

Timesheet Corrections

Who Should Make the Change?

Ideally, timesheet corrections should be prepared by the employee and approved by the supervisor. But, sometimes that's just not possible. When the employee isn't available for whatever reason, company policy should provide some alternative that still provides for documentation of the change and approval by management. However, when it is simply not practical or the accounting staff cannot reach the employee, timesheet corrections can be done directly into the accounting system.

How the Change Should be Processed

There are specific timesheet entries that should be made when entering timesheet corrections. The first is the date. It is recommended that the timesheet date for the correction be a date *other* than the pay period ending date. The timesheet correction should also reference the employee name for which the timesheet correction is being made. It is also important to reference the date of the original timesheet date in which you are correcting.

An Example

One example of a timesheet correction is to move hours and dollars from one contract to another. In this example, both the net hours and the net labor cost is zero. The correcting timesheet will be prepared using the same hours and dollars as the original timesheet, except they will be entered as negative. Next, add an additional line charging the correct contract using the same hours and dollars as on the first line of the correcting timesheet. The net effect of this correcting timesheet is zero for both hours and dollars.

Cautions

This example is the most common timesheet change. It usually simply corrects an error. Nonetheless, these corrections get an inordinate amount of attention from DCAA and other auditors. If multiple changes occur in the same time period, expect even more scrutiny and document accordingly.

If wholesale changes are made from one job to another, particularly if the job from which the changes are being moved is in a loss position or out of funding, the reason should be very carefully documented and approved by at least a C-Level executive. Such changes will always receive the highest level of scrutiny from auditors.

Most important of all...save all the documentation for the auditors!