom you want to submit your time and click OK.
7. Click Close.

Time Entry for Reviewers

Managers and supervisors must review time entries to fulfill DCAA requirements. Reviewers are notified of time entries after they have been submitted. Thus, it is important to train employees in proper procedures. For example, timekeepers should submit time as the last step in their daily entry of hours worked.

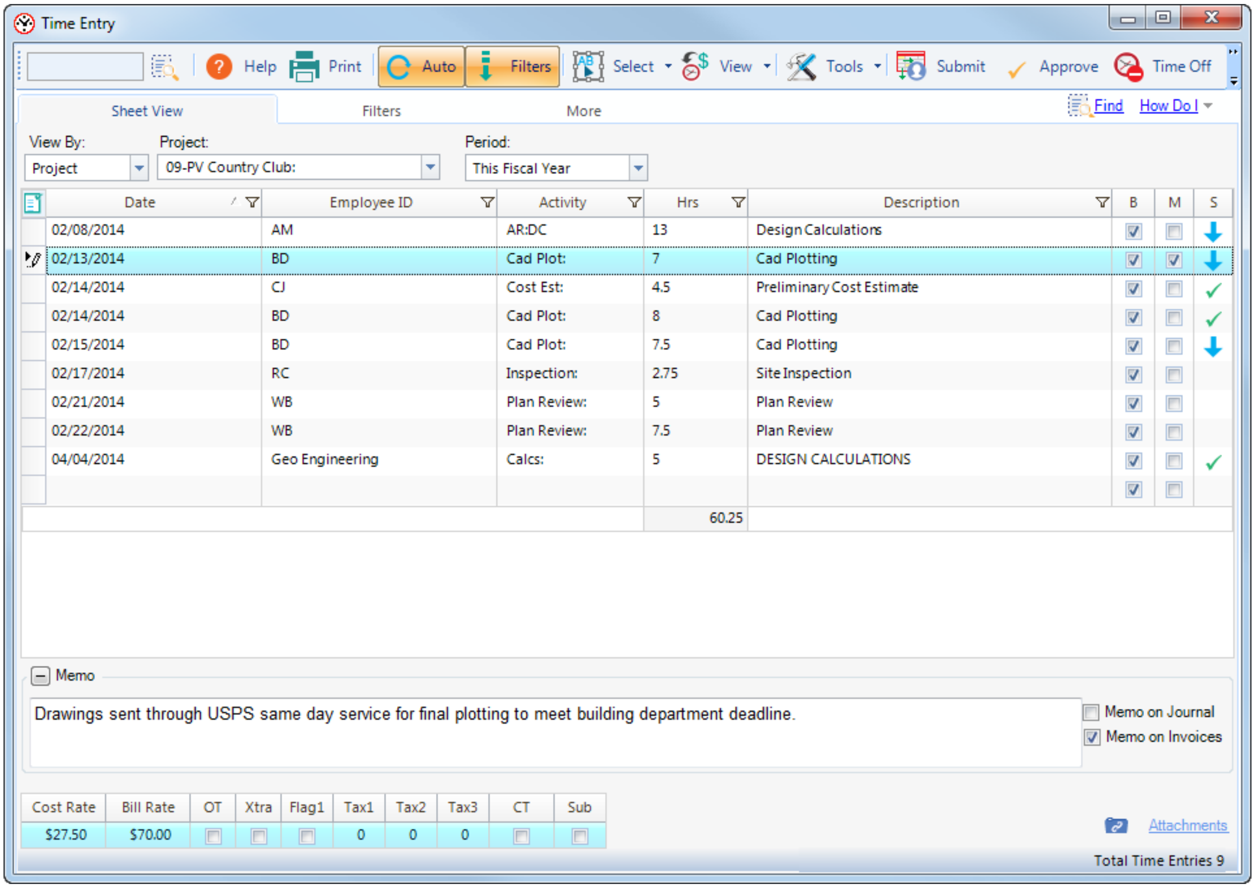
As needed, you can check for un-submitted time in three ways:

- Using the Reviewer screen, apply the Un-submitted filter and choose all projects.
- Using the Workflow screen, apply the Unsubmit filter and choose the time entry module.
- View or print the 'Unapproved Time and Expense' or 'Unapproved Time and Expense Count by Employee' report.

If un-submitted time is a frequent issue, additional training and timekeeper awareness may be conducted.

BillQuick will also inform you on the Billing Review screen when projects have unapproved time and expenses.

After time entries have been submitted, a reviewer or manager needs to review and approve them. You can do so from the Reviewer, Workflow or Sheet View screen. Open the Sheet View screen from the Time-Expense menu.



You can approve one entry, selected entries, or all entries at a time.

- To approve items, select one or more rows and then click the Approve button.
- To reject items, select one or more rows then click the Submit button. On the dialog box, select Reject and click OK. Answer 'Yes' to include a reason in the rejection message that BillQuick automatically sends to the user.

Time Entry Add-Ons

BillQuick offers various add-on modules to make time capture easier, faster, more timely and accurate, thus improving the entire labor charging system. These include:

- ***Web Suite*** – is a browser-based version of BillQuick that works from desktops and laptops. It can be used inside an organization or from remote locations via the Internet to lower your cost of ownership. You can also view your Microsoft Outlook calendar appointments here and then convert them to BillQuick time entries.

- ***[BillQuick Mobile]*** – is a mobile app of BillQuick for iPhone, Android phones and Windows phones. You can capture time remotely from a web-enabled smartphone or tablet.

- ***BillQuick Outlook Add-In*** – is a module that installs inside Microsoft Outlook and allows you to turn appointments, tasks and emails into BillQuick time entries, and saves them in your company database.

- **BillQuick Agent** – A workflow automation tool that monitors time card entry and notifies you with an on-screen message when items are submitted for approval. You control how often Agent checks for tardy timekeepers and how many email reminders to send them per day. You can also email the project manager about late timekeepers. (Agent also allows you to schedule reports and set business alerts.)

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*For more details on BillQuick, check the BillQuick Getting Started Guide, **BillQuick Help** and **BillQuick Report Book**.*

BillQuick integrates with accounting software such as QuickBooks® by Intuit, Sage 50 (formerly Peachtree by Sage) and MYOB (Australia).

If you need to convert data from Timeslips® and Wind2/FMS®, BillQuick includes built-in conversion tools. BQE Software also custom converts many other programs and homegrown solutions. Contact BQE Sales at (888) 245-5669 (US and Canada) or (310) 602-4020 or email Sales@bqe.com for information about custom data conversions.

For more information, visit us at www.BQE.com.If you need technical assistance, please contact BillQuick Support at (310) 602-4030 or Support@bqe.com.

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