



The Right Tools for the Job

An Executive Summary for Government Contractors

Participating Panelists:



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As any experienced government contractor knows, making it through the bid process and winning a contract is only the first step on a complex and highly regulated journey. Requirements for hiring, managing, accounting, and reporting are vast and changing. Keeping up with it all and avoiding a misstep or audit can overshadow the task you contracted to complete...unless you have the right tools at hand.

At a recent panel discussion at the Congressional Country Club in Bethesda, Maryland, four government contract specialists gathered to share their insider's view and let attending government contractors know just what they need to have in their human capital management and regulatory compliance toolkit. Attendees learned how to avoid pitfalls and penalties, and maximize efficiencies by relying on best-of-breed solutions for recruiting, HR management, accounting services, and payroll services.

What follows is a summary of the key points made by each speaker, complete with checklists to help you evaluate your situation and make smarter decisions. While each expert focused on one area of government contract administration, taken together, they represent a set of tools that creates an integrated approach to accelerate your success and allow you to concentrate on what you do best.

Take a look and discover how you can employ smart outsourcing tactics to do the following:

- Ramp up accounting, payroll, and HR infrastructure quickly and effectively after contract wins;
- Implement creative candidate sourcing and applicant tracking, capturing the right candidates and the right data, the first time;
- Evaluate your compliance according to DCAA, OFCCP, and DOL regulation thresholds; and
- Institute compliant processes for tracking time and attendance and timely reporting.

“Ideally companies should have electronic connections between all of their financial systems. Data flowing between these systems should be in a manner that is auditable. To accomplish this, companies must have the right people, processes, and software in place.”

— Ted Rose, MBA, CPA
President and CEO
Rose Financial Services

Rose Financial Services is a local provider of accounting outsourcing support for government contractors.

RECRUITING

Thomas W. Ricks, Senior Regional Sales Manager, Taleo Corporation

Effective, efficient staffing is crucial for government contractors. Balancing the pressure to hire fast with the desire to hire the best, gets even more challenging when layered in federal requirements. That's why Thomas Ricks from Taleo advocates implementing an automated recruitment and tracking system, one that can find you a qualified pool of applicants in three or four clicks, instead of weeks.

In addition, Ricks encourages contractors to explore and employ proven Web 2.0 technologies for networking and recruitment. Your candidates are operating "under the radar," and you need the right connections and search tools to reach them. Getting these tools in place now will be critical to successfully competing for top-notch talent when the economy recovers.

Whether you opt for an in-house or outsourced talent management system, make sure it addresses the key elements in the *Talent Management Checklist* below.

Talent Management Checklist

An effective recruiting system should:

- ✓ Gather any and all desirable information about job candidates on first contact.
- ✓ Include a strong pre-screening capability.
- ✓ Quickly and easily search your entire talent pool against multiple requirements simultaneously.
- ✓ Automate and streamline ongoing communications with candidates.
- ✓ Incorporate emerging 2.0 technologies like Twitter, RSS, LinkedIn, and MEEBO.
- ✓ Include a robust reporting mechanism for time to fill, time to start, hires by source, and cost per hire.
- ✓ Track and analyze all aspects of talent management, such as sourcing cost and effectiveness.

HR MANAGEMENT

Kathy Albarado, President & CEO, Helios HR

When it comes to federal contracts and HR management, the sheer volume of regulations and their accompanying acronyms can be daunting, especially when considering how the requirements come into play based on various thresholds. Some requirements are based on contract value thresholds from \$2,500 to \$2 million; others are governed by the number of employees. All federal contractors with at least \$50,000 in government contracts and 50 employees, have 120 days from qualifying contract award to produce a compliant affirmative action plan.

Kathy Albarado of Helios HR, helped attendees navigate the challenges of HR management and shared her insights on meeting federal compliance and avoiding actions that can trigger an audit.

Her number one suggestion: combine multiple HR functions under one umbrella to help ensure compli-

ance with federal reporting requirements, while staying focused on your mission-critical closer look at her criteria for success in the *HR Management Compliance Checklist* below.

HR Management Compliance Checklist

- ✓ Create a formal written compliance plan with analysis, including established goals and progress to goals.
- ✓ Review goals with Executive Committee members and department heads.
- ✓ Document the recruitment process followed by your hiring managers.
- ✓ Maintain proof of “no adverse impact” in your hiring process.
- ✓ Provide applicant tracking, with opportunity to self-identify.
- ✓ Post open positions with state Job Service Offices.
- ✓ Include the Equal Opportunity notice (“EOE/M/F/D/V”) in all employment advertisements.
- ✓ Accurately complete I-9 Forms, separating current and terminated employees.
- ✓ Monitor the employee relations environment.
- ✓ Obtain an Affirmative Action Plan (AAP) statement from vendors.
- ✓ Document community outreach.
- ✓ Post EEO and AA policies.

ACCOUNTING SERVICES

Mitchell Weintraub, Partner, Cordia Partners

While the potential for government contracting opportunities continues to grow, so do the complexities and challenges of working with the federal government. Providing an outstanding product or service is not enough in today’s complex procurement environment, cautioned Mitch Weintraub of Cordia Partners.

Your accounting technology and business processes need to be aligned to meet stringent government reporting requirements, in addition to providing management with the timely and accurate information necessary to sustain the growth and profitability of your business.

The bottom line: keeping up with the multitude of ever-changing regulations is imperative...but it doesn’t have to distract you from your job. Outsourcing accounting to a proven expert in the government sector frees you to focus on what you do best. Take a look at just some of the regulations you’ll need to adhere to, in the *HR Management Compliance Checklist* below.

HR Management Compliance Checklist

Make sure your accounting system complies with these requirements:

- ✓ Written code of business ethics and conduct, with a copy of the code available to each employee engaged in the performance of the contract. *Details found in Code of Business Ethics and Conduct — FAR 52.203-13(b)(1)(i)*
- ✓ An ongoing business ethics and compliance program, including conducting effective training programs on the contractor’s standards and internal control system. *Details found in Training — FAR 52.203-13(c)(1)*

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- ✔ Performance of periodic reviews of company business practices, procedures, policies and internal controls. *Details found in Periodic Reviews — FAR 52.203-13(c)(2)(ii)(C)*
- ✔ An internal control system that provides for an internal reporting mechanism, such as a hotline, which allows for anonymity or confidentiality. *Details found in Internal Reporting Mechanism — FAR 52.203-13(c)(2)(ii)(D)*
- ✔ An internal control system that provides for disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct. *Details found in Disciplinary Action — FAR 52.203-13(c)(2)(ii)(E)*
- ✔ Timely disclosure of improper conduct in writing to the agency Office of the Inspector General. *Details found in Disclosure of Improper Conduct — FAR 52.203-13(c)(2)(ii)(F)*
- ✔ Full cooperation with any Government agencies responsible for audits, investigations, or corrective actions. *Details found in Full Cooperation — FAR 52.203-13(c)(2)(ii)(G)*
- ✔ Display of Department of Homeland Security fraud hotline poster(s), agency hotline poster, and the hotline poster(s) on the company website for employees. *Display of Hotline Posters — FAR 52.203-14*

WHAT CAN GO WRONG: INCREASED SCRUTINY ON COMPLIANCE AND REPORTING

Suppose you have a cost-plus contract and do an incurred cost submission at the end of the contract year and you can't support your costs... the government can ask for money back. The government can give your system an "inadequate" stamp and put you on a flash report, which sends a notice throughout the entire department and alerts any auditor working with your company to scrutinize your accounting system. This can result in stop-work orders, stop payments, and stops to future contracts.

PAYROLL SERVICES

Thomas Dudenhofer, Vice President of Major Account Sales, Payroll Network

Payroll may seem like an endless chore — it's tedious, detailed, and rife with possibilities for error. Plus, pointed out Tom Dudenhofer of Payroll Network, when a federal contract is involved, the complexity ratchets up significantly.

Often government contracts involve employees from multiple states, some states with complicated withholding and unemployment issues. In-house software can be delayed in updating these rates, as well as new COBRA reporting requirements. More and more government contractors are finding that outsourcing payroll is a risk management decision — helping them avoid potential payroll tax penalties. In addition to saving time and money and reducing headaches, outsourcing payroll frees up HR and IT staff for more company-strategic activities.

Finally, when a government contractor considers a new payroll services solution, Dudenhofer reminds

us that it's critical that the solution interface seamlessly with the most popular project accounting packages. For an effective outsourced payroll solution, review the *Payroll Services Checklist* below.

Payroll Services Checklist

Make sure your human capital management system includes a payroll component that:

- ✓ Imports and exports new hire data, as well as employee changes and payroll information.
- ✓ Eliminates the need for paper personnel files.
- ✓ Readily accesses your data to support decision making.
- ✓ Enables end users to perform ad hoc reports, utilizing user-friendly spreadsheet tools.
- ✓ Allows for automatic email alerts to department heads and managers for incomplete timesheets, upcoming performance reviews, years-of-service anniversaries.
- ✓ Provides the flexibility of user-defined fields for security clearance, certification, and other customized tracking needs.
- ✓ Automates attendance and leave accrual tracking.
- ✓ Allows each employee to sign up for benefits online and make changes, automatically notifying all relevant providers.
- ✓ Provides employees with self-service options like printing paystubs, copies of W2s, change of address, and change in W-4 information.
- ✓ Automates conducting and recording employee performance appraisals.
- ✓ Provides timely updates of withholding rates for all 50 states.
- ✓ Lowers risk for potential payroll tax penalties.

INTERFACE: THE ESSENTIAL INGREDIENT FOR PAYROLL SERVICES

When evaluating outsourced payroll services, government contractors need to look for a solution that interfaces with Deltec, PROCAS, JAMIS, Pleasant Valley, and other project accounting software. A seamless interface is essential in order to:

- Eliminate duplicate entry of employee and pay information from the time system to the payroll system.
- Enable companies to outsource the error-prone task of filing federal, state, and local payroll taxes.
- Eliminate duplicate entry of payroll information back to the general ledger.
- Remove the need to reconcile payroll records to project accounting records.

PARTICIPANT BIOS

Kathy Albarado is President & CEO of Helios HR, an award-winning firm specializing in outsourced human resource management and consultation. She is the co-author of *Guide to HR Administration* published by Thompson Publishing Group. Helios works closely with organizations to develop strategies and programs aimed at cultivating a dynamic and highly productive workforce.
www.helioshr.com

Thomas W. Ricks is a senior regional sales manager with Taleo Corporation, the industry leader in talent management solutions. Most recently, Ricks and his colleagues have been focused on how recruiting and HR organizations can leverage Web 2.0 technologies in order to enhance recruitment efforts and compete for top talent.
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Thomas Dudenhoefer serves as Payroll Network's Vice President of Major Account Sales with 14 years of payroll experience and 16 years of government contracting experience. Payroll Network is a high-touch payroll management company that provides tax filing, Internet-based payroll processing, interfaces to popular project accounting software, and HR-related services to companies throughout Washington, DC, Virginia, and Maryland.
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Mitch Weintraub is a founding Partner of Cordia Partners, which has provided outsourced accounting and business advisory services to Washington-area companies since 1999. Weintraub has been instrumental in assisting clients with management and staffing of their accounting departments.
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