

TimeControl

Timesheets for your organization

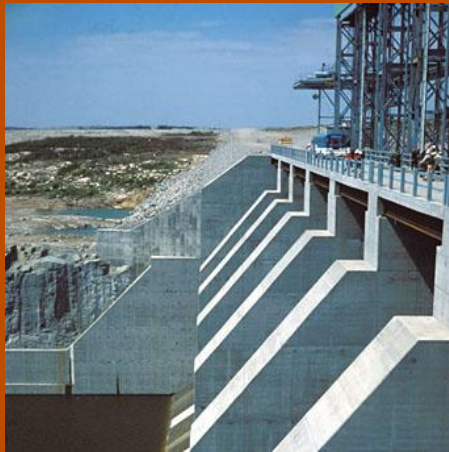




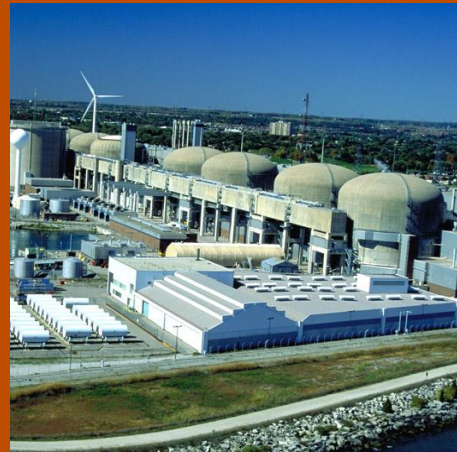
HMS History

- 1984 HMS Software founded. First project: automating the project office at Philips Information Systems and creating a project timesheet
- 1985 HMS becomes a Welcom Software alliance partner
- 1994 HMS releases TimeControl 1.0
- 1995 HMS releases TimeControl 2.0 for Windows
- 1995 TimeControl published with links to Microsoft Project
- 1995 HMS joins Microsoft Project Solution Partner program
- 1997 HMS becomes a Primavera Technology Alliance Partner
- 1997 HMS releases TimeControl 3.0 as a client/server product
- 1999 HMS releases first web timesheet interface for TimeControl
- 2001 HMS releases TimeControl 4.0, a full web-based version
- 2004 HMS named as a Premier Microsoft Project Solution Provider
- 2005 HMS becomes a Microsoft Gold Certified Partner
- 2006 HMS named as a “First to Market partner” by Microsoft
- 2007 HMS celebrates 10 years as a Primavera Alliance Partner
- 2007 HMS releases TimeControl Industrial 4.7
- 2007 HMS releases TimeControl 5.0
- 2008 HMS becomes Deltek ISV Alliance Partner
- 2009 HMS releases TimeControl Industrial 5.1
- 2010 HMS becomes Oracle Gold Partner
- 2010 HMS releases TimeControl 6.0

Some of our projects



James Bay Hydro



Ontario Nuclear Plants



Light Armored Vehicle



Hibernia Oil Platform



CF18 Upgrade

Research Credits in the US



- The USA's Internal Revenue Service supports Research Credits of "Qualified Research Expenditures" (QREs).
- It requires that the claimant shows work allocated to eligible tasks at the subcomponent level.

Form **6765** Credit for Increasing Research Activities

OMB No. 1545-0047
2009
Attachment Sequence No. 81

▶ Attach to your tax return.

Identifying number

Section A—Regular Credit. Skip this section and go to Section B if you are electing or previously elected (and are not revoking) the alternative simplified credit.

1	Certain amounts paid or incurred to energy consortia (see instructions)	1
2	Basic research payments to qualified organizations (see instructions)	2
3	Qualified organization base period amount	3
4	Subtract line 3 from line 2. If zero or less, enter -0-	4
5	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	5
6	Cost of supplies	6
7	Rental or lease costs of computers (see instructions)	7
8	Enter the applicable percentage of contract research expenses (see instructions)	8
9	Total qualified research expenses. Add lines 5 through 8	9
10	Enter fixed-base percentage, but not more than 16% (see instructions)	10
11	Enter average annual gross receipts (see instructions)	11
12	Multiply line 11 by the percentage on line 10	12
13	Subtract line 12 from line 9. If zero or less, enter -0-	13
14	Multiply line 9 by 50% (.50)	14
15	Enter the smaller of line 13 or line 14	15
16	Add lines 1, 4, and 15	16
17	Are you electing the reduced credit under section 280C? Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 16 by 13% (.13). If "No," multiply line 16 by 20% (.20) and see the instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached.	17

Section B—Alternative Simplified Credit. Skip this section if you are completing Section A.

18	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)	18
19	Basic research payments to qualified organizations (see the line 2 instructions)	19
20	Qualified organization base period amount (see the line 3 instructions)	20
21	Subtract line 20 from line 19. If zero or less, enter -0-	21
22	Add lines 18 and 21	22
23	Multiply line 22 by 20% (.20)	23
24	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	24
25	Cost of supplies	25
26	Rental or lease costs of computers (see the line 7 instructions)	26
27	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	27
28	Total qualified research expenses. Add lines 24 through 27	28
29	Enter your total qualified research expenses for the prior 3 tax years. If you had no qualified research expenses in any one of those years, skip lines 30 and 31	29
30	Divide line 29 by 6.0	30
31	Subtract line 30 from line 28. If zero or less, enter -0-	31
32	Multiply line 31 by 14% (.14). If you skipped lines 30 and 31, multiply line 28 by 9% (.09)	32

For Paperwork Reduction Act Notice, see instructions. CMB, Inc. 12/10/09 Form 6765-0905

"TimeControl was accepted by the Internal Revenue Service as providing excellent documentation of R&D engineering activities when applying for R&D Tax Credits"

Paulette L. Bennett
Division Controller
Parker Hannifin

SRED Tax credits in Canada




- Canada's Scientific Research and Experimental Development (SRED) tax credit program is a highly successful incentive managed by Revenue Canada.
- It mandates timesheet data to justify labor expenditures.

A sample of the CRA form for Scientific Research and Experimental Development (SRED) Expenditures Claim. The form is titled "SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SR&ED) EXPENDITURES CLAIM" and is identified as "Part 2 - Project information". It includes sections for "Section A - Project identification" and "Section B - Experimental development". The form contains various fields for project details, including project start and completion dates, project history, names of businesses, and the purpose of the work. It also includes checkboxes for whether the work was carried out in a laboratory, in a dedicated research facility, or in a commercial plant or facility. The form is numbered 1001 and includes the CRA logo and the text "Canada Revenue Agency" and "Agence du revenu du Canada".

SRED Tax Credits in Quebec

- The Province of Quebec in Canada has an additional tax credit incentive which credits part of the amount not already credited by Canada.
- Eligible work must be done in Quebec by eligible workers and backed up by timesheets

Revenu Québec  RD-222-T (2006-06) 1 of 3

Revenu Québec requires corporations established in Québec to file forms in French. For this reason, it does not produce an English version of the forms to be enclosed with the corporation income tax return. However, Revenu Québec provides translations of the content of the forms for information purposes.

Deduction Respecting Scientific Research and Experimental Development Expenditures

This form is for use by a taxpayer that carried out scientific research and experimental development (R&D) in the course of a business operated in Canada, or had such R&D carried out on the taxpayer's behalf, and wishes to deduct the R&D expenditures from income. You must enclose this form with the taxpayer's income tax return or with the information return that a member of a partnership is required to file. This form does not constitute a legal interpretation of the Taxation Act. For further information, refer to sections 222 through 230.8.8.6 of the Act.

01a	Québec enterprise number (NEQ)	File	IC 0001	
01b	Identification number	File	SP	
01c	Social insurance number	File	SP	
02	Taxpayer's name	Y	W	D
03	End-date of fiscal period	Y	W	D

15 Is the taxpayer a corporation that is exempt from income tax and constituted exclusively for the carrying out of R&D activities? Yes No

1 R&D expenditures made during the year

R&D expenditures made during the year that may be used for calculating the deduction vary according to whether you are using the traditional method (formerly called the "regular method") or the proxy method.

1.1 Election to use the proxy method

A taxpayer may elect to use the proxy method. However, in most cases, the traditional method is more advantageous. Note that the method you elect to use is independent from the method elected under the Income Tax Act (Statutes of Canada) and applies to the year concerned only. If the taxpayer does not make an election, the traditional method must be used. I elect to use the proxy method to calculate my R&D expenditures, or the R&D expenditures of the corporation or partnership which has authorized me to make this election, and I understand that the election is irrevocable for the year concerned.

Name of the representative authorized to sign or name of the individual	Signature	Date
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1.2 Current expenditures

1 Traditional method	2 Proxy method
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Portion of the salaries or wages paid to employees directly involved in R&D activities:

R&D in the EU, UK and Australia

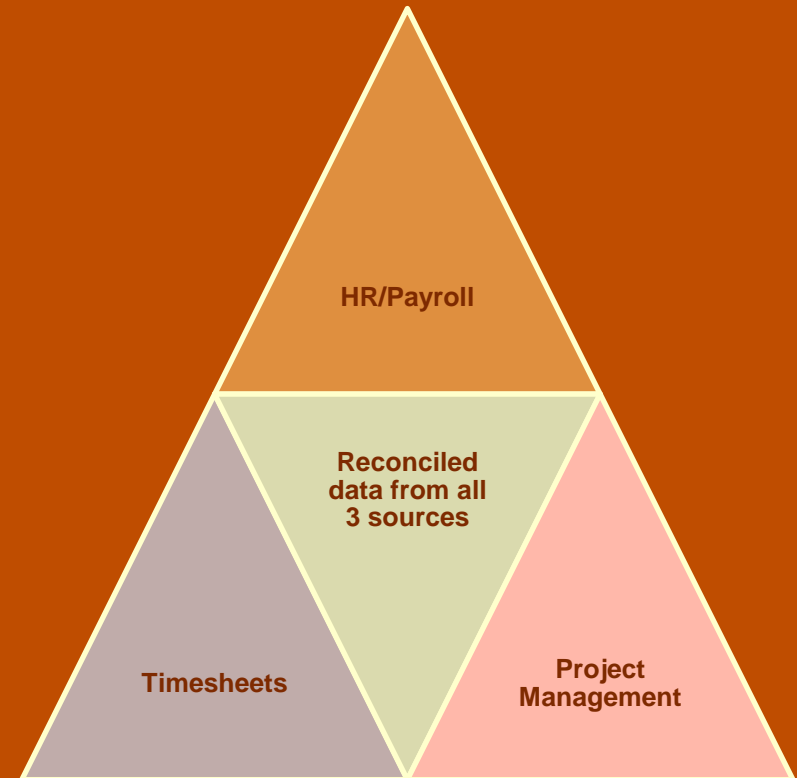
- Research and Development tax credits are a part of many national and regional jurisdictions.
- The UK allows R&D tax credits as does Australia and most areas of the European Union



The Triangle Audit

R&D financial audits look at:

1. **Payroll and HR Records**
Were people paid the totals reported on the tax return?
2. **Timesheets**
Is time divided between eligible and ineligible data and does it match the R&D claim?
3. **Project Management data**
Does the project plan match the R&D claim and does the project progress match the timesheet data?





Basic R&D Tax Credit Rules

What qualifies for R&D tax credits? The rules differ by jurisdiction but there are some basic rules that are universal:

- The credit must be for eligible activities.
- The credit must be for work done in the jurisdiction by eligible workers
- The claimant must be able to document the work at the level detail required by the claimant



Successful R&D tax claims

- You will require these documents:
 - a project plan which identifies eligible vs. non-eligible tasks
 - The progress for this taxation year including timesheets such as those from TimeControl for each eligible employee which must identify:
 - Total hours spent on R&D eligible work
 - Total hours spent on non R&D eligible work
- A typical audit will start with the timesheets and determine if the R&D plus non R&D hours match your payroll records so all data must match!
- TimeControl is a great tool for this.

Timesheet solutions

Time and Attendance

HR Systems and
Payroll

**Timesheet system sends
attendance time and types of
time off such as vacation and
sick leave**

Timesheets



Timesheet solutions

Time is summarized by client and billed with proper rate codes and overtime when applicable

Time and Billing

Timesheets

**Finance and
Billing systems**



Timesheet solutions

Project Statusing



Timesheets

Project
Management

Timesheet lists time per resource on each task and updates the project management system for budget vs. actual analysis.

Timesheet solutions

Governance



Timesheets

Organizations are required to comply with government and shareholder compliance rules such as R&D tax credit claims DCAA, SOX, EEC work rules and general auditability

**Governance
Activity Costing
systems**

TimeControl®

HR Systems and
Payroll

Finance and
Billing systems

TimeControl



Project
Management

Governance
Activity Costing
systems





Demonstration

TimeControl			
R&D Timesheet Monthly Report Detailed			
Wednesday, December 29, 2010			
Select_date			
dir	Charge Code	Charge Description	Posted Hours
e	AUTO.AS115	Load System Software	8
	AUTO.AS208	Prepare Drawings for Terry to approve	6
gible	BOAT SHOW.1.5	Determine number of resources for registration	4
	INTERNAL MEETINGS	General Meetings	6
e	POLAR.1.2	Design Reports	10
	POLAR.1.3	Design Security	9
	POLAR.2.2	Code Interface structure	21
	AUTO.AS115	Load System Software	18
	AUTO.AS208	Prepare Drawings for Terry to approve	12
	EC00610.1.4.EC2370	Final Inspections and Punchlist	10
ible	DATA.1.4	Set up terminals	11
Eligible	DATA.2.4	CPU capacity test	7
	TCDEPLOY.3.1	Install Server Software	6
	TCDEPLOY.4.1	Review existing timekeeping environment	16
	INTERNAL HOLIDAY	Official Holiday	20
	INTERNAL MEETING S	General Meetings	8
ible	POLAR.1.1	Design Interface	8.5
	POLAR.1.2	Design Reports	7.5
	POLAR.3	Review Design	8
Eligible	INTERNAL MEETINGS	General Meetings	16
	INTERNAL VACATION	Paid Vacation	8
ible	POLAR.3	Review Design	16
	AUTO.AS115	Load System Software	18
Eligible	BOAT SHOW.1.13	Exhibitor services request form	10
	INTERNAL MEETINGS	General Meetings	4
ible	POLAR.3	Review Design	8
	AUTO.AS208	Prepare Drawings for Terry to approve	12
Eligible	BOAT SHOW.1.2	Determine tradeshow planning contact	7
ible	DATA.1.3	Install test drive	14
Eligible	INTERNAL MEETINGS	General Meetings	14
	INTERNAL HOLIDAY	Official Holiday	20
	INTERNAL VACATION	Paid Vacation	8
ible	DATA.2.4.1	Training Materials	11



TimeControl Key Features

- ☐ Easy web interface
- ☐ Multi-browser support
- ☐ Multilingual
- ☐ Flexible architecture
 - ☐ SQL Server
 - ☐ Oracle
 - ☐ MySQL
- ☐ Expense tracking
- ☐ Matrix Approvals
- ☐ Automated Approvals
- ☐ Vacation Requests
- ☐ Flexible Reporting
- ☐ Links to Project Mgt
 - ☐ Microsoft Project
 - ☐ Project Server
 - ☐ Oracle-Primavera
 - ☐ Deltek OpenPlan
 - ☐ Deltek Cobra
- ☐ Links to ERP/Finance
 - ☐ SAP
 - ☐ Oracle Financials
 - ☐ Dynamics
 - ☐ Others...
- ☐ Government compliance
 - ☐ R&D
 - ☐ European Time Directives
 - ☐ DCAASOX, FMLA

Some more HMS clients

TOMMY HILFINGER



NHS choices



US Army Corps of Engineers®



VOLVO

ELECTRO MOTIVE

Immigration et Communautés culturelles
Québec

Microsoft



Acergy



SaskTel



KELLY SERVICES



Government of Saskatchewan

Organon

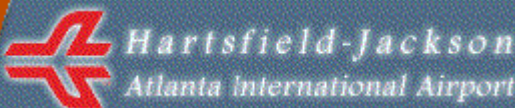
ERICSSON



Cimmetry Systems



Montréal



SOLECTRON

CATERPILLAR

MERCURY
The Water Calls



TimeControl works in many industries

Engineering/Construction

Aecon Construction
AeroInfo
Koch Business Solutions
Kongsberg Devotek
Thompson Beta

Gas / Utilities

Gulf South Pipeline
Acergy
Petrocon
VenCorp

Manufacturing

Alcan
Parker Hannifin
Dofasco
Georgia Pacific
John Deere
Magneti Marelli
Mercury Marine
Tennant
Wagner Spray Tech
Vision Systems

Defense / Aerospace

Bombardier Inc.
CAE Electronics
General Motors Diesel
Lockheed Martin
Rolls Royce
SAAB

Government

Dutch Railways
Government of Saskatchewan
Railway Procurement Agency (UK)

Technology

Arivia
CSI Piemonte
DRS Power Control Tech
EDS
Face Technology
Fuel Plus Software
GE Access
Lockheed Martin
Positron
Psion Techlogix
DRUCK Ltd

Telecommunications

Cable & Wireless Bartel
Ericsson
EXFO
Motorola
Philips Semiconductors
SARA Amsterdam
Stratos Global

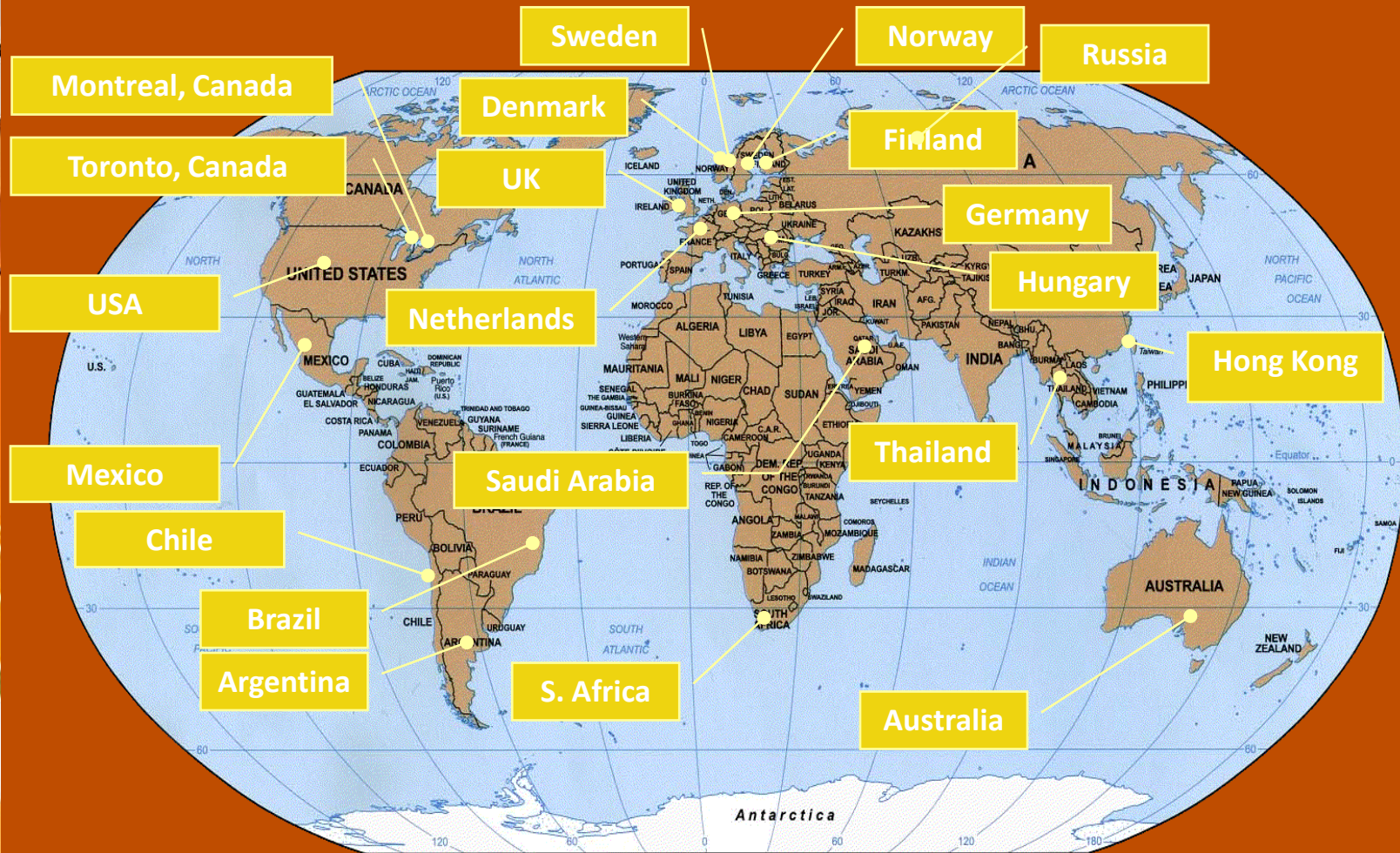
Financial

Standard Life
Development Bank of One

Health/Pharmaceutical

Boehringer Ingelheim
Azko Nobel (Organon)
RTS Thurnall
UK National Health Service (NHS)
Canadian Institute for Health Info
Iogen
Registrat

TimeControl Dealer Network





Thank you!

For more information

To find out more about TimeControl:

www.timecontrol.com

To see our TimeControl R&D Solution page:

www.timecontrol.com/solutions/randd

To find out about HMS Software:

www.hmssoftware.ca

To reach HMS Software:

info@hmssoftware.ca