



Return on Investment for an  
Automated Time & Attendance  
Solution



Everyday life is getting more complicated, especially the need to remember a growing number of different passwords, PIN numbers and lock combinations along with the need for accurate identification of people.

Identity Solutions uses your fingerprint to identify and verify you for access into offices, buildings, computers and time and attendance saving your company thousands of dollars. Our fingerprint time clock eliminates the practice of “buddy-punching” where a friend punches another employee in or out.

Not only does Identity Solutions time and attendance system reduce work time fraud, but can also provide secure access control at your facility.

Return on investment is the value that you get out of a purchase. When you purchase anything for business you should assess what you will get in return and how fast will the product pay for itself.

### **Calculating Return on Investment for an Automated Time & Attendance Solution**

#### **Automation R.O.I.**

How many employees currently punch in and out on a time clock? 500

What is their average hourly rate? \$16.00

How many minutes does it take to review and total each time card? 3 (APA estimates 7 minutes)

What is the hourly rate of the person reviewing the time cards? \$16.00

What % of the calculation of the cards is inaccurate do to improper rounding, calculation errors, transposition errors and improper application of payroll rules? 2% (The APA estimates 1 to 8%)

How many standard hours do your employees work in a pay period? 40

How much time per employee do you lose each day due to long lunches, early departures, breaks, supervisor rounding, tardiness, or incorrect totaling? 20 (The APA estimates 49 minutes per employee per day)

#### **Card Audit Savings**

Studies have shown that manual calculation of time cards takes approximately 7 minutes per card each pay period. We have conservatively estimated 3 minutes per card. Automation will reduce that to 1 minute per card.

Minutes saved per card X number of cards 2 min. X 500 cards = total savings in minutes:1000. Total minutes saved weekly = 5000



Total hours saved weekly = total minutes/60 minutes = 83.3  
Payroll manager's rate X hours saved weekly = savings in dollars weekly:  
\$1,333.33  
Monthly savings (4.33 weeks x weekly savings) = \$5,773.33  
Yearly savings (52 weeks x weekly savings) = \$69,333.33

### **Savings in lost time**

Lost time or "time theft" savings consists of wages recaptured by the system's rounding and restriction capabilities. The average weekly "theft" (long lunches, tardiness, etc.) is 49 minutes according to the APA. Based on an estimation of 20 minutes:

Daily lost productivity = 20 min./60 min. = .33 hours  
.33 x average employee rate = average wages overpaid daily - \$5.28  
Multiply by 5 days = average wages overpaid weekly - \$26.40  
Multiply by number of employees = the total wages recaptured weekly -  
\$13,200.00  
Total wages recaptured monthly = total wages recaptured weekly x 4.33 =  
\$57,156.00  
Total wages recaptured yearly = total wages recaptured weekly x 52 weeks =  
\$666,400.00

### **Savings from eliminating errors**

Studies have shown inaccuracy in the calculation of totals to be between 1 and 8%...we have used 2% as an estimate to be conservative.  
Number of employees x average hourly rate x average hours worked weekly =  
total weekly payroll expense \$ 320,000.00  
The total weekly savings from the elimination of errors to the total weekly payroll  
expense x the 2% human error factor:  
Weekly payroll x 2% = \$6,400.00 weekly savings  
Weekly savings x 4.33 = \$27,712.00 monthly savings  
The savings recaptured yearly is equal too the recaptured weekly savings x 52  
weeks in the year.  
Weekly savings x 52 = \$332,800.00 yearly savings.

### **Total savings summary**

Weekly audit savings = \$1,333.33  
Weekly error savings = \$6,400.00  
Weekly wages recaptured = \$13,200.00



Add the above three numbers to arrive at the per weekly payroll savings =  
\$20,933.33

Weekly savings x 4.33 = \$90,641.33 monthly savings

Weekly savings x 52 = \$1,088,533.33 yearly savings

### **Time and Attendance Key Benefits**

- Easy configuration of Pay Rules, Breaks, Holidays and Exception days
- Easy Employee file input and maintenance
- Easy Exception handling implementation
- Easy viewing and excessive hours
- Automatic Time Card entry and easy maintenance
- Accurate rounding
- Accurate Grace Periods
- Accurate Overtime
- Accurate differentials
- Accurate Holidays
- Multiple Positions
- Multiple Departments
- Multiple Accounts/Categories

### **Extensive Time and Attendance**

- Departments
- Holidays
- Pay Rules
- Excused
- Time by Department
- Pay Period end
- Positions
- Breaks
- Schedules
- Absent
- Rates
- Time by Position by Employee Time Card Exceptions Missing Punch