Quick guide

Managing hourly rates on projects

How to manage hourly rates on projects

TimeLog Project can automatically assign hourly rates to employees when tracking time on tasks.

This guide covers how TimeLog Project handles hourly rates on tasks using the **Time & Material** invoicing type.

How to manage hourly rates on projects

TimeLog Project can automatically select what hourly rate should be used on the project and the single tasks.
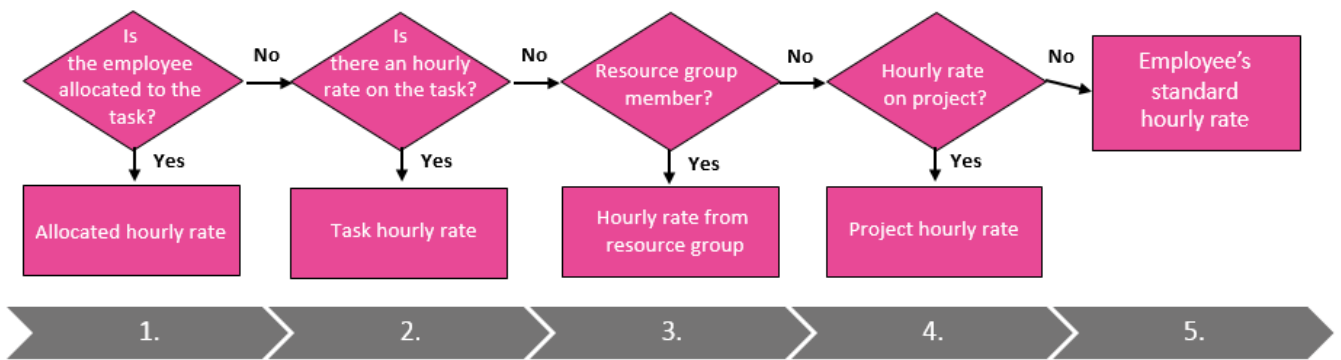
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1 Introduction

TimeLog Project uses a hierarchical approach to using hourly rates on projects for registering project working hours.

Figure 1
Hourly rate flow for projects

2 Hourly rate flow for projects

The built-in hourly rate function for projects uses a prioritised order to select the hourly rate to assign each time registration.

- 1. priority: Hourly rate for the employee allocation
- 2. priority: Hourly rate for the task
- 3. priority: Hourly rate for the resource group
- 4. priority: Hourly rate for the project
- 5. priority: Hourly rate for the employee

This hierarchy is used whenever an employee tracks their time.

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3 Time registration

3.1   1. priority

When an employee tracks their time on a task, TimeLog Project checks whether the employee is allocated to the task. If so, the allocated hourly rate is used for the time registration.

3.2   2. priority

If the employee is not allocated to the task, TimeLog Project checks whether an hourly rate has been assigned to the task. If the task has an hourly rate, it is applied to the time registration, and the employee is allocated at the task hourly rate.
The hourly rate is then used on all future time registrations on this task.

3.3   3. priority

If a task has no hourly rate, the hourly rate field reads **Employee standard hourly rate**. TimeLog Project then moves on to the project resource group.
If the employee is a resource group member, that hourly rate is used for the time registration.
The hourly rate is then used on all future time registrations on this task.

3.4   4. priority

If the employee is not a member of the resource group, TimeLog Project checks whether an hourly rate has been assigned to the project.
If the project has an hourly rate, it is applied to the time registration, and the employee is allocated to the task using this rate.
The hourly rate is then used on all future time registrations on this task.

3.5   5. priority

If the project does not have an hourly rate, the hourly rate field on the **Settings** tab reads **Employee standard hourly rate**. TimeLog Project then uses the employee's standard hourly rate found in **System Administration**.
The hourly rate is then used on all future time registrations on this task.
The above hourly rate check is performed whenever an employee tracks their time. Therefore, please verify each employee's hourly rate on allocations and resource groups.

4 Editing hourly rates on projects

Working on projects may require some changes to the hourly rates, either as general adjustments affecting all projects, or as employee or project rate adjustments. Depending on the hourly rate, these adjustments may need to be carried out throughout the system.

4.1   General hourly rate adjustments

General hourly rate adjustments usually require an adjustment of one or more services in one or more price groups or customer-specific hourly rates.

You can do this by going to **System Administration > Hourly Rates > Finances**. Hourly rate adjustments on price group services and customer-specific hourly rates in System Administration are automatically implemented throughout all employee allocations, tasks, resource group members and project hourly rates.

See the Managing hourly rates guide for further information.

4.2   Editing hourly rates for employees

If an employee changes their title, e.g. from Junior Engineer to Senior Engineer, they typically need to update their hourly rates. This change is made on the employee's settings in System Administration, but it is not implemented on projects to which the employee is already allocated.

To change employee allocations for the new hourly rate, go to the relevant projects and update the allocations at task level and in the resource group.
For help with finding the projects to which the employee is allocated, we recommend the **Data Extraction: Allocations report**.

If the employee has registered time using the old hourly rate, or has not updated all their project allocations, time registrations can be changed using the **Manage hourly rates** in the **Projects** menu tab. Also remember to update the employee's hourly rate in the resource group.

4.3 Editing hourly rates for projects

If you want to change an hourly rate during a project, go to the **Settings** tab. This change in the hourly rate is not implemented on existing rates in resource groups, tasks or employee allocations; it will only be used for time registrations following the above mentioned hourly rate flow.

If you want the new project hourly rate to apply to employee allocations too, you need to update the hourly rate on task allocations and in the resource group as well.

This document is an excerpt from the whitepaper on resource groups and allocating employees.

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