

1. Change Procedure Title
2. Add language for use with manual time entry

PURPOSE AND SCOPE:

The purpose of this procedure is to define the process for tracking the labor hours incurred by employees of Austal USA while travelling on Company business, working offsite locally, or manual entry of time worked into Workday. These hours represent work performed in either a direct or indirect capacity. Direct hours are those that are charged to a final cost objective while indirect are those charged by support personnel whose daily activities are not specific to a Project.

This process should be followed only when a time clock, computer (for web entry employees) or mobile labor tracking device is not available. Web-entry employees that are off-site but who have access to a computer may input their time into the system real time. However, if entry cannot occur real time, the daily work time card must be maintained and the data input into the system once a computer is available. When work time is manually inputted into Workday, the comment field must be completed with a description of the reason for the manual entry.

Timekeeping definitions and the process for the charging of labor is defined per Austal's Timekeeping Procedure, SUP136.

RESPONSIBILITIES:

Accurate timekeeping is the responsibility of all personnel within the organization. Adherence to this timekeeping policy is critical to ensuring the accuracy of costing to final cost objectives.

- **Employee**

The Employee is responsible for ensuring a daily time card (SUP138) is in his/her possession prior to travelling on Company related business or performing work offsite locally. While working offsite, the employee should record the hours worked on the offsite time card and communicate those hours to the immediate Supervisor on site or if no Supervisor is on site then to the employee's primary Supervisor at the main facility.

For an employee whose time is manually inputted for any reason other than travel or work offsite, the employee should initial the daily work time card ensuring the hours worked and charge code information is accurate.

By initialing the daily time card daily, the employee is certifying time worked and assignment of those hours worked to a charge code. The employee can request a system generated report at the end of the workweek to review all time reported. The daily work time card should be initialed each day work is performed offsite and at the end of the workweek provided to his/her supervisor who will forward to payroll for filing.

- **Supervisor**

A travelling Supervisor is responsible for ensuring that employees assigned to him/her have a daily time card available for completion. The Supervisor should make necessary arrangements to adequately track the time of his/her assigned employees to the specified

level of detail so that those hours worked can appropriately be assigned to the final cost objective. This tracking should be done via the employee's daily time card. At the end of a shift, the Supervisor is responsible for ensuring that all employees under his/her supervision sign their respective daily time card to attest to the hours worked and the activities to which those hours have been assigned.

Since a time clock, computer, or mobile labor tracking device is not available, it is the responsibility of the travelling Supervisor to enter the hours worked into Workday along with a descriptive comment of the reason for the manual entry.

When an employee is not travelling with a Supervisor, then the employee's primary Supervisor is responsible for ensuring that the employee communicates the daily hours worked back to him/her at the main facility for entry into Workday.

The Supervisor is responsible for the systematic daily entry into Workday of the activities against which an employee's hours worked will be charged. Entry of this information will occur daily. The time entry for the previous workday is to occur prior to 9 am for the Day Shift and 5 pm for the Evening Shift the day after the work was performed. This allows adequate time for the system to accumulate all the hours worked by an employee.

The Supervisor is responsible for ensuring that all daily time cards are maintained. If the Supervisor is travelling, then the time card should be maintained at the work site and then be provided to payroll at the end of travel. If the Supervisor is not travelling with the employee, then collection of the time card from the employee should occur at the end of travel and subsequently be provided to payroll.

These reports should be retained according to Austal's record retention policy.

- Foreman
The Foreman has the same level of responsibility for the timekeeping of the hours worked by all employees that fall within his/her line of authority. In the absence of a Supervisor, this individual will complete all tasks associated with the charging of labor hours to the appropriate labor charge code that would normally be completed by the Supervisor. This includes all maintenance of daily time reports.
- Manager
The Manager has the same level of responsibility for the timekeeping of the hours worked by all employees that fall within his/her line of authority. In the absence of a Supervisor and/or Foreman, this individual will complete all tasks associated with the charging of labor hours to the appropriate labor charge code that would normally be completed by the Supervisor. This includes all maintenance of daily time reports.
- Payroll
The Payroll Department is responsible for the weekly processing of payroll, which includes the locking of the system to ensure no changes can occur to the system once payroll is processed. This also includes the filing and storage of daily time cards.

PROCESS:

- At the start of travel or local offsite work activity, the Employee is to be provided with a daily time card. This can be achieved via the employee printing the document from Austal's QMS or the travelling Supervisor/Foreman or Manager printing the document. This document is SUPP138, Daily Work Time Card.

- If the employee's time must be tracked manually for some reason other travel or working offsite, the same process should be followed as if the employee were offsite.
- The daily time card is to be completed to include the employee's name, employee's ID, work location and managing Supervisor. Also, the date for each day of the work week should be entered above the day of the week.
- At the end of the daily shift, employees are to review the time card and verify the hours worked and the codes to which those hours have been charged or enter that information directly into the document if no Supervisor is present.
- A travelling Supervisor/Foremen or Manager should input the information from the time card into Workday. If no computer access is available, this Supervisor should communicate the information back to his/her primary Supervisor at the main facility.
- A Supervisor of an unaccompanied travelling employee who has received communication from his/her employee regarding daily worked hours should input the information from the time card into Workday.
- Supervisors/Foremen or Managers enter time from the daily time cards into Workday by 9 am for the Day Shift and 5 pm for the Evening Shift the day after the work was performed. This entry includes the descriptive explanation within the comments field in Workday.
- At the end of travel activity or local offsite work, the Supervisor should submit the daily time card to payroll for storage.
- The closing of the workweek by the Payroll Department locks all data input into Workday.

ADDITIONAL NOTES & RESPONSIBILITIES:

- All time worked for a given shift must be logged to the appropriate charge code on the daily time card the same day as time worked.
- Employees must sign the daily time card each day.
- Paid Time-off (PTO) Requests should be submitted electronically via the Workday application. This submission should occur by the employee and will route to the Supervisor for approval. Submission of PTO should follow the Company Employee Handbook.
 - If leave is unplanned, the electronic submission should occur as soon as it is known.
- Daily input of hours worked and the activities to which those hours are assigned can only be entered into Workday by Supervisors, Foreman, and Managers.
- All changes to a daily time card must be made in blue/black ink and include the signature of the Supervisor and Employee. If an error is made, the original entry should have a single line drawn through it and the corrected data entered.
- Any lost daily time card should be regenerated and completed by the employee and supervisor for accuracy.
- No other document or system should be maintained for timekeeping purposes.

- Failure to follow the process defined in this document may result in disciplinary action, up to and including termination.

REFERENCES AND DOCUMENTATION:

SUP136_Timekeeping Procedure
SUPF138_Daily Time Card