



DOCUMENT MANAGEMENT

Secure Your
Employee Files
with a Document
Management
Solution



Many smaller businesses are still storing hard copies of extremely sensitive employee documents. Others may store digital files in a third-party system or, worse, on an individual employee's computer. These standard document management solutions are neither secure, nor are they generally well organized. Not having an electronic document management solution can lead to costly errors uncovered during an audit or legal action.

Consider this...

You're the proud owner of a growing business.

One afternoon as you're leaving the office, your assistant informs you that Donald, an auditor from the Department of Labor, is arriving in two days to follow-up about an FMLA complaint.

In normal times, this announcement might not cause you concern. But these aren't normal times.

The first issue: your HR manager just left the organization. The second issue: all FMLA files were apparently saved on her computer. The third issue: her file organization leaves something to be desired. So far, you've only found photos from what appears to be her nephew's high school graduation from Franklin Marshall High School in Louisiana. (Otherwise known as file name: FMLA.)

To say you're dreading your meeting with Donald from the DOL is an understatement.

This situation offers the perfect illustration of how a business can benefit from a document management solution that allows people in the organization to upload and store employee-related documents. Whether it's performance reviews, direct deposit information, I-9's, FMLA records or other important employee records, storing them in a central, secure location is essential.

Without a document management system, it's easy for managers to become overwhelmed by keeping track of employee-related documents and paperwork. That's when documentation is lost or hard to find, which creates serious issues if audits occur. When a documentation process and system are in place, organizations save time, money and stress.



The Importance of Document Management

There are several risks for HR and Payroll departments if the organization doesn't maintain employee-related files in a secure location that provides easily accessible digital files.

In terms of operations, there are issues related to **space and document retention** when organizations use paper files or disorganized digital methods to store employee-related files. Whether it's the space for multiple filing cabinets, offsite storage, or maxed out hard drives, copies of employee files consume a lot of space. These file storage issues only grow as your business expands, and the number of current and former employee files increases.

In terms of **data security**, if you're using paper documents or unencrypted files, you're at risk of a confidential data breach. Employee-related documents contain highly sensitive information, including bank accounts, social security numbers and performance management details.

Some organizations opt to store employee documents in a third-party system offsite. While this may solve the security issues, it has negative impacts on syncing systems and having immediate access to records in the same system where your workforce management tools and processes already exist.



Easy access to documents during an audit

While having integrated document management is key for smooth operations and record retention, having documents readily available in the event of an audit is essential to avoid stress, legal issues and costly fines. An audit can happen at any time, and companies are expected to have certain documents organized and readily available for all employees.

Federal agencies typically don't provide much advance notice of an audit; the amount of time an employer must gather documentation depends on the auditor. For an organization without a document management system in place, an auditor's arrival creates stress and panic as teams scramble to locate required records, data and forms. Three common employee-related audits that organizations encounter include:

- **FMLA audit:** The Department of Labor (DOL) can audit employers at any time; often, the reason for an audit is due to an employee complaint. The DOL's Wage and Hour Division has consistently [received more than 1,000 Family Medical Leave Act \(FMLA\) complaints per year](#) for decades. As part of the audit, the DOL will review the FMLA process step-by-step and request to see all relevant forms and documentation.
- **I-9 audit:** The Department of Homeland Security conducts these audits to confirm employees' eligibility to work in the United States. As part of this process, hiring practices are reviewed, and verification is required for all employees. If Forms I-9 are incomplete or missing, employers can be [fined between \\$100 and \\$1,000 for each failure.](#)

- **Wage and hour audit:** The focus of these investigations by the DOL is anything related to pay and covered by the Fair Labor Standards Act (FLSA). For example, they may be auditing overtime pay compliance, exempt vs. nonexempt classification or minimum wage compliance. In addition to interviewing employees, the DOL will request records and documents for their review. The [maximum penalty](#) for violations of the FLSA's minimum wage and overtime provisions is \$2,014, assessed on a per-employee basis.

In addition to investigating based on employee complaints, [SHRM reports](#) that the DOL "has also targeted employers in low-wage industries for wage and hour violations, particularly in the areas of agriculture, daycare, food service, garment manufacturing, guard services, healthcare, hotels and motels, janitorial services and temporary help."

Storage space, record retention, security and audits are all impacted when organizations don't have an integrated document management system in place for their employee-related files. Be sure you're [keeping the files you need](#) and that you're storing them according to legal guidelines. Before the costs and time spent on these issues quickly spiral out of control, HR leaders must examine how an integrated platform can help protect their organization.

The Benefits of Integrated Document Management

From a practical standpoint, many organizations have already found that moving to electronic employee file management is beneficial. A system can be maintained effectively and efficiently when a plan is in place for implementation, monitoring and retention. Accessibility, data security and consolidation are three of the primary benefits of integrating document management with your workforce management solutions.



1

Accessibility

Rather than sifting through a stack of file folders, when documents are stored electronically, you can use categories and tags for easy sorting within the system. Attaching these to each employee profile makes it easy to locate any file you need quickly. If you experience an FMLA audit, for example, you could pull all records related to FMLA. This type of access makes an internal or external audit much more efficient and less stressful.



2

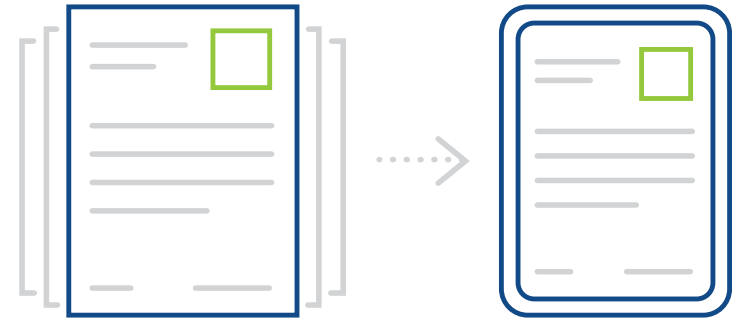
Data security

Even if an employee has the administrative rights to access sensitive information, that doesn't mean they need access to all data. For example, Payroll employees don't need access to employee performance reviews. Managers don't need access to direct deposit info or W-4 info. With a secure, organized solution, you can control access to documents by role or other factors.

3

Consolidation

When employee document management is part of your workforce management platform, you don't have to bother with switching systems or pushing data sync before accessing a file. The most current information you need exists within the same system. Management can access documents directly within their workforce management solution, making the data readily accessible for all departments.



Maintaining documents within the existing workforce management solution saves money by consolidating systems and minimizes time wasted on administrative work. As part of a cloud-based solution, your HR and Payroll teams will also have access to necessary files regardless of their location.

In addition to the benefits of digital document management, there are important legal considerations to keep in mind. As with any new technology, organizations should consult with legal counsel regarding any requirements.

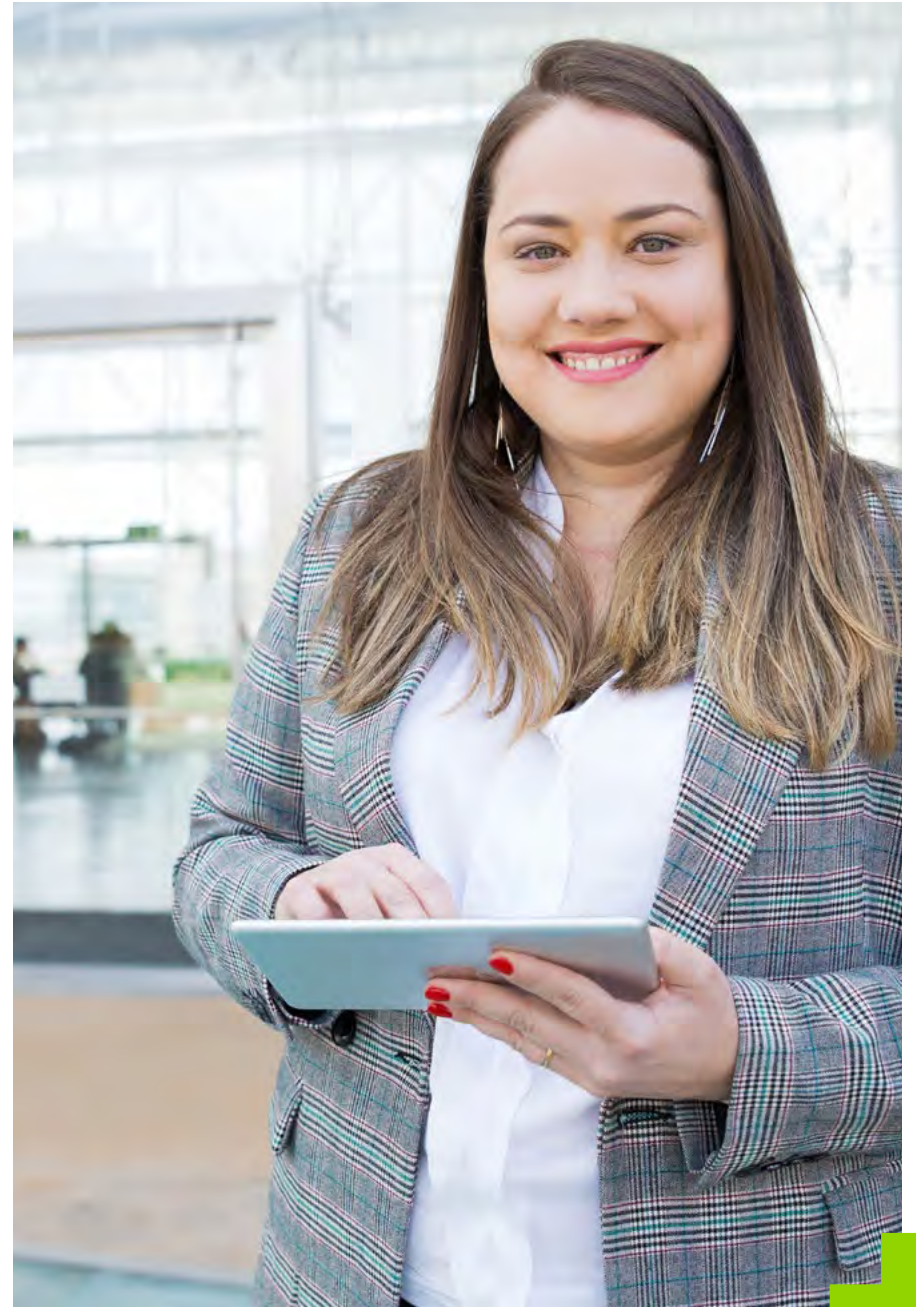
There are a variety of document management options in the marketplace. As you consider adding this beneficial tool to your workforce management processes, it's crucial to work with a provider that understands your business and offers a tool that meets your needs.

A Vital Addition to the Workforce Management Toolbox

As part of our experience delivering industry-leading workforce management solutions and payroll integrations for clients, we witnessed first-hand the struggle companies face when they don't have an efficient document management system for their employee records. Our customer service team received many calls from clients who faced audits but didn't have easily accessible digital copies of their most essential employee records.

We're committed to providing clients with the tools they need to be successful, which is why our growing workforce management portfolio now features [streamlined, secure document storage](#) that benefits your entire organization.

TCP allows you to store and manage documents in a way that's designed for the sensitive nature of confidential HR-related documents. Our approach is built on customizable categories, streamlined FMLA uploads and extensive permission configurations.



Customizable categories

Customizable categories can be as specific or generic as an organization deems necessary. It's possible to configure it to simple categories such as HR or Payroll, or you can make it more complex based on your needs. For example, you might choose to establish categories by document type, such as performance reviews, audits or leave requests. Everything is customizable, so you don't have to worry about modifying your processes and policies to meet the system's requirements.



Streamlined FMLA uploads

Streamlined FMLA uploads enable organizations to upload all necessary FMLA files to both the employee profile and FMLA cases. With three to ten documents required per FMLA request, this can save considerable time. Uploading directly onto the employee's profile allows you to store and track employee-specific documentation where that employee's information already exists. Uploading to an FMLA case ensures that all the necessary materials for an FMLA case are located in one place. This is useful for auditing purposes and ensuring that all the required documentation is successfully filled out and tracked. Regardless of the need, with streamlined uploads FMLA information is easy to find and accessible in both locations. If you experience an audit, this easy access will be of great importance to locate files that may help you avoid fines.

Streamlined FMLA uploads ensure all the necessary files for an FMLA case are located in one place.

Extensive user permissions

Extensive user permissions allow organizations to configure a hierarchy when it comes to managing employee documents. You can restrict permissions so managers may only view document categories relevant to them, and you can even grant access regarding viewing, uploading, downloading or deleting documents. This ensures that document integrity is secure. Additionally, TCP's solution offers SOC-2 compliance to ensure the data is secure and encrypted.

An integrated workforce management solution can offer standardized, centralized document management and storage capabilities that make it easy to find what you need when you need it. Adding document management capabilities to your existing workforce management platform provides an even more powerful and holistic solution for your organization.



Removing the Document Management Dilemma

Instead of drama and dilemmas related to employee documents, organizations can save time, money and stress with the right platform in place. TCP believes that Document Management is a crucial part of workforce management. It's the third pillar in our robust platform, which includes Scheduling, Absence/Leave Management, Document Management, Labor Tracking/Costing, and Mobile.

Document Management is a new feature in TCP's TimeClock Plus platform explicitly designed to help organizations store sensitive data while also making it easy to locate and track employee-related documents in the system.

During this era of extensive workforce change, HR needs to switch to digital employee files. As a function, HR is charged with managing the most documents in an organization and protecting a high volume of sensitive information. But merely uploading documents is just one part of the equation. How HR works with files once they're digital determines whether going paperless translates to productivity gains. This type of solution reduces the administrative burden and allows HR to be more flexible and agile in meeting business needs. Your employees trust you keep their sensitive data safe. Is your organization doing enough to protect this information?

Reach out today to learn more and [schedule a demo](#) with one of our consultants.





Integrated solutions are key to maintaining a productive workforce

While time and attendance is at the core of workforce management, true workforce management occurs when all the key activities required to maintain a productive workforce integrate seamlessly into one package. If your organization is looking to up-level your HR technology, [download](#) our full eBook, “Everything You Need to Know About Workforce Management,” to learn how robust, integrated solutions can help you streamline processes and maximize your workforce.

