

# THE DEFINITIVE GUIDE TO MANUAL PUNCH CLOCKS



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# PART ONE: INTRODUCTION TO MANUAL PUNCH CLOCKS



## CHAPTER ONE:

# WHAT ARE MANUAL PUNCH CLOCKS AND WHY ARE THEY NEEDED?



## CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

# MANUAL PUNCH CLOCKS DEFINED

Time clocks, manual punch clocks or time recorders, stamp the date and time on an employee punch card.

*Electronic time clocks or manual punch clocks* are traditional card-based time clocks designed specifically for small business. Time clocks usually have easy time card alignment and automatically activate to stamp the date and time for employee arrivals, breaks, lunches, departures and overtime.

To check in and out of work, employees insert a time card into a slot on the time clock. When the time card touches a contact at the rear of the slot, the device prints day and time information, or a time stamp, on the card.

Time cards typically include In and Out punch columns, days of week and areas to write in the employee name, pay period ending date, total hours, rates, earnings, deductions and signature and approval. A time card provides an official record of the hours an employee works and is used to calculate the pay due to the employee.

### TIME CLOCKS

- Track employee arrival, break, lunch & departure times
- Automatic time card alignment
- Print date & time on employee punch card

	DATE	IN	OUT	IN	OUT	IN	OUT	TOTAL
1								
2								
3		8:00A	12:00P	1:01P	5:02P			
4		8:00A	12:00P	1:00P	5:00P	5:01P	6:00P	
5		7:03A	12:00P	1:00P	4:01P			
6		8:00A	12:00P	1:01P	5:03P			
7		8:00A	12:01P	1:01P	5:00P			
8								
9		8:01A	12:00P	1:01P	5:01P			
10								
11								
12								
13								
14								
15								



Time clocks are best suited for businesses with less than 50 employees.



## CHAPTER ONE: What are Manual Punch Clocks why are they needed?

# MANUAL PUNCH CLOCKS DEFINED.

Manual Punch Clocks record the precise time an employee starts and stops work, eliminating manual time sheets, reducing over-payment and ensuring regulatory compliance.

With increasing labor costs, demand for labor law compliance, and the prevalence of employee time theft, time and attendance systems have become vital to helping you manage employee time, increase productivity, achieve regulatory compliance, and ultimately reduce labor costs.

Using a manual punch clock and applications in this guide, your company is able to maintain accurate time records, administer payroll data and harmonize the workforce. Manual punch clocks are beneficial for virtually any size workforce and any size or type of workplace environment. In all cases, employers are required to comply with the *United States Department of Labor Wage and Hour Division Recordkeeping Requirements* under the *Fair Labor Standards Act (FLSA)*.

Manual Punch Clocks and applications discussed in this guide include:

- Auto Aligning Time
- Side Loading Time Clocks & Document Stamps
- Auto Totaling Time Clocks
- Heavy Duty Time Clocks
- Department of Labor Regulations
- Employee Time Theft
- Automated Calculations
- Payroll Provider Interface



Payroll gobbles up as much as 50% of a business's total budget!





## CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

# WHY MANUAL PUNCH CLOCKS ARE NEEDED.

When employee time is recorded using a manual punch time clock, employees are accountable and punctual, time records are 100% accurate and payroll administration time is reduced.

If employees are filling out time sheets, there is room for error and fraud. Inaccurate or fraudulent employee time documentation can cost your company thousands of dollars each year. You don't want employees showing up late on the job, leaving early, or worst of all, having co-workers clock in for them. Time clocks help your company save on payroll and achieve optimum productivity and efficiency.

Time clocks encourage your employees to spend more time working and less time wasting time by providing a formalized time recording system with a highly visible and accurate time source. Overpaying an employee for even five minutes per day can add up to thousands of dollars annually. Plus, auto totaling time clocks save on payroll processing by automatically totaling regular and overtime hours for weekly, bi-weekly, monthly or semi-monthly pay periods.

If you can increase facility productivity and decrease labor costs, you are ultimately helping the bottom line.



## CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

# MANUAL PUNCH CLOCKS HELP THE BOTTOM LINE

### A Time Clock can save thousands of dollars per employee each year.

Imagine saving your company almost \$2K per employee every year just by using a time clock? It's not a far fetched concept. Time clocks eliminate payment for long breaks, late arrivals and early departures, keep employees accountable and productivity on track.

If an employee takes an extra 5 minutes at lunch before heading back to work, you might think it's no big deal. But if 100 employees waste 5 minutes per day, it can cost a company thousands of dollars per year in labor and lost productivity.

Besides eliminating overpayment, some time clock models provide additional payroll savings (see Savings Factors below). If your company can save on labor costs and improve facility productivity and efficiency, it helps the bottom line.

### SAVINGS FACTORS

Factor	Description	Minutes Saved Per Day <sup>1</sup>	Annual Savings Per Employee <sup>2</sup>
Overpayment	Payment for employees who take long breaks & arrive late	6	\$796.12
Human Error	Inaccurate time card calculations due to human error	2	\$265.37
Audit Time	Time Card Audit Time	5	\$663.43

<sup>1</sup> Based on American Payroll Association studies. Punch method & additional terminal savings calculated by Pyramid Time Systems.

<sup>2</sup> Based on minutes saved per year @ US Dept. of Labor 2012 Average Hourly Wage including benefits (\$30.62).

To calculate your actual savings, visit

[pyramidtimesystems.com/savingsperemployee/timeandattendance](http://pyramidtimesystems.com/savingsperemployee/timeandattendance)





# CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

## TIME CLOCKS HELP TO COMPLY WITH U.S. DEPARTMENT OF LABOR REGULATIONS

Time Clocks prove compliance with wage and hour legislation.

FLSA Lawsuits are on the Rise. Prior to 2000, the average number of *Federal Fair Labor Standards Act* lawsuits hovered near 1,500 cases per year. Since that time, there has been a dramatic increase to over 7,000 lawsuits in 2012 alone. Time records are one of five key areas investigators focus on when auditing for violations.

The *Fair Labor Standards Act (FLSA)* sets recordkeeping regulations (29, CFR Part 516) for employment subject to its provisions. The *United States Department of Labor Wage and Hour Division* mandates every employer to keep specific time records for each non-exempt worker. These records must be complete and accurate and are required to include data about the hours worked by each employee.

Pay close attention to the following list of records to reduce FLSA compliance liability associated with grievances and fines:

### FLSA WAGE & HOUR DIVISION REGULATIONS (29,CFR PART 516):

- Time and day of week when employee's workweek begins
- Hours worked each day
- Total hours worked each workweek

Time clock collect payroll data and help maintain accurate documentation to prove your compliance.



**Tip:** Automatic meal period deductions are the single largest reason for litigation. If you require employees to punch out/in rather than auto deduct, you have proof of meal periods.



## CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

# TIME CLOCKS MITIGATE ERRORS AND EMPLOYEE TIME THEFT

Time clocks prevent costly time theft by accurately recording when employees arrive, take breaks, lunches, and depart each work day.

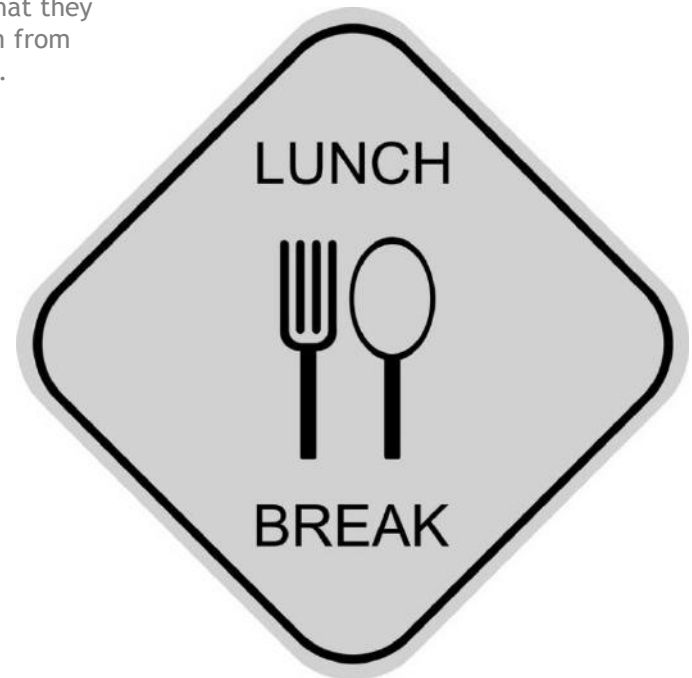
Federal labor laws provide that employees take breaks during their shift, however break abuse is the most common form of time theft costing employers thousands of dollars each year.

When an employee arrives late, takes longer or more frequent breaks, takes extended lunch breaks, or leaves early, it all adds up to a bunch of money. According to the *American Payroll Association*, the average employee steals 4 hours and 5 minutes every week or 6 weeks annually. For a worker making \$10 an hour, that equates to \$2,340 a year of lost time and company money!

Using a time clock can help watchdog check-in/check-out times with greater accuracy, and eliminate costly overpayments.

A time clock lets employees know that they are being monitored and curbs them from taking long breaks and leaving early.

The savings from accurate time tracking not only prevents revenue leaks, but also encourages accountability and increased productivity.



## CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

# MANUAL PUNCH CLOCKS ELIMINATE TIMESHEET FRAUD

Time clocks accurately record hours worked each work day.

If you are using timesheets to record employee hours, you may be subjecting your company to significant payroll fraud. Time sheets are like a blank check - inviting employees to fudge their time by filling out extra hours they didn't actually work or round up their minutes to increase their compensation.

And if you think supervisor signatures will protect you, think again. Almost all payroll fraud occurs after the supervisor has approved the time sheets. That's because employees use the blank lines on time sheets to manipulate payroll information after approval by a supervisor.

If you are a small business, your risk factor for this type of fraud is even greater. According to a study conducted by the *Association of Certified Fraud Examiners*, payroll larceny schemes occur twice as often in small businesses of less than 100 employees, as in larger businesses.

Time clocks are your first line of defense against time sheet fraud.

- Time Clocks accurately record start and stop times an employee works down to the exact minute.
- Auto Totaling Time Clocks automatically calculate total worked hours per pay period

Time clocks provide an official record of the hours an employee works to calculate the actual pay owed to an employee.



WEEKLY TIMESHEET			
	Mon	Tu	Wed
Start Time	9 AM	9 AM	
End Time	5 PM	6 PM	
Reg Time	8 -	8 -	
Over Time		1 -	

## CHAPTER ONE: What are Manual Punch Clocks and why are they needed?

# AUTO TOTALING TIME CLOCKS ELIMINATE CALCULATION ERRORS

Auto totaling or self calculating time clocks accurately calculate worked hours.

The method of manually totaling payroll hours is time consuming and prone to errors. This labor-intensive process depends on the accuracy of individual employees who manually total hours and transcribe data from time sheets or cards to a spreadsheet. Payroll errors are “hidden” costs which often fly under the radar.

It is easy to miscalculate hours, round up or down incorrectly, or displace a decimal point. According to an *American Payroll Association (APA)* study, errors resulting from manual time and attendance processing can account for up to 7% of payroll costs. For a company with a \$500,000 payroll, that adds up to \$35,000!



Did you know that reviewing a single timesheet can take as long as 7 minutes! Multiply that by the number of employees in an organization, and again by the number of timesheets submitted per month. Time spent adding up time can add up fast!

Auto totaling time clocks reduce payroll processing time and payroll errors.

Auto totaling time clocks apply universal rounding rules and tally up each employee's hours per pay period.

Auto totaling time clocks will help you reclaim lost revenue due to payroll processing time and payroll errors.



## CHAPTER TWO:

# WHAT TYPES OF MANUAL PUNCH CLOCKS ARE AVAILABLE?



## CHAPTER TWO: What types of Manual Punch Clocks are available and how do they differ?

# THE EVOLUTION OF TIME CLOCKS

Time clocks are light years ahead of weekly time sheets and time stamps from yesteryear.

Time clocks have come a long way since the first mechanical time recorder was invented on November 20, 1888 by Willard Le Grand Bundy.

Time Clocks/Document Stamps have preprogrammed printed messages, Heavy Duty Time Clocks are specifically designed for harsh work environments, while auto totaling time clocks tally up employee hours between In and Out punches.

All of the time clocks in this section handle employee time tracking on some level to help manage day to day payroll tasks.



Mechanical time recorder invented in 1888 by Willard Le Grand Bundy.



### Auto Aligning Time Clocks

Keep employee arrivals, breaks, lunches and departure time in line.



### Document Stamps

Track employee time, perform job costing or time stamp documents.



### Auto Totaling Time Clocks

Calculate total hours worked per pay period for each employee.



### Heavy Duty Time Clocks

Track employee time, perform job costing or time stamp documents.



*industrial-grade steel case*



## CHAPTER TWO: What types of Manual Punch Clocks are there?

# MANUAL PUNCH CLOCKS DEFINED

Auto aligning time clocks keep employee arrivals, breaks, lunches and departure time in line.

These standard employee time clocks are perfect for small business. Auto aligning time clocks automatically imprint the time on a punch card in the appropriate In or Out column for each day of the week. This type of time clock typically accommodates four to six punches per day to manage breaks, lunches or overtime for each employee.

The number of columns may vary from four punch columns to six punch columns. Some time cards are also double sided to handle up to 31 days.

### AUTO ALIGNING TIME CLOCKS

- Handle up to six punches per day
- Automatic time card alignment
- Weekly, bi-weekly, monthly or semi-monthly pay periods
- Unlimited employees
- Double-sided time cards

307 Person M. Scott

Hour Rate Amount

Rate Amount

Rate Deductions

Actual Pay

Pay Date

PYRAMID

DATE	IN	OUT	IN	OUT	IN	OUT
1						
2						
3	8:00A	12:00P	1:01P	5:02P		
4	8:00A	12:00P	1:00P	5:00P	5:01P	6:00P
5	7:03A	12:00P	1:00P	4:01P		
6	8:00A	12:00P	1:01P	5:03P		
7	8:00A	12:00P	1:01P	5:00P		
8						
9	8:01A	12:00P	1:01P	5:01P		
10						
11						
12						
13						
14						
15						

Signature \_\_\_\_\_ ITEM \_\_\_\_\_

6 columns  
handle three  
IN/OUT  
punch cycles



## CHAPTER TWO: What types of Manual Punch Clocks are there?

# MANUAL PUNCH CLOCKS DEFINED

Auto totaling time clocks calculate total hours worked per pay period for each employee.

Auto totaling or calculating time clocks print the day and time of each punch and keep a running total of payable time between punches. These time clocks typically manage up to 100 employees per pay period and include punch rounding preferences.

Some models are constructed of steel for heavy duty environments such as production floors or garages. Actual or rounded worked time is accumulated depending on your preference of weekly, bi-weekly, monthly or semi-monthly pay periods.

Self-calculating time clocks minimize payroll processing time and eliminate errors associated with manual transcription.

### AUTO TOTALING TIME CLOCKS

- Accurately calculate worked hours
- Handle up to 100 employees
- Keep running total of worked time between punches
- Weekly, bi-weekly, monthly or semi-monthly pay periods
- Rounding rule options
- Automatic time card alignment

TOTAL HOURS		OFFICE USE	DATE AND TIME		PAYABLE TIME	
R.T.	O.T.					
			MAR07	7:36AM	A:INA	MON
			MAR07	12:37PM	5:01	5:01
			MAR07	1:30PM	A:INA	MON
			MAR07	5:30PM	9:00	
			MAR08	7:31AM	A:INA	TUE
			MAR08	12:31PM	5:00	15:01
			MAR08	1:00PM	A:INA	TUE
			MAR08	5:00PM	4:00	19:01
			MAR09	7:01AM	A:INA	WED
			MAR09	12:01PM	5:00	24:00
			MAR09	5:02PM	A:INA	WED
			MAR09	9:02PM	9:00	27:01

*hours worked between punches*

*cumulative hours*



## CHAPTER TWO: What types of Manual Punch Clocks are there?

# MANUAL PUNCH CLOCKS DEFINED

Document stamps or time stamps perform double duty to track employee time or stamp documents.

*Document stamps*, also known as time stamps perform multiple functions to serve a variety of business and industry needs. When used as a time clock, employees punch in and out on a time card to record arrival time, breaks and departure times. It can also be used to keep track of project time for job costing.

Alternatively, these business machines can also stamp the time, date and even pre-programmed messages on attendance logs, receipts, invoices, correspondence, legal paperwork, or anywhere you want an official time stamp.

Time and date stamps let you know when, any type of document or paperwork was received, processed or forwarded. Some document stamps even allow custom messaging or sequential page numbering. These machines are side loading to accommodate left or right hand printing orientation and varying document sizes.

### DOCUMENT STAMPS

- Track employee arrivals, breaks & departures
- Time stamp important documents
- Print preset or custom messages



## CHAPTER TWO: What types of Manual Punch Clocks are there?

# MANUAL PUNCH CLOCKS DEFINED

Track employee time in rough n' tough work environments.

*Heavy Duty Time Clocks* are constructed of industrial-grade steel to hold up in harsh workplaces such as manufacturing plants, warehouses and garages. A textured powder coat finish resists grease and grime.

These rugged time recorders are available in standard, document stamp or auto totaling time clock variations. The steel case and tamper-proof security lock provide a rock solid solution for employee time and job tracking.

### HEAVY DUTY TIME CLOCKS

- Constructed of heavy duty steel
- Grease and grime resistant
- Choose from multi-purpose time stamps or auto totaling models



## CONCLUSION

# TIME TO PUT YOUR KNOWLEDGE TO GOOD USE.

We understand that choosing a time clock can be a daunting task-that's why we've taken the guess work out of your work. Just use the information here to help you select the perfect Time Clock for your workplace and payroll requirements.

Need more info?

Contact our Time Clock Info Center at **888.479.7264**  
or visit **[pyramidthimesystems.com](http://pyramidthimesystems.com)**.



## Glossary of terms.

**Auto Aligning Time Clock** - automatically imprint the time on a punch card in the appropriate *In* or *Out* column.

**Auto Totaling Time Clock** - automatically total payable time between punches and calculate total time worked for pay period.

**Document Stamp** - imprint date and time on punch cards and documents. Some models also imprint pre-set business messages.

**Employee Time Theft** - occurs when an employee accepts pay from their employer for work that they have not actually done.

**Time and Attendance** - The process of recording when employees start and stop work.

**Time Clock** - a clock that stamps starting and stopping times on an employee's time card.



## ABOUT THIS GUIDE

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**About Pyramid Time Systems.**  
Pyramid Time Systems empowers organizations worldwide with easy-to-use and intuitive synchronized clock systems, time clocks, documents stamps and time clock systems designed to optimize productivity, reliability and efficiency. Our products help manage the workforce, streamline processes, and minimize operating costs.

Headquartered in Meriden, Connecticut, Pyramid Time Systems provides timekeeping products to thousands of enterprises and small companies across a wide array of industries. For more information, visit [pyramidthimesystems.com](http://pyramidthimesystems.com).

