

Date: 6/15/2023  
 Prepared For: City of Buchanan



**TimeClock Savings Calculator**  
 For Illustration Purposes Only

Company Inputs	
Number of Pay Periods per Year <sup>1</sup>	26
Number of Work Weeks per Year (typically 52)	52
Number of Employees	75
Average Number of Hours per Week per Employee	40
Payroll's Hourly Rate (industry standard)	\$23
Average Hourly Rate of Employees (industry standard)	\$28
Consumer Price Index(CPI) / Wage Inflation <sup>2</sup>	5%

Company Costs	
<b>Time &amp; Attendance</b>	
Number of Pay Periods per Year	26
Minutes Spent per Employee per Pay Period to calculate Payroll <sup>3</sup>	5.0
Number of Employees	75
Total Minutes Spent to Calculate Hours	9,750
Total Hours Spent Calculating Payroll	163
Payroll's Hourly Rate	\$23
<b>Manual Computation of Hours</b>	<b>\$3,738</b>
Average Number of Employees	75
Average Number of Hours per Week per employee	40
Number of Total Work Week Hours	3,000
Number of Annual Work Weeks	52
Number of Annual Worked Hours	156,000
Average Hourly Rate of Employees	\$28
Estimated Annual Payroll	\$4,368,000
Error Rate <sup>4</sup>	1.0%
<b>Error Factor</b>	<b>\$43,680</b>

Organization Lost Hours per Employee per Week <sup>5</sup>	1.00
Lost Hours per Employee per Year	52
Average number of Employees	75
Total Hours Lost per year	3,900
Average Hourly Rate of Employees	\$28
<b>Time Theft / Lost</b>	<b>\$109,200</b>
<b>Total Company Cost</b>	<b>\$156,618</b>

<sup>1</sup> Annual Pay Periods are typically either:  
 52 (weekly)  
 26 (bi-weekly)  
 24 (semi-monthly)  
 12 (monthly)

<sup>2</sup> Consumer Price Index is the most well-known indicator for inflation. 10% is a typical benchmark.

<sup>3</sup> Industry experts, including the American Payroll Association, estimate that it takes 2.5 - 5 minutes to manually compute hours for each employee in a bi-weekly

<sup>4</sup> The American Payroll Association estimates that payroll typically has an error rate of at least 1% and can go as high as 8%.

<sup>5</sup> TCP Estimates most organizations are losing between 2-4 hours per employee per week on lost time. The American Payroll Association estimates this to be an average of 7% of their payroll costs annually.

\*\* Annual recurring fees are subject to annual price increase as stipulated by the contract.

Investment in TCP		
Annual Subscription Fees	\$5,670	PEPM \$6.30
Annual Add On Modules Fees	\$900	\$1.00
Hardware	\$1,879	
Annual Hardware Support and Maintenance Fees	\$376	20%
Professional Services	\$4,425	
<b>Initial Investment in TCP</b>	<b>\$13,250</b>	
<b>Annual Recurring Fees**</b>	<b>\$6,946</b>	

Return on Investment	
<b>Estimated Payback Period (In Months)</b>	<b>1.0</b>
Estimated Return Ratio (Savings/Cost) - 1 year	10.8 x
<b>Estimated Return Ratio (Savings/Cost) - 5 year</b>	<b>20.1 x</b>
<b>Estimated Savings (5 Years)</b>	<b>\$824,378</b>

	Annual Cash Flow		
	Status Quo	TCP	Savings
Year 1:	\$156,618	\$13,250	\$143,368
Year 2:	\$164,448	\$6,946	\$157,503
Year 3:	\$172,671	\$6,946	\$165,725
Year 4:	\$181,304	\$6,946	\$174,359
Year 5:	\$190,370	\$6,946	\$183,424

	Cumulative Cash Flow		
	Status Quo	TCP	Savings
Year 1:	\$156,618	\$13,250	\$143,368
Year 2:	\$321,066	\$20,196	\$300,870
Year 3:	\$493,737	\$27,141	\$466,595
Year 4:	\$675,041	\$34,087	\$640,954
Year 5:	\$865,411	\$41,033	\$824,378