Acumatica
The Cloud ERP

Construction Payroll and Workforce Management

With Acumatica Payroll and Connected Apps

CONSTRUCTION WORKFORCE EMPOWERMENT

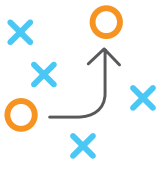
Implementing payroll and workforce management (WFM) solutions should enable companies to spend more time on their people, thus creating engaged and invested employees. When HR staff can focus on employee relationships, it leads to long-term company loyalty and success.

Yet, the unique construction WFM complexities directly affect payroll data and compliance needs. Finding qualified staff is challenging enough without the stresses of job site time tracking, safety and training certifications, and certified and union payroll. Construction businesses using entry-level accounting or legacy applications must **modernize and automate WFM and payroll processes**. Disparate systems open the door to misaligned employee compensation and non-compliance with industry and governmental regulations, which erodes trust in the company and may result in disputes with unions and expensive penalties.

Modern ERP applications like Acumatica Construction Edition provide a holistic view of payroll and workforce needs. Configure workflows for the accounting team to automate workforce demands and payroll processes that may otherwise impede operations. Streamline data flow from the job site to office staff to keep projects on schedule and on budget. Free up time to foster your most valuable resource: your people.

This solution brief provides an overview of construction workforce and payroll requirements and ways to successfully navigate both. Discover how to attract and retain employees and get strategies to avoid costly noncompliance mistakes. Learn how Acumatica Construction Edition connects everyone with a future-proof business platform to thrive in today's digital economy.

WORKFORCE MANAGEMENT FOR CONSTRUCTION



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CHALLENGES

The Dangers of Disconnected Systems

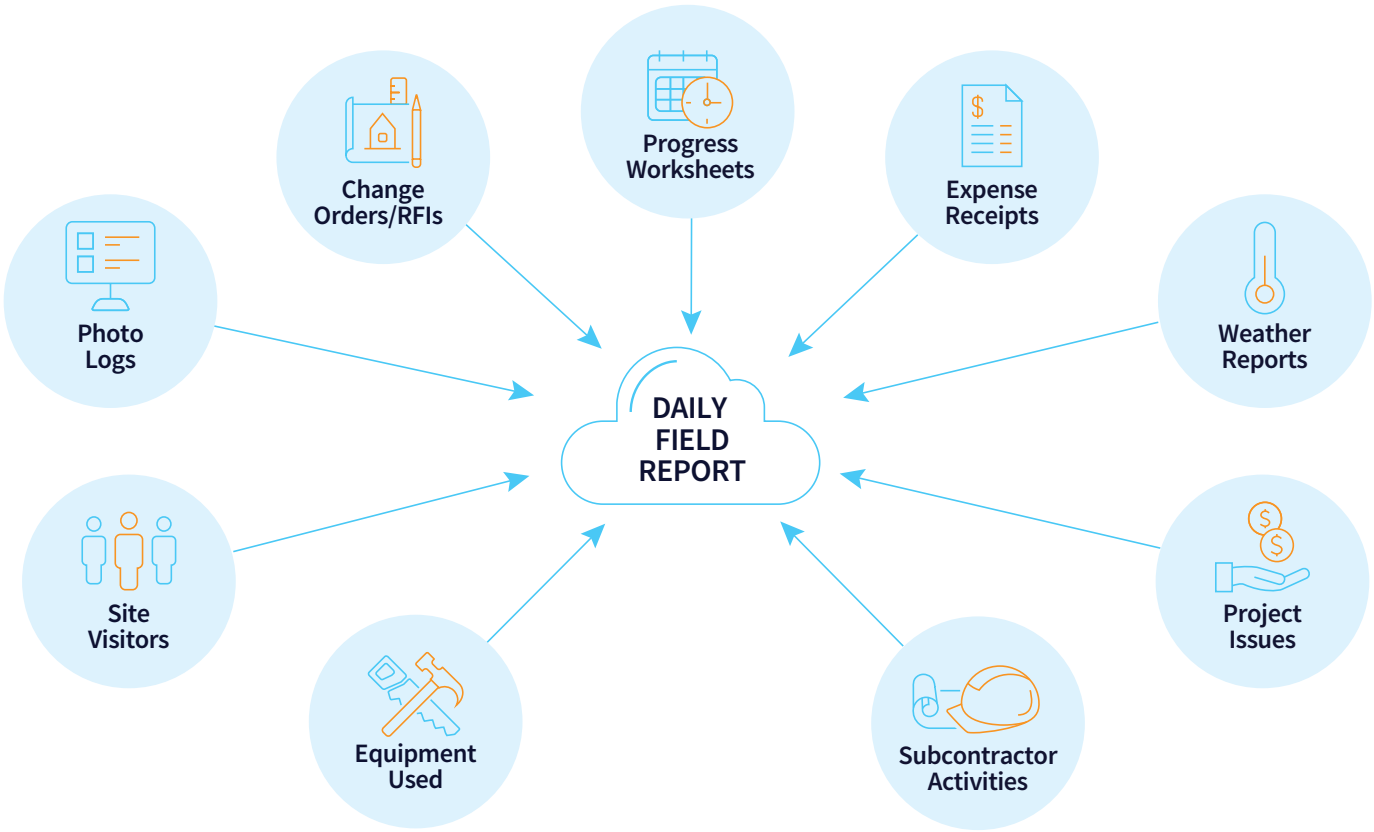
The traditional construction job site is disconnected from back-office staff, creating costly delays for project and workforce needs. This disconnection comes from a reliance on time-entry solutions that do not communicate with back-office systems and dependence on paper documentation that must be manually re-entered for payroll, human resources, and accounting. Disconnected systems manifest themselves in costly staffing and scheduling mistakes throughout the project. Such errors may also result in cost overruns for excessive employee staffing or unbudgeted overtime costs to address job site issues.

Without bidirectional information workflows between the field and the office, problems are inevitable. Human resources and accounting staff require a steady stream of current, accurate, and complete data from the job site to make decisions and support remote employee needs. Consider this impact before investigating ways to connect people across the company.

Daily field reports are a commonly used format for sending construction project data to the accounting and HR staff. It is essential to select an ERP solution that provides remote users with a wide range of details via daily field reports.

EMPOWER FIELD TEAMS WITH DAILY FIELD REPORTS

Acumatica provides real-time visibility into each project with comprehensive daily field reports. Project managers can easily submit daily field report data on any mobile device. The reports include pertinent project details such as:





REQUIREMENTS

Workforce Management Needs

Around 90% of US construction organizations have fewer than 20 employees[1], meaning payroll and human resources staff often wear multiple hats and have additional responsibilities. This can make it challenging to ensure that recruiting, onboarding, training, and payroll processes are all handled as efficiently as possible. Even with a team of HR and payroll professionals, staff may struggle to find time to manage employee engagement and ensure compliance with construction payroll laws and regulations.

WORKFORCE PLANNING

The fluidity of today's construction workforce means managing much more than just the company's internal employees. Recruitment of skilled labor takes the form of hiring both individuals and subcontracting companies. Knowledge of who is certified to complete each portion of the work is paramount to the project's success. Many contractors waste time and resources scheduling people not qualified to do the job.

Workforce planning is the centralized maintenance of certifications and gives office staff the visibility to proactively identify staffing needs to hire qualified labor. Acumatica's seamless integration with Workforce Go! and Arcoro HR Workforce Management solutions provide accurate employee data to increase employee engagement, ensure compliance, and minimize HR paperwork.

JOB COSTING

Construction businesses use job costing to calculate expenses on a project, including labor, materials, and overhead. Effective job costing provides insights into project profitability. Labor costs are often the largest project expense, making labor tracking crucial for project analysis.

Mobile access streamlines communication between the field and office staff. Acumatica enables supervisors to see job costs from remote job sites with drilldowns for visibility into real-time project changes and profitability. Arcoro and WorkforceGo! integrations capture employee time records with prevailing rate documentation for certified and union job sites.

TIME TRACKING

Employees on the job site and in the field need a way to log hours worked. Physical paper timecards open the door for mistakes, double-entry, and project delays.

Supervisors use the Acumatica mobile app to approve time from the job site. ExakTime by Arcoro provides employee time and attendance data across multiple job sites. This integration is a single source for accurate payroll, creating fewer data entry points to reduce errors and save time. Easily run overtime reports and track labor hours by time or project.

PAYROLL COMPLIANCE

Contractors not paying workers the prevailing wage rate can be subject to penalties. This can include unpaid wage liability and liquidated damages. It is also likely that these companies will be unable to secure future public jobs. Companies can also face prosecution, fines, or imprisonment depending on the degree and location of non-compliance.

Acumatica natively supports construction project tax and labor requirements. For added features, Arcoro or WorkforceGo! empowers users with tools to navigate complex labor needs. Certified payroll and AIA billing expedite invoicing and payment. Configure requirements for each tax requirement and easily retrieve details for different tax zones.

1. Source: Data Axle

PAYROLL TYPES

How Construction Payroll is Unique

Prevailing wages, certified payroll, union wages, and multiple state and city requirements are critical to every construction firm's payroll needs. A modern construction platform eliminates manual payroll data entry, streamlines compliance and workforce requirements, connects modern construction technologies, and improves visibility from anywhere.

"The ability to have accessibility for folks wherever they were working accommodated the ability to capture time and expense as easily as possible."

– REBECCA OGLE, CFO, SAFETY MANAGEMENT GROUP

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PREVAILING WAGES

Prevailing wages are controlled by labor rates. This amount is determined locally by surveying workers or referencing the US Department of Labor wage rate in accordance with the Davis-Bacon Act. When calculating payroll, the employee is paid the highest rate entered for an employee (rates can be entered at employee, union, and certified project). Federal projects within all 50 states are subject to this pay rate. However, not all states require prevailing wages on state government projects.

Acumatica enables users to define labor cost rates for prevailing wages. Each labor cost rate has an effective date specified. But it can also be established with an effective date later than the existing rate.

CERTIFIED PAYROLL

In conjunction with prevailing wages, certified payroll is the weekly report (Form WH 347) submitted to government agencies to certify the wage rate paid is correct. The certified payroll report ensures employees are paid a fair rate and includes information such as hours worked, type of work performed, and taxes/deductions.

Easily set up deductions and benefits packages for certified projects within Acumatica Payroll. Select the specific employees working on the certified projects and ensure the deductions and benefits are only calculated for the earning lines associated with the project.

UNION WAGES

Running payroll reports becomes even more complicated with union requirements. Under the National Labor Relations Act of 1935, workers covered by collective bargaining agreements receive full union benefits, regardless of union membership status. Many trade unions also mandate benefits packages, pensions, or other employer contributions.

In Acumatica, unions are configured for employees. Different earning rates can be applied to different ranks inside a union, and a union can be linked with specific benefits and deductions.

STATE AND CITY REQUIREMENTS

Most contractors perform jobs in different locations, often with multiple projects happening at the same time. Requirements and regulations vary based on the construction project location. If workers are moving from one job to another, you may need to use different pay rates for each project based on local laws. It is important to be aware of these differences even before bidding on a job to ensure profitability and to setup payroll correctly in advance.

Payroll attributes provide flexibility detailing what can be tracked for each state and locality. Set up pay defaults within Acumatica for each employee and project to comply with local laws and regulations.

STRATEGY

Choosing a Connected Solution

Each construction business must evaluate its specific WFM and payroll needs to determine the best strategy. Ensuring these systems are connected and adaptable is more critical today than ever. Below is a guide to help you strategize the best construction ERP solutions to fit your needs and choose the applications that will set the groundwork for business success.

SETTING THE ACUMATICA FOUNDATION

Modernizing your construction WFM and payroll technologies is easier when you set the foundation on a modern ERP system born in the cloud. Built on an adaptable platform with Open APIs for rapid integration, Acumatica Construction Edition is designed for rapidly growing construction firms. All construction processes share the same data, fostering collaboration and improving accuracy. Project, workforce, and payroll information is available anytime and anywhere.

EXTEND ACUMATICA WITH CONNECTED PAYROLL AND WFM APPLICATIONS:

workforce go!™

WorkforceGo! has a full suite of tools integrating HR, time and attendance, scheduling, and payroll. These solutions are available as a package or à la carte. WorkforceGo! HCM for HR and Payroll has the Fulfilled by Acumatica designation on the Acumatica Marketplace and is also an Acumatica Certified Application.

ARCORO
THE BRIDGE TO BETTER HR

Arcoro's suite of modules includes applicant tracking, onboarding, Core HR, benefits, compensation and performance management, and succession planning. These modules are fully integrated with Acumatica Construction Edition for a seamless flow of information. The Arcoro HR and Workforce Management solution is fulfilled by the ISV and is an Acumatica Certified Application.

ExakTime
An ARCORO Company

ExakTime, powered by Arcoro, puts employee data in one central location for fewer data points, reducing errors and manual time entry. Integration with Acumatica Construction Edition is fast and straightforward to set up. ExakTime is fulfilled by the ISV and is an Acumatica Certified Application.

"Our stakeholders and project managers in the field have access to reporting data in real-time, and that has been huge for us."

– AASHA CUNNINGHAM, DIRECTOR OF ACCOUNTING AND ADMINISTRATION, PHOENIX RENOVATION AND RESTORATION

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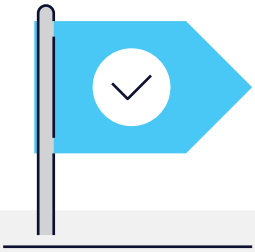
Foster Employee Trust and Loyalty with Acumatica Construction Edition

Construction workforce management and payroll are intertwined and dependent on each other for both project and company success. Hiring and retaining skilled labor is an ongoing challenge, and construction payroll processes are fraught with complexities.

Legacy and entry-level systems hinder an organization's agility with costly data silos. Those silos create detrimental delays in communicating workforce and project labor needs between field and office locations.

Today's construction organizations need agile and streamlined WFM and payroll workflows to ensure quality and compliance. Give office staff time back in their day to focus on nurturing an engaged and invested workforce.

Acumatica Construction Edition is born in the cloud and built for a more dynamic and digital world. Combine financial and operational data to foster greater collaboration and empower every person to make better decisions faster. Gain visibility into payroll and workforce needs from a single, connected platform. Extend Acumatica's native payroll and WFM features with connected apps from WorkforceGo!, Arcoro, and ExakTime. The rapid integration tools make Acumatica a unique business platform that will put you in control of your own future.



"The data is complete, accurate, and timely. It really allows us to pull the covers back quickly and that's been eye-opening to people in helping them manage their jobs."

– SCOTT LYONS,
CHIEF FINANCIAL OFFICER,
ALPHA INSULATION &
WATERPROOFING INC.

Acumatica
The Cloud ERP

Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit www.acumatica.com or follow us on LinkedIn.