

# Supplementary Conditions of the Contract for Construction

U.S. Department of Housing and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0470  
(Expires 12/31/2016)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits and voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information collection is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD in determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the project design meets the needs of the residents. The Department will use this information to set forth the obligations of the contractor or subcontractor performing under the covered contract. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

## Article 1 – Labor Standards

### Instructions

Whenever only FHA mortgage insurance is involved, use paragraph (A) and (C) of Article 1 – Labor Standards. Whenever any direct form of assistance (Section 8, Section 202/811 Capital Advance, grants etc.) is involved, use paragraphs (A) and (B) and (C) of Article 1 – Labor Standards.

### Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted or insured by the United States of America and the following Federal Labor Standards Provisions are included in this Contract or related instrument pursuant to the provisions applicable to such Federal assistance or insurance.

**A. 1. (i) Minimum Wages.** All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification

requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs A.1.(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

**2. Withholding.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the

same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon contracts.

**3. (i) Payrolls and basic records.** Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

**(ii) (a)** The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, D.C. 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

**(b)** Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

- (1)** That the payroll for the payroll period contains the information required to be maintained under 29 CFR Part 5.5(a)(3)(i) and that such information is correct and complete;
- (2)** That each laborer or mechanic (including each

helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

**(3)** That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

**(c)** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph A.3.(ii)(b) of this section.

**(d)** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

**(iii)** The contractor or subcontractor shall make the records required under paragraph A.3.(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

**4. (i) Apprentices and Trainees. Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau

of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman's hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) **Equal employment opportunity.** The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

**5. Compliance with Copeland Act Requirements.** The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

**6. Subcontracts.** The contractor or subcontractor will insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as HUD or its designee may be appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

**7. Contract termination; debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

**8. Compliance with Davis-Bacon and Related Act Requirements.** All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

**9. Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

**10. (i) Certification of Eligibility.** By entering into this contract the contractor certifies neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm

ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement, knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

**B. Contract Work Hours and Safety Standards Act.** As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

**1. Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

**2. Violation; liability for unpaid wages, liquidated damages.** In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

**3. Withholding for unpaid wages and liquidated damages.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

**4. Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

**C.** The Contractor will be required to execute FHA Form No. 2403-A, Contractor's Prevailing Wage Certificate, as a condition precedent to insurance by the Federal Housing Administration of that certain mortgage loan, or an advance thereof, made or to be made by the mortgagee in connection with the construction of the project.

## Article 2 – Equal Employment Opportunity

The applicant hereby agrees that it will incorporate or cause to be

incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the Contractor agrees as follows:

**A.** The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places available to employees and applicants for employment notices to be provided setting forth the provisions of this nondiscrimination clause.

**B.** The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

**C.** The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers representatives of the Contractor's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

**D.** The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor.

**E.** The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

**F.** In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations or order of the Secretary of Labor, or as otherwise provided by law.

**G.** The Contractor will include the portion of the sentence immediately preceding paragraph A and the provisions of paragraphs A through G in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Secretary of Housing and Urban Development or the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance. *Provided, however,* that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Secretary of Housing and Urban Development or the Secretary of Labor, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

**H.** The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work:

*Provided, That* if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

**I.** The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

**J.** The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

### **Article 3 – Equal Opportunity for Businesses and Lower Income Persons Located Within the Project Area**

(Applicable to Section 236 projects, where the estimated replacement cost of the project as determined by the Secretary of Housing and Urban Development exceeds \$500,000, and to all projects, including Section 236 regardless of estimated replacement cost, receiving rent supplement assistance under Title I, Section 101 of the Housing and Urban Development Act of 1965.)

**A.** The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the unit of local government or the metropolitan area (or nonmetropolitan county) as determined by the Secretary of Housing and Urban Development in which the projects located and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the same metropolitan area (or nonmetropolitan county) as the project.

### **Article 4 – Health and Safety**

**A.** No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

**B.** The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96).

**C.** The Contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development of the Secretary of Labor shall direct as a means of enforcing such provisions.



"General Decision Number: FL20200082 01/03/2020

Superseded General Decision Number: FL20190082

State: Florida

Construction Type: Residential

County: Polk County in Florida.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.80 for calendar year 2020 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.80 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2020. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Modification Number	Publication Date
0	01/03/2020

ENGI0925-008 06/01/2013

	Rates	Fringes
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POWER EQUIPMENT OPERATOR:

Crawler Cranes; Truck Cranes; Pile Driver Cranes; Rough Terrain Cranes; and Any Crane not otherwise described below...	\$ 29.61	11.50
Hydraulic Cranes Rated 100 Tons or Above but Less Than 250 Tons; and Lattice Boom Cranes Less Than 150 Tons if not described below.	\$ 30.61	11.50
Lattice Boom Cranes Rated at 150 Tons or Above; Friction Cranes of Any Size; Mobile Tower Cranes or Luffing Boom Cranes of		

Any Size; Electric Tower  
 Cranes; Hydraulic Cranes  
 Rated at 250 Tons or  
 Above; and Any Crane  
 Equipped with 300 Foot or  
 More of Any Boom  
 Combination.....\$ 31.61      11.50  
 Oiler.....\$ 22.91      11.50

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 \* IRON0397-003 07/01/2019

	Rates	Fringes
IRONWORKER, REINFORCING AND STRUCTURAL.....	\$ 30.85	16.47

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SUFL2009-121 06/08/2009

	Rates	Fringes
BRICKLAYER.....	\$ 20.00	0.00
CARPENTER, Includes Cabinet Installation.....	\$ 11.37	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 15.14	0.00
ELECTRICIAN.....	\$ 12.66	0.00
IRONWORKER, ORNAMENTAL.....	\$ 12.60	0.00
LABORER: Common or General.....	\$ 9.85	0.00
LABORER: Mason Tender - Brick...	\$ 11.51	0.00
LABORER: Mason Tender - Cement/Concrete.....	\$ 10.46	0.00
LABORER: Pipelayer.....	\$ 11.79	0.00
LABORER: Roof Tearoff.....	\$ 9.00	0.00
LABORER: Landscape and Irrigation.....	\$ 8.26	0.00
OPERATOR: Asphalt Paver.....	\$ 12.07	0.00
OPERATOR: Backhoe Loader Combo.....	\$ 17.04	0.00
OPERATOR: Backhoe/Excavator.....	\$ 12.56	0.00
OPERATOR: Bulldozer.....	\$ 12.14	0.00
OPERATOR: Distributor.....	\$ 11.57	0.00
OPERATOR: Forklift.....	\$ 17.38	0.00
OPERATOR: Grader/Blade.....	\$ 15.50	0.00
OPERATOR: Loader.....	\$ 11.59	0.00
OPERATOR: Roller.....	\$ 11.02	0.00
OPERATOR: Screed.....	\$ 11.08	0.00

OPERATOR: Trackhoe.....	\$ 15.68	0.00
OPERATOR: Tractor.....	\$ 10.20	0.00
PLUMBER.....	\$ 13.22	0.00
ROOFER, Includes Built Up, Modified Bitumen, and Shake & Shingle Roofs (Excludes Metal Roofs).....	\$ 13.33	0.00
ROOFER: Metal Roof.....	\$ 16.99	0.00
SHEET METAL WORKER, Excludes Metal Roof Installation.....	\$ 9.50	0.00
TRUCK DRIVER, Includes Dump Truck.....	\$ 10.22	0.00
TRUCK DRIVER: Lowboy Truck.....	\$ 12.10	0.00

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

#### Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

#### Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

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**WAGE DETERMINATION APPEALS PROCESS**

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

..

"General Decision Number: FL20200131 01/03/2020

Superseded General Decision Number: FL20190131

State: Florida

Construction Type: Heavy

County: Polk County in Florida.

HEAVY CONSTRUCTION PROJECTS (Including Sewer and Water Lines)

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.80 for calendar year 2020 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.80 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2020. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number      Publication Date  
                                  0                           01/03/2020

ENGI0925-009 06/01/2013

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Drill.....	\$ 29.61	11.50
Oiler.....	\$ 22.91	11.50

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\* IRON0397-006 07/01/2019

	Rates	Fringes
IRONWORKER, STRUCTURAL.....	\$ 30.85	16.47

-----  
LAB00517-002 05/01/2017

	Rates	Fringes
LABORER: Grade Checker.....	\$ 19.20	7.85

-----  
PAIN0088-008 08/01/2019

	Rates	Fringes
PAINTER: Brush, Roller and Spray.....	\$ 20.21	11.28

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SUFL2009-170 06/24/2009

	Rates	Fringes
CARPENTER, Excludes Form Work....	\$ 13.56	1.84
CEMENT MASON/CONCRETE FINISHER...	\$ 13.18	0.00
ELECTRICIAN.....	\$ 16.71	3.56
FORM WORKER.....	\$ 11.60	0.00
LABORER: Common or General.....	\$ 10.04	0.00
LABORER: Landscape.....	\$ 7.25	0.00
LABORER: Pipelayer.....	\$ 11.32	0.00
LABORER: Power Tool Operator (Hand Held Drills/Saws, Jackhammer and Power Saws Only).....	\$ 10.63	2.20
MILLWRIGHT.....	\$ 12.63	0.00
OPERATOR: Asphalt Paver.....	\$ 11.88	0.00
OPERATOR: Backhoe Loader Combo.....	\$ 16.10	2.44
OPERATOR: Backhoe/Excavator.....	\$ 13.05	0.00
OPERATOR: Bulldozer.....	\$ 12.88	0.00
OPERATOR: Crane.....	\$ 14.88	3.17
OPERATOR: Grader/Blade.....	\$ 16.00	2.84
OPERATOR: Loader.....	\$ 11.34	0.00
OPERATOR: Mechanic.....	\$ 13.83	2.19
OPERATOR: Roller.....	\$ 9.77	0.00
OPERATOR: Scraper.....	\$ 11.00	1.74
OPERATOR: Trackhoe.....	\$ 20.92	5.50
OPERATOR: Tractor.....	\$ 10.00	0.00
TRUCK DRIVER, Includes Dump Truck.....	\$ 10.00	0.00
TRUCK DRIVER: Lowboy Truck.....	\$ 11.00	0.00
TRUCK DRIVER: Off the Road Truck.....	\$ 12.21	1.97

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4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION

"



U.S. Department of Housing  
and Urban Development

Labor Relations Desk Guide  
LR01.DG

# DAVIS-BACON

## LABOR STANDARDS

*A Contractor's Guide  
to Prevailing Wage Requirements  
for Federally-Assisted Construction Projects*

*January 2012  
Previous versions obsolete*



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## INTRODUCTION

This Guide has been prepared for you as a contractor performing work on construction projects that are assisted by the Department of Housing and Urban Development and subject to Davis-Bacon prevailing wage requirements. This Guide does not address contractor requirements involved in direct Federal contracting where HUD or another Federal agency enters into a procurement contract. In this latter case, the Federal Acquisition Regulations (FAR) are applicable. While the guidance contained in this Guide is generally applicable to any Davis-Bacon covered project, specific questions pertaining to direct Federal contracts should be addressed to the Contracting Officer who signed the contract for the Federal agency.

Our objective here is to provide you with a guide which is simple and non-bureaucratic yet comprehensive and which will help you better understand and comply with Davis-Bacon labor standards. HUD's Office of Labor Relations worked closely with the Department of Labor's Wage and Hour Division to make sure that the labor standards provisions in your contract and the specifics of complying with them represent the latest information. It is the Department of Labor which has general administrative oversight of all Federal contracting agencies, such as HUD, which administer the day-to-day responsibilities of enforcing Davis-Bacon provisions in construction contracts they either fund or assist in funding.

There are three chapters in this Guide. The first chapter offers a brief description of the laws and regulations associated with Federal labor standards administration and enforcement and discusses both what's in your contract that requires Davis-Bacon compliance and your responsibilities. The second chapter deals with labor standards and payroll reporting requirements. The third chapter discusses what can happen in the event there is a dispute about the wage rates that should be (or have been) paid and any back wages that may be due.

Finally, not all HUD construction projects are covered by Davis-Bacon wage rates. For the purpose of this Guide, we are assuming that a determination has already been made that Davis-Bacon wage rates are applicable. Should you wish assistance in determining whether Davis-Bacon wage rates apply to a particular project or if you need other related technical assistance, please consult with the HUD Labor Relations Field staff for your area. If you don't know which staff to contact, a list of Labor Relations field offices and their geographic areas and telephone numbers can be found on HUD's Home Page at the address below.

**Visit the Office of Labor Relations on-line:**

<http://www.hud.gov/offices/olr>

Obtain additional copies of this Guide and other publications at our website or by telephone from HUD's Customer Service Center at (800)767-7468.



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## CHAPTER 1 LAWS, REGULATIONS, CONTRACTS AND RESPONSIBILITIES

The following paragraphs describe what the labor standards laws and regulations actually say and what they mean to you on HUD projects:

### 1-1 DAVIS-BACON AND OTHER LABOR LAWS.

- a. **The Davis-Bacon Act (DBA).** The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works.

Most HUD construction work is not covered by the DBA itself since HUD seldom contracts directly for construction services. Most often, if Davis-Bacon wage rates apply to a HUD project it is because of a labor provision contained in one of HUD's "Related Acts" such as the U. S. Housing Act of 1937, the National Housing Act, the Housing and Community Development Act of 1974, the National Affordable Housing Act of 1990, and the Native American Housing Assistance and Self-Determination Act of 1996. The Related Acts are often referred to as the Davis-Bacon and Related Acts or DBRA.

- b. **The Contract Work Hours and Safety Standards Act (CWHSSA).** CWHSSA requires time and one-half pay for overtime (O/T) hours (over 40 in any workweek) worked on the covered project. The CWHSSA applies to both direct Federal contracts and to indirect Federally-assisted contracts **except** where the assistance is solely in the nature of a loan guarantee or insurance. CWHSSA violations carry a liquidated damages penalty (\$10/day per violation). Intentional violations of CWHSSA standards can be considered for Federal criminal prosecution.

CWHSSA does not apply to prime contracts of \$100,000 or less. In addition, some HUD projects are not covered by CWHSSA because some HUD programs only provide loan guarantees or insurance. CWHSSA also does not apply to construction or rehabilitation contracts that are not subject to Federal prevailing wage rates (e.g., Davis-Bacon wage rates, or HUD-determined rates for operation of public housing and Indian block grant-assisted housing). However, even though CWHSSA overtime pay is not required, Fair Labor Standards Act (FLSA) overtime pay is probably still applicable. (See also Labor Relations Letter SL-95-01, CWHSSA Coverage threshold for overtime and health and safety provision, available on-line at the HUD Labor Relations Library at: [www.hud.gov/offices/olr/library.cfm](http://www.hud.gov/offices/olr/library.cfm))

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- c. **The Copeland Act (Anti-Kickback Act).** The Copeland Act makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally-assisted project) to kickback (i.e., give up or pay back) any part of their wages. The Copeland Act requires every employer (contractors and subcontractors) to submit weekly certified payroll reports (CPRs) and regulates permissible payroll deductions.
  - d. **The Fair Labor Standards Act (FLSA).** The FLSA contains Federal minimum wage rates, overtime (O/T), and child labor requirements. These requirements generally apply to any labor performed. The DOL has the authority to administer and enforce FLSA. HUD will refer to the DOL any possible FLSA violations that are found on HUD projects.

#### **1-2 DAVIS-BACON REGULATIONS.**

The Department of Labor (DOL) has published rules and instructions concerning Davis-Bacon and other labor laws in the Code of Federal Regulations (CFR). These regulations can be found in ***Title 29 CFR Parts 1, 3, 5, 6 and 7.*** Part 1 explains how the DOL establishes and publishes DBA wage determinations (aka wage decisions) and provides instructions on how to use the determinations. Part 3 describes Copeland Act requirements for payroll deductions and the submission of weekly certified payroll reports. Part 5 covers the labor standards provisions that are in your contract relating to Davis-Bacon Act wage rates and the responsibilities of contractors and contracting agencies to administer and enforce the provisions. Part 6 provides for administrative proceedings enforcing Federal labor standards on construction and service contracts. Last, Part 7 sets parameters for practice before the Administrative Review Board. These regulations are used as the basis for administering and enforcing the laws.

DOL Regulations are available on-line on the World Wide Web:  
[http://www.dol.gov/dol/allcfr/Title\\_29.htm](http://www.dol.gov/dol/allcfr/Title_29.htm)

#### **1-3 CONSTRUCTION CONTRACT PROVISIONS**

Each contract subject to Davis-Bacon labor standards requirements must contain labor standards clauses and a Davis-Bacon wage decision. These documents are normally bound into the contract specifications.

- a. The labor standards clauses. The labor standards clauses describe the responsibilities of the contractor concerning Davis-Bacon wages and obligate the contractor to comply with the labor requirements. The labor standards clauses also provide for remedies in the event of violations, including withholding from payments due to the contractor to ensure the payment of wages or liquidated damages which may be found due. These contract clauses enable the contract administrator to enforce the Federal labor standards applicable to the project. HUD has standard forms that contain contract clauses. For example, the HUD-2554, Supplementary Conditions to the Contract for Construction, which is issued primarily for FHA multifamily housing and other construction projects

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administered by HUD; the HUD-4010, Federal Labor Standards Provisions, which is used for CDBG and HOME projects, and the HUD-5370, General Conditions of the Contract for Construction or the HUD-5370-EZ (construction contracts ≤\$100,000) which are used for Public and Indian Housing projects.

HUD program labor standards forms are available on-line at:  
[www.hud.gov/offices/adm/hudclips/index.cfm](http://www.hud.gov/offices/adm/hudclips/index.cfm)

- b. Davis-Bacon Wage Decisions. The Davis-Bacon wage decision (or wage determination) is a listing of various construction work classifications, such as Carpenter, Electrician, Plumber and Laborer, and the minimum wage rates (and fringe benefits, where prevailing) that people performing work in those classifications must be paid.

Davis-Bacon wage decisions are established by the DOL for various types of construction (e.g., residential, heavy, highway) and apply to specific geographic areas, usually a county or group of counties. Wage decisions are modified from time to time to keep them current. In most cases, when the contract is awarded or when construction begins, the wage decision is “locked-in” and no future modifications are applicable to the contract or project involved.

All current Davis-Bacon wage decisions can be accessed on-line at no cost at:  
<http://www.wdol.gov>

#### **1-4 RESPONSIBILITY OF THE PRINCIPAL CONTRACTOR**

The principal contractor (also referred to as the *prime* or *general contractor*) is responsible for the full compliance of all employers (the contractor, subcontractors and any lower-tier subcontractors) with the labor standards provisions applicable to the project. Because of the contractual relationship between a prime contractor and his/her subcontractors, subcontractors generally should communicate with the contract administrator only through the prime contractor. (See Contract Administrator, below.)

To make this Guide easier to understand, the term “prime contractor” will mean the principal contractor; “subcontractor” will mean all subcontractors including lower-tier subcontractors; and the term “employer” will mean all contractors as a group, including the prime contractor and any subcontractors and lower-tier subcontractors.

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1-5 **RESPONSIBILITY OF THE CONTRACT ADMINISTRATOR.**

The ***contract administrator*** is responsible for the proper administration and enforcement of the Federal labor standards provisions on contracts covered by Davis-Bacon requirements. We use this term to represent the person (or persons) who will provide labor standards advice and support to you and other project principals (e.g., the owner, sponsor, architect), including providing the proper Davis-Bacon wage decision (see 2-1, ***The Wage Decision***) and ensuring that the wage decision and contract clauses are incorporated into the contract for construction. The contract administrator also monitors labor standards compliance (see 2-6, ***Compliance Reviews***) by conducting interviews with construction workers at the job site and reviewing payroll reports, and oversees any enforcement actions that may be required.

The contract administrator could be an employee or agent of HUD, or of a city or county or public housing agency. For HUD projects administered directly by HUD staff, usually FHA-insured multifamily projects, the contract administrator will be the HUD Labor Relations field staff. But many HUD-assisted projects are administered by local contracting agencies such as Public Housing Agencies (PHAs), Indian tribes and tribally-designated housing entities (TDHEs), and States, cities and counties under HUD's Community Development Block Grant (CDBG) and HOME programs. In these cases, the contract administrator will likely be local agency staff. In either case, the guidance for you remains essentially the same.

The DOL also has a role in monitoring Davis-Bacon administration and enforcement. In addition, DOL has independent authority to conduct investigations. A DOL investigator or other DOL representative may visit Davis-Bacon construction sites to interview construction workers or review payroll information.

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## CHAPTER 2    HOW TO COMPLY WITH LABOR STANDARDS AND PAYROLL REPORTING REQUIREMENTS

**WHERE TO START?**    Now that you know you're on a Davis-Bacon project and you know some of the legal and practical implications, what's next?

### SECTION I - THE BASICS

#### 2-1    **THE WAGE DECISION.**

Davis-Bacon labor standards stipulate the wage payment requirements for Carpenters, Electricians, Plumbers, Roofers, Laborers, and other construction work classifications that may be needed for the project. The Davis-Bacon wage decision that applies to the project contains a schedule of work classifications and wage rates that must be followed. If you don't have it already (and by now you should), you'll want to get a copy of the applicable Davis-Bacon wage decision.

Remember, the wage decision is contained in the contract specifications along with the labor standards clauses. See 1-3, Construction Contract Provisions.

- a. **The work classifications and wage rates.** A Davis-Bacon wage decision is simply a listing of different work classifications and the minimum wage rates that must be paid to anyone performing work in those classifications. You'll want to make sure that the work classification(s) you need are contained in the wage decision and make certain you know exactly what wage rate(s) you will need to pay. Some wage decisions cover several counties and/or types of construction work (for example, residential and commercial work) and can be lengthy and difficult to read. Contact the contract administrator (HUD Labor Relations field staff or local agency staff) if you have any trouble reading the wage decision or finding the work classification(s) you need.

To make reading lengthy wage decisions easier for you, the contract administrator may prepare a Project Wage Rate Sheet (HUD-4720). This Sheet is a one-page transcript that will show only the classifications and wage rates for a particular project. A blank copy of a Project Wage Rate Sheet is provided for you in the appendix. Also, a fillable version of this form is available on-line at HUDClips (see web address in the Appendix). Contact the contract administrator monitoring your project for assistance with a Project Wage Rate Sheet.

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- b. **Posting the wage decision.** If you are the prime contractor, you will be responsible for posting a copy of the wage decision (or the Project Wage Rate Sheet) and a copy of the DOL Davis-Bacon poster titled Employee Rights under the Davis-Bacon Act (Form WH-1321) at the job site in a place that is easily accessible to all of the construction workers employed at the project and where the wage decision and poster won't be destroyed by wind or rain, etc. The Employee Rights under the Davis-Bacon Act poster is available in English and Spanish on-line at HUDClips (see address in the Appendix).

The Employee Rights under the Davis-Bacon Act poster (WH-1321) replaces the Notice to all Employees. The new poster is available in English and Spanish on-line at HUDClips (see address in the Appendix).

## 2-2 **ADDITIONAL "TRADE" CLASSIFICATIONS AND WAGE RATES.**

What if the work classification you need isn't on the wage decision? If the work classification(s) that you need doesn't appear on the wage decision, you will need to request an additional classification and wage rate. This process is usually very simple and you'll want to start the request right away. Basically, you identify the classification you need and recommend a wage rate for DOL to approve for the project. There are a few rules about additional classifications; you'll find these rules in the DOL regulations, Part 5, and in the labor clauses in your contract. The rules are summarized for you here:

- a. **Additional classification rules.** Additional classifications and wage rates can be approved if:
1. The requested classification is used by construction contractors in the area of the project. (The area is usually defined as the county where the project is located).
  2. The work that will be performed by the requested classification is not already performed by another classification that is already on the wage decision. (In other words, if there already is an Electrician classification and wage rate on the wage decision you can't request another Electrician classification and rate.)
  3. The proposed wage rate for the requested classification "fits" with the other wage rates already on the wage decision. (For example, the wage rate proposed for a trade classification such as Electrician must be at least as much as the lowest wage rate for other trade classifications already contained in the wage decision.)  
And,
  4. The workers that will be employed in the added classification (if it is known who the workers are/will be), or the workers' representatives, must agree with the proposed wage rate.



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- b. **Making the request.** A request for additional classification and wage rate must be made in writing through the contract administrator. (If the contract administrator is a local agency, the agency will send the request to the HUD Labor Relations staff.) If you are a subcontractor, your request should also go through the prime contractor. All you need to do is identify the work classification that is missing and recommend a wage rate (usually the rate that employer is already paying to the employees performing the work) for that classification. You may also need to describe the work that the new classification will perform.
- c. **HUD review.** The HUD Labor Relations field staff will review the requested classification and wage rate to determine whether the request meets the DOL rules outlined in paragraph 2-2(a), above. If additional information or clarification is needed, the staff will contact the prime contractor (or contract administrator for local agency projects) for more information, etc. If the Labor Relations review finds that the request meets the rules, the staff will give preliminary approval on the request and refer it to the DOL for final approval. The staff will send to you a copy of the preliminary approval/referral letter to the DOL.

If the HUD Labor Relations staff doesn't think the request meets the rules and if agreement can't be reached on the proper classification or wage rate for the work described, the HUD Labor Relations staff will not approve the request. In this case, the staff will send your request to the DOL with an explanation why HUD believes that the request shouldn't be approved. The DOL still has final decision authority. You will receive a copy of the disapproval/referral letter to the DOL.

- d. **DOL decision.** The DOL will respond to HUD Labor Relations in writing about the additional classification and wage rate request. HUD Labor Relations will notify you of the DOL decision in writing. If the DOL approves the request, the prime contractor must post the approval notice on the job site with the wage decision.

If the DOL does not approve the request, you will be notified about what classification and wage rate should be used for the work in question. You will also receive instructions about how to ask for DOL reconsideration if you still want to try to get your recommendation approved.

It's always a good idea to talk to the contract administrator before submitting an additional classification and wage rate request. The contract administrator can offer suggestions and advice that may save you time and increase the likelihood that DOL will approve your request. Usually, the contract administrator can give you an idea about what the DOL will finally decide.

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## 2-3 **CERTIFIED PAYROLL REPORTS.**

You'll need to submit a weekly certified payroll report (CPR) beginning with the first week that your company works on the project and for every week afterward until your firm has completed its work. It's always a good idea to number the payroll reports beginning with #1 and to clearly mark your last payroll for the project "Final."

- a. **Payroll formats.** The easiest form to use is DOL's WH-347, Payroll. A sample copy of the WH-347 is included in the back of this Guide. You may access a fillable version of the WH-347 on-line at HUDClips (see web address in the Appendix). Also, the contract administrator can provide a few copies of the WH-347 that you can reproduce.

You are not required to use Payroll form WH-347. You are welcome to use any other type of payroll, such as computerized formats, as long as it contains all of the information that is required on the WH-347.

- b. **Payroll certifications.** The weekly payrolls are called certified because each payroll is signed and contains language certifying that the information is true and correct. The payroll certification language is on the reverse side of the WH-347. If you are using another type of payroll format you may attach the certification from the back of the WH-347, or any other format which contains the same certification language on the WH-347 (reverse).

DOL's website has Payroll Instructions and the Payroll form WH-347 in a "fillable" PDF format at this address:  
[www.dol.gov/whd/forms/wh347.pdf](http://www.dol.gov/whd/forms/wh347.pdf)

- c. **"No work" payrolls.** "No work" payrolls may be submitted whenever there is a temporary break in your work on the project, for example, if your firm is not needed on the project right now but you will be returning to the job in a couple of weeks. (See tip box, for "no work" payroll exemption!) However, if you know that your firm will not be working on the project for an extended period of time, you may wish to send a short note to the contract administrator to let them know about the break in work and to give an approximate date when your firm will return to the project. If you number payrolls consecutively or if you send a note, you do not need to send "no work" payrolls.

If you number your payroll reports consecutively, you do not need to submit "no work" payrolls!

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- d. **Payroll review and submission.** The prime contractor should review each subcontractor's payroll reports for compliance prior to submitting the reports to the contract administrator. Remember, the prime contractor is responsible for the full compliance of all subcontractors on the contract and will be held accountable for any wage restitution that may be found due to any laborer or mechanic that is underpaid and for any liquidated damages that may be assessed for overtime violations. All of the payroll reports for any project must be submitted to the contract administrator through the prime contractor.

An alert prime contractor that reviews subcontractor payroll submissions can detect any misunderstandings early, prevent costly underpayments and protect itself from financial loss should underpayments occur.

- e. **Payroll retention.** Every contractor (including every subcontractor) must keep a complete set of their own payrolls and other basic records such as employee addresses and full SSNs, time cards, tax records, evidence of fringe benefit payments, for a Davis-Bacon project for at least 3 years after the project is completed. The prime contractor must keep a complete set of all of the payrolls for every contractor (including subcontractors) for at least 3 years after completion of the project.
- f. **Payroll inspection.** In addition to submitting payrolls to the contract administrator, every contractor (including subcontractors) must make their own copy of the payrolls and other basic records available for review or copying to any authorized representative from HUD or from DOL.

#### 2-4 **DAVIS-BACON DEFINITIONS.**

Before we discuss how to complete the weekly payroll forms, we need to review a couple of definitions. These definitions can help you understand what will be required of you:

- a. **Laborer or mechanic.** "Laborers" and "mechanics" mean anyone who is performing construction work on the project, including trade journeymen (carpenters, plumbers, sheet metal workers, etc.), apprentices, and trainees and, for CWHSSA purposes, watchmen and guards. "Laborers" and "mechanics" are the two groups of workers that must be paid not less than Davis-Bacon wage rates.
1. **Working foremen.** Foremen or supervisors that regularly spend more than 20% of their time performing construction work and do not meet the exclusions in paragraph 2 below are covered "laborers" and "mechanics" for labor standards purposes for the time spent performing construction work.
  2. **Exclusions.** People whose duties are primarily administrative, executive or clerical are not laborers or mechanics. Examples include superintendents, office staff, timekeepers, messengers, etc. (Contact the contract administrator if you have any questions about whether a particular employee is excluded.)

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- b. **Employee.** Every person who performs the work of a laborer or mechanic is “employed” regardless of any contractual relationship which may be alleged to exist between a contractor or subcontractor and such person. This means that even if there is a contract between a contractor and a worker, the contractor must make sure that the worker is paid at least as much as the wage rate on the wage decision for the classification of work they perform. Note that there are no exceptions to the prevailing wage requirements for relatives or for self-employed laborers and mechanics.

For more information about working subcontractors, ask the contract administrator or your HUD Labor Relations Field Staff for a copy of Labor Relations Letter LR-96-01, Labor standards compliance requirements for self-employed laborers and mechanics. Labor Relations Letters and other helpful Labor Relations publications are available at HUD’s Labor Relations web site (see the list of web site addresses in the Appendix).

- c. **Apprentices and trainees.** The only workers who can be paid less than the wage rate on the wage decision for their work classification are “apprentices” and “trainees” registered in approved apprenticeship or training programs. Approved programs are those which have been registered with the DOL or a DOL-recognized State Apprenticeship Council (SAC). Apprentices and trainees are paid wage rates in accordance with the wage schedule in the approved program.

Most often, the apprentice/trainee wage rate is expressed as a series of percentages tied to the amount of time spent in the program. For example, 0-6 months: 65%; 6 months - 1 year: 70%; etc. The percentage is applied to the journeyman’s wage rate. On Davis-Bacon projects, the percentage must be applied to the journeyman’s wage rate on the applicable wage decision for that craft.

1. **Probationary apprentice.** A “probationary apprentice” can be paid as an apprentice (less than the rate on the wage decision) if the DOL or SAC has certified that the person is eligible for probationary employment as an apprentice.
2. **Pre-apprentice.** A “pre-apprentice”, that is, someone who is not registered in a program and who hasn’t been DOL- or SAC-certified for probationary apprenticeship is not considered to be an “apprentice” and must be paid the full journeyman’s rate on the wage decision for the classification of work they perform.
3. **Ratio of apprentices and trainees to journeymen.** The maximum number of apprentices or trainees that you can use on the job site cannot exceed the ratio of apprentices or trainees to journeymen allowed in the approved program.

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- d. **Prevailing wages or wage rates.** Prevailing wage rates are the wage rates listed on the wage decision for the project. The wage decision will list a minimum basic hourly rate of pay for each work classification. Some wage decisions include fringe benefits which are usually listed as an hourly fringe rate. If the wage decision includes a fringe benefit rate for a classification, you will need to add the fringe benefit rate to the basic hourly rate unless you provide bona fide fringe benefits for your employees.
1. **Piece-work.** Some employees are hired on a piece-work basis, that is, the employee's earnings are determined by a factor of work produced. For example, a Drywall Hanger's earnings may be calculated based upon the square feet of sheetrock actually hung, a Painter's earnings may be based upon the number of units painted. Employers may calculate weekly earnings based upon piece rates provided the weekly earnings are sufficient to satisfy the wage rate requirement based upon actual hours, including any overtime, worked. Accurate time records must be maintained for any piece-work employees. If the weekly piece rate earnings are not sufficient, the employer must recompute weekly earnings based upon the actual hours worked and the rate on the wage decision for the work classification(s) involved.
- e. **Fringe benefits** Fringe benefits can include health insurance premiums, retirement contributions, life insurance, vacation and other paid leave as well as some contributions to training funds. Fringe benefits do not include employer payments or contributions required by other Federal, State or local laws, such as the employer's contribution to Social Security or some disability insurance payments.

Note that the total hourly wage rate paid to any laborer or mechanic (basic wage or basic wage plus fringe benefits) may be no less than the total wage rate (basic wage or basic wage plus fringe benefits) on the wage decision for their craft. If the value of the fringe benefit(s) you provide is less than the fringe benefit rate on the wage decision, you will need to add the balance of the wage decision fringe benefit rate to the basic rate paid to the employee. For example, if the wage decision requires \$10/hour basic rate plus \$5/hour fringe benefits, you must pay no less than that total (\$15/hour) in the basic rate or basic rate plus whatever fringe benefit you may provide. You can meet this obligation in several ways: you could pay the base wage and fringe benefits as stated in the wage decision, or you could pay \$15 in base wage with no fringe benefits, or you could pay \$12 basic plus \$3 fringe benefits. You can also off-set the amount of the base wage if you pay more in fringe benefits such as by paying or \$9 basic plus \$6 fringe benefits; as long as you meet the total amount. The amount of the base wage that you may off-set with fringe benefits is limited by certain IRS and FLSA requirements.

- f. **Overtime.** Overtime hours are defined as all hours worked on the contract in excess of 40 hours in any work week. Overtime hours must be paid at no less than one and one-half times the regular rate of basic pay plus the straight-time rate of any required fringe benefits.

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- g. **Deductions.** You may make payroll deductions as permitted by DOL Regulations 29 CFR Part 3. These regulations prohibit the employer from requiring employees to “kick-back” (i.e., give up) any of their earnings. Allowable deductions which do not require prior DOL permission include employee obligations for income taxes, Social Security payments, insurance premiums, retirement, savings accounts, and any other legally-permissible deduction authorized by the employee. Deductions may also be made for payments on judgments and other financial obligations legally imposed against the employee.

Referring, again, to our example above where the wage decision requiring a \$15 total wage obligation (\$10 basic wage plus \$5 fringe benefits) was met by paying \$9 base wage plus \$6 fringe benefits: Note that overtime rates must be based on one and one-half times the basic rate as stated on the wage decision. In the above example, the employer must pay for overtime: \$15/hr (\$9 basic + \$6 fringe) plus \$5 (one-half of \$10, the wage decision basic rate) for a total of \$20 per hour.

- h. **Proper designation of trade.** You must select a work classification on the wage decision for each worker based on the actual type of work he/she performed and you must pay each worker no less than the wage rate on the wage decision for that classification regardless of their level of skill. In other words, if someone is performing carpentry work on the project, they must be paid no less than the wage rate on the wage decision for Carpenters even if they aren't considered by you to be fully trained as a Carpenter. Remember, the only people who can be paid less than the rate for their craft are apprentices and trainees registered in approved programs.
1. **Split-classification.** If you have employees that perform work in more than one trade during a work week, you can pay the wage rates specified for each classification in which work was performed only if you maintain accurate time records showing the amount of time spent in each classification of work. If you do not maintain accurate time records, you must pay these employees the highest wage rate of all of the classifications of work performed.
- i. **Site of work.** The “site of work” is where the Davis-Bacon wage rates apply. Usually, this means the boundaries of the project. “Site of work” can also include other adjacent or virtually adjacent property used by a contractor or subcontractor in the construction of the project, like a fabrication site that is dedicated exclusively, or nearly so, to the project.

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## SECTION II - REPORTING REQUIREMENTS

### 2-5 COMPLETING A PAYROLL REPORT.

What information has to be reported on the payroll form? The weekly payroll form doesn't ask for any information that you don't already need to keep for wage payment and tax purposes. For example, you need to know each employee's name; his or her work classification (who is working for you and what do they do?), the hours worked during the week, his or her rate of pay, the gross amount earned (how much did they earn?), the amounts of any deductions for taxes, etc., and the net amount paid (how much should the paycheck be made out for?). No more information than you need to know in order to manage your work crew and make certain they are paid properly. And, certainly, no more information than you need to keep for IRS, Social Security and other tax and employment purposes.

For many contractors, the Weekly Certified Payroll is the only Davis-Bacon paperwork you need to submit!

You are required to submit certified payrolls to illustrate and document that you have complied with the prevailing wage requirements. The purpose of the contract administrator's review of your payrolls is to verify your compliance. Clearer and complete payroll reports will permit the contract administrator to complete reviews of your payroll reports quickly.

- a. **Project and contractor/subcontractor information.** Each payroll must identify the contractor or subcontractor's name and address, the project name and number, and the week ending date. Indicate the week dates in the spaces provided. Numbering payrolls is optional but strongly recommended.
- b. **Employee information.** Effective January 18, 2009, payrolls shall not report employee addresses or full Social Security Numbers (SSNs). Instead, the first payroll on which each employee appears shall include the employee's name and an individually identifying number, usually the last 4 digits of the employee's SSN. Afterward, the identifying number does not need to be reported unless it is necessary to distinguish between employees, e.g., if two employees have the same name.

Employers (prime contractors and subcontractors) must maintain the current address and full SSN for each employee and must provide this information upon request to the contracting agency or other authorized representative responsible for federal labor standards compliance monitoring. Prime contractors may require a subcontractor(s) to provide this information for the prime contractor's records. DOL has modified form WH-347, Payroll, to accommodate these reporting requirements.

- c. **Work classification.** Each employee must be classified in accordance with the wage decision based on the type of work they actually perform.

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1. **Apprentices or trainees.** The first payroll on which any apprentice or trainee appears must be accompanied by a copy of that apprentice's or trainee's registration in a registered or approved program. A copy of the portions of the registered or approved program pertaining to the wage rates and ratios shall also accompany the first payroll on which the first apprentice or trainee appears.
  2. **Split classifications.** For an employee that worked in a split classification, make a separate entry for each classification of work performed distributing the hours of work to each classification, accordingly, and reflecting the rate of pay and gross earnings for each classification. Deductions and net pay may be based upon the total gross amount earned for all classifications.
- d. **Hours worked.** The payroll should show ONLY the regular and overtime hours worked on this project. Show both the daily and total weekly hours for each employee. If an employee performs work at job sites other than the project for which the payroll is prepared, those "other job" hours should not be reported on the payroll. In these cases, you should list the employee's name, classification, hours for this project only, the rate of pay and gross earnings for this project, and the gross earned for all projects. Deductions and net pay may be based upon the employee's total earnings (for all projects) for the week.
- e. **Rate of pay.** Show the basic hourly rate of pay for each employee for this project. If the wage decision includes a fringe benefit and you do not participate in approved fringe benefit programs, add the fringe benefit rate to the basic hourly rate of pay. Also list the overtime rate if overtime hours were worked.
1. **Piece-work.** For any piece-work employees, the employer must compute an effective hourly rate for each employee each week based upon the employee's piece-work earnings for that week. To compute the effective hourly rate, divide the piece-work earnings by the total number of hours worked, including consideration for any overtime hours.

The effective hourly rate must be reflected on the certified payroll and this hourly rate may be no less than the wage rate (including fringe benefits, if any) on the wage decision for the classification of work performed. It does not matter that the effective hourly rate changes from week-to-week, only that the rate is no less than the rate on the wage decision for the classification of work performed.

Remember, the overtime rate is computed at one and one-half times the basic rate of pay plus any fringe benefits. For example, if the wage decision requires \$10/hour basic plus \$5/hour fringe benefits, the overtime rate would be:  $(\$10 \times 1 \frac{1}{2}) + \$5 = \$20/\text{hour}$ .

- f. **Gross wages earned.** Show the gross amount of wages earned for work performed on this project. Note: For employees with work hours and earnings on other projects, you may show gross wages for this project over gross earnings all projects (for example, \$425.40/\$764.85) and base deductions and net pay on the "all projects" earnings.



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- g. **Deductions.** Show the amounts of any deductions from the gross earnings. “Other” deductions should be identified (for example, Savings Account or Loan Repayment). Any voluntary deduction (that is, not required by law or by an order of a proper authority) must be authorized in writing by the employee or provided for in a collective bargaining (union) agreement. A short note signed by the employee is all that is needed and should accompany the first payroll on which the other deduction appears.

Only one employee authorization is needed for recurring (e.g., weekly) other deductions. Written employee authorization is not required for income tax and Social Security deductions.

- h. **Net pay.** Show the net amount of wages paid.
- i. **Statement of compliance.** The Statement of Compliance is the certification. It is located on the reverse side of a standard payroll form (WH-347). Be sure to complete the identifying information at the top, particularly if you are attaching the Statement of Compliance to an alternate payroll form such as a computer payroll. Also, you must check either 4(a) or 4(b) if the wage decision contains a fringe benefit. Checking 4(a) indicates that you are paying required fringe benefits to approved plans or programs; and 4(b) indicates that you are paying any required fringe benefit amounts directly to the employee by adding the fringe benefit rate to the basic hourly rate of pay. If you are paying a portion of the required fringe benefit to programs and the balance directly to the employee, explain those differences in box 4(c).

Only one Statement of Compliance is required for each employer's weekly payroll no matter how many pages are needed to report the employee data.

- j. **Signature.** Make sure the payroll is signed with an original signature in ink. The payroll must be signed by a principal of the firm (owner or officer such as the president, treasurer or payroll administrator) or by an authorized agent (a person authorized by a principal in writing to sign the payroll reports). Signature authorization (for persons other than a principal) should be submitted with the first payroll signed by such an agent. Signatures in pencil; signature stamps; xerox, pdf and other facsimiles are not acceptable.

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## SECTION III - PAYROLL REVIEWS AND CORRECTIONS

### 2-6 COMPLIANCE REVIEWS.

The contract administrator or other inspector may visit the project site and interview some of the workers concerning their employment on the project. The DOL may also independently conduct its own reviews (see 1-5). In addition, the contract administrator will periodically review payrolls and related submissions, comparing the interview information to the payrolls, to ensure that the labor standards requirements have been met. You will be notified by the contract administrator if these reviews find any discrepancies or errors. You will be given instructions about what steps must be taken to correct any problems.

- a. **On-site interviews.** Every employer (contractor, subcontractor, etc.) must make their employees available for interview at the job site with the contract administrator or other agency representative, or HUD or DOL representative. The interviews are confidential and the employee will be asked about the kind of work they perform and their rate of pay. Every effort will be made to ensure that these interviews cause as little disruption as possible to the on-going work. The interviewer will record the interview information, usually on a form HUD-11, Record of Employee Interview, and forward the interviews to the contract administrator.
- b. **Project payroll reviews.** The contract administrator will compare the information on the interview forms to the corresponding payrolls to ensure that the workers are properly listed on the payrolls for the days and hours worked on the job site, work classification and rate of pay. The contract administrator will also review the payroll submissions to make certain that the payrolls are complete and signed; that employees are paid no less than the wage rate for the work classification shown; apprentice and trainee certifications are submitted (where needed); employee or other authorizations for other deductions are submitted (where needed); etc.

### 2-7 TYPICAL PAYROLL ERRORS AND REQUIRED CORRECTIONS.

The following paragraphs describe common payroll errors and the corrective steps you must take.

- a. **Inadequate payroll information.** If an alternate payroll format used by an employer (such as some computer payrolls) is inadequate, e.g., does not contain all of the necessary information that would be on the optional form WH-347, the employer will be asked to resubmit the payrolls on an acceptable form.
- b. **Missing identification numbers.** If the first payroll on which an employee appears does not contain the employee's individually identifying number, the employer will be asked to supply the missing information. This information can be reported on the next payroll submitted by the employer if the employer is still working on the project. Otherwise, the employer will be asked to submit a correction certified payroll.

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- c. **Incomplete payrolls.** If the information on the payroll is not complete, for example, if work classifications or rates of pay are missing, the employer will be asked to send a correction certified payroll.
  - d. **Classifications.** If the payrolls show work classifications that do not appear on the wage decision, the employer will be asked to reclassify the employees in accordance with the wage decision or the employer may request an additional classification and wage rate (see 2-2). If reclassification results in underpayment (i.e., the wage rate reported on the payroll is less than the rate required for the new classification), the employer will be asked to pay wage restitution to all affected reclassified employees. (see 2-8 for instructions about wage restitution.)
  - e. **Wage rates.** If the wage rates on the payroll are less than the wage rates on the wage decision for the work classifications reported, the employer will be asked to pay wage restitution to all affected employees.
  - f. **Apprentices and trainees.** If a copy of the employee's registration or the approved program ratio and wage schedule are not submitted with the first payroll on which an apprentice or trainee appears, the employer will be asked to submit a copy of each apprentice's or trainee's registration and/or the approved program ratio and wage schedule. If the ratio of apprentices or trainees to journeymen on the payroll is greater than the ratio in the approved program, the employer will be asked to pay wage restitution to any excess apprentices or trainees. Also, any apprentice or trainee that is not registered in an approved program must receive the journeyman's wage rate for the classification of work they performed.
  - g. **Overtime.** If the employees did not receive at least time and one-half for any overtime hours worked on the project, the following will occur:
    - 1. If the project is subject to CWHSSA overtime requirements, the employer will be asked to pay wage restitution for all overtime hours worked on the project. The employer may also be liable to the United States for liquidated damages computed at \$10 per day per violation. Or,
    - 2. If the project is not subject to CWHSSA, the employer will be notified of the possible FLSA overtime violations. Also, the contract administrator may refer the matter to the DOL for further review.
  - h. **Computations.** If the payroll computations (hours worked times rate of pay) or extensions (deductions, net pay) show frequent errors, the employer will be asked to take greater care. Wage restitution may be required if underpayments resulted from the errors.
  - i. **Deductions.** If there are any "Other" deductions that are not identified, or if employee authorization isn't provided, or if there is any unusual (very high, or large number) deduction activity, the employer will be asked to identify the deductions, provide employee authorization or explain unusual deductions, as necessary.

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HUD does not enforce or attempt to provide advice on employer obligations to make deductions from employee earnings for taxes or Social Security. However, HUD may refer to the IRS or other responsible agency copies of certified payroll reports that show wages paid in gross amounts (i.e., without tax deduction) for its review and appropriate action.

- j. **Fringe benefits.** If the wage decision contains fringe benefits but the payroll does not indicate how fringe benefits were paid [neither 4(a) nor 4(b) is marked on the Statement of Compliance], the employer may be asked to submit correction certified payrolls and will be required to pay wage restitution if underpayments occurred. However, if the basic hourly rates for the employees are at least as much as the total wage rate on the wage decision (basic hourly rate plus the fringe benefit rate), no correction is necessary.
- k. **Signature.** If the payroll Statement of Compliance is not signed or is missing, the employer will be asked to submit a signed Statement of Compliance for each payroll affected. If the Statement of Compliance is signed by a person who is not a principle of the firm and that person has not been authorized by principle to sign, the employer will be asked to provide an authorization or to resubmit the Statement(s) of Compliance bearing the signature of a principle or other authorized signatory.
- l. **On-site interview comparisons.** If the comparison of on-site interviews to the payrolls indicates any discrepancies (for example, the employee does not appear on the payroll for the date of the interview), the employer will be asked to submit a correction certified payroll report.
- m. **Correction certified payroll.** Any and all changes to data on a submitted payroll report must be reported on a certified correction payroll. In no case will a payroll report be returned to the prime contractor or employer for revision.

## 2-8 **RESTITUTION FOR UNDERPAYMENT OF WAGES.**

Where underpayments of wages have occurred, the employer will be required to pay wage restitution to the affected employees. Wage restitution must be paid promptly in the full amounts due, less permissible and authorized deductions. All wages paid to laborers and mechanics for work performed on the project, including wage restitution, must be reported on a certified payroll report.

- a. **Notification** to the Employer/Prime contractor. The contract administrator will notify the employer and/or prime contractor in writing of any underpayments that are found during payroll or other reviews. The contract administrator will describe the underpayments and provide instructions for computing and documenting the restitution to be paid. The employer/prime contractor is allowed 30 days to correct the underpayments. Note that the prime contractor is responsible to the contract administrator for ensuring that restitution is paid. If the employer is a subcontractor, the subcontractor will usually make the computations and restitution payments and furnish the required documentation through the prime contractor.

2-14

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The contract administrator may communicate directly with a subcontractor when the underpayments are plainly evident and the subcontractor is cooperative. It is best to work through the prime contractor when the issues are complex, when there are significant underpayments and/or the subcontractor is not cooperative. In all cases, the subcontractor must ensure that the prime contractor receives a copy of the required corrective documentation.

- b. **Computing wage restitution.** Wage restitution is simply the difference between the wage rate paid to each affected employee and the wage rate required on the wage decision for all hours worked where underpayments occurred. The difference in the wage rates is called the adjustment rate. The adjustment rate times the number of hours involved equals the gross amount of restitution due. You may also compute wage restitution by calculating the total amount of Davis-Bacon wages earned and subtracting the total amount of wages paid. The difference is the amount of back wages due.
- c. **Correction certified payrolls.** The employer will be required to report the restitution paid on a correction certified payroll. The correction payroll will reflect the period of time for which restitution is due (for example, Payrolls #1 through #6; or a beginning date and ending date). The correction payroll will list each employee to whom restitution is due and their work classification; the total number of work hours involved (daily hours are usually not applicable for wage restitution); the adjustment wage rate (the difference between the required wage rate and the wage rate paid); the gross amount of restitution due; deductions and the net amount actually paid. A properly signed Statement of Compliance must accompany the correction payroll.

HUD no longer requires the signature of the employee on the correction payroll to evidence employee receipt of restitution payment. In addition, except in the most extraordinary cases, HUD no longer requires employers to submit copies of restitution checks (certified, cashiers, canceled or other), or employee-signed receipts or waivers.

- d. **Review of correction CPR.** The contract administrator will review the correction certified payroll to ensure that full restitution was paid. The prime contractor shall be notified in writing of any discrepancies and will be required to make additional payments, if needed, documented on a correction certified payroll within 30 days.
- e. **Unfound workers.** Sometimes, wage restitution cannot be paid to an affected employee because, for example, the employee has moved and can't be located. After wage restitution has been paid to all of the workers who could be located, the employer must submit a list of any workers who could not be found and paid (i.e., unfound workers) providing their names, Social Security Numbers, last known addresses and the gross amount due. In such cases, at the end of the project the prime contractor will be required

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to place in a deposit or escrow account an amount equal to the total gross amount of restitution that could not be paid because the employee(s) could not be located. The contract administrator will continue attempts to locate the unfound workers for 3 years after the completion of the project. After 3 years, any amount remaining in the account for unfound workers will be credited and/or forwarded by the contract administrator to HUD.

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## CHAPTER 3    LABOR STANDARDS DISPUTES, ADMINISTRATIVE REVIEWS, WITHHOLDING, DEPOSITS AND ESCROW ACCOUNTS, AND SANCTIONS

### **WHAT HAPPENS WHEN THINGS GO WRONG?**

#### **3-1    INTRODUCTION.**

Even in the best of circumstances, things can go wrong. In a Davis-Bacon context, “things going wrong” usually means there’s a difference of opinion or a dispute about whether and to what extent underpayments have occurred. These disputes are usually between the contract administrator and one or more employers (the prime contractor and/or a subcontractor). The dispute may involve something simple such as an additional classification request that is pending before the DOL; or something as significant as investigative findings following a complaint of underpayment. This chapter discusses some of what you may expect and what you can do to make your views known and to lessen any delays in resolving the problem or issue.

#### **3-2    ADMINISTRATIVE REVIEW ON LABOR STANDARDS DISPUTES.**

As mentioned in the Introduction above, a dispute about labor standards and compliance can arise for a number of reasons. The labor standards clauses in your contract and DOL regulations provide for administrative review of issues where there is a difference of views between the contract administrator and any employer. The most common circumstances include:

- a. **Additional classifications and wage rates.** Additional classification and wage rate requests are sometimes denied by the DOL. An employer that is dissatisfied with the denial can request reconsideration by the DOL Wage and Hour Administrator. The employer may continue to pay the wage rate, as requested, until a final decision is rendered on the matter. When the final decision is known, the employer will be required to pay any additional wages that may be necessary to satisfy the wage rate that is established.
  1. **Reconsideration.** The DOL normally identifies the reasons for denial in its response to the request. Any interested person (for example, the contract administrator, employer, representatives of the employees) may request reconsideration of the decision on the additional classification request. The request for reconsideration must be made in writing and must thoroughly address the denial reasons identified by the DOL. Employer requests for reconsideration should be made through the contract administrator but may be made directly to the DOL. (See 2-2(d), and also DOL Regulations 29 CFR 1.8.) All requests initiated by or made through the contract administrator or HUD must be submitted through the HUD Headquarters Office of Labor Relations.

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2. **Administrative Review Board.** Any interested party may request a review of the Administrator's decision on reconsideration by the DOL's Administrative Review Board. DOL regulations 29 CFR Part 7 explain the procedures for such reviews. (See also 29 CFR 1.9.)

- b. **Findings of underpayment.** Compliance reviews and other follow-up enforcement actions may result in findings of underpayment. The primary goal in every case and at every step in this process is to reach agreements about who may have been underpaid and how much wage restitution may be due and, of course, to promptly deliver restitution to any underpaid workers. The contract administrator will usually work informally with you to reach such agreements. You will have an opportunity to provide additional information to the contract administrator that may explain apparent inconsistencies and/or resolve the discrepancies.

If informal exchanges do not result in agreement, the final determination and schedule of back wages due will be presented to you in writing and you will be permitted 30 days in which to correct the underpayment(s) or to request a hearing on the matter before the DOL. The request for hearing must be made in writing through the contract administrator and must explain what findings are in dispute and the reasons. In such cases, HUD is required to submit a report to DOL for review and further consideration. All requests for DOL hearing must be submitted through the HUD Headquarters Office of Labor Relations.

1. **DOL review.** The DOL will review the contract administrator's report and the arguments against the findings presented in the hearing request. The DOL may affirm or modify the findings based upon the materials presented. You will be notified in writing by the DOL of the results of its review. If DOL concludes that violations have occurred, you will be given an opportunity to correct any underpayments or to request a hearing before a DOL Administrative Law Judge (ALJ). (See DOL Regulations 29 CFR 5.11 (b) and 29 CFR Part 6, Rules of Practice for Administrative Proceedings.)

2. **Administrative Review Board.** Contractors and/or subcontractors may request a review by the Administrative Review Board of the decision(s) rendered by the DOL ALJ in the administrative hearing process. See DOL regulations 29 CFR Part 7 for more information about this proceeding.

### 3-3 **WITHHOLDING.**

The contract administrator shall cause withholding from payments due to the prime contractor to ensure the payment of wages which are believed to be due and unpaid, for example, if wage underpayments or other violations are not corrected within 30 days after written notification to the prime contractor. DOL may also direct the withholding of contract payments for alleged wage underpayments. Withholding is considered to be serious and is not taken unless warranted. If withholding is deemed necessary, you will be notified in writing. Only the amounts needed to meet the contractor's (and/or subcontractors') liability shall be withheld.

3-2



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### 3-4 **DEPOSITS AND ESCROWS.**

In every case, we attempt to complete compliance actions and resolve any disputes before the project is completed and final payments are made. Sometimes, corrective actions or disputes continue after completion and provisions must be made to ensure that funds are available to pay any wage restitution that is ultimately found due. In these cases, we allow projects to proceed to final closing and final payments provided the prime contractor deposits an amount equal to the potential liability for wage restitution and liquidated damages, if necessary, in a special account. The deposit or escrow account is controlled by the contract administrator. When a final decision is rendered, the contract administrator makes disbursements from the account in accordance with the decision. Deposit/escrow accounts are established for one or more of the following reasons:

Remember, the prime contractor is responsible and will be held liable for any wage restitution that is due to any worker employed in the construction of the project, including workers employed by subcontractors and any lower-tier subcontractors. See 1-4, Responsibility of the Principal Contractor, and 2-8, Restitution for Underpayment of Wages.

- a. **Where the parties have agreed to amounts of wage restitution that are due** but the employer hasn't furnished evidence yet that all of the underpaid workers have received their back wages, e.g., some of the workers have moved and could not be located. The amount of the deposit is equal to the total gross amount of restitution due to workers lacking payment evidence. As these workers are paid and proper documentation is provided to the contract administrator, amounts corresponding to the documented payments are returned to the depositor. Amounts for any workers who cannot be located are held in the deposit/escrow account for three years and disposed as described in 2-8(f) of this Guide.
- b. **Where underpayments are suspected or alleged and an investigation has not yet been completed.** The deposit is equal to the amount of wage restitution and any liquidated damages, if applicable, that are estimated to be due. If the final determination of wages due is less than the amount estimated and placed in the escrow account, the escrow will be reduced to the final amount and the difference will be returned to the depositor.

If the parties agree to the investigative findings, the amounts due to the workers will be paid by the employer. As these workers are paid and proper documentation is provided to the contract administrator, the gross amounts corresponding to the documented payments are returned to the depositor.

1. If the employer is unable to make the payments to the workers, e.g., lacks the funds necessary, the contract administrator may make disbursements directly to the workers in the net amounts calculated by the employer. The amounts withheld from the workers for tax deduction will be returned to the employer as payments to workers are made. The employer shall be responsible for reporting and transmitting withholdings to the appropriate agencies.

- 
2. If the employer is not cooperating in the resolution, the contract administrator shall make disbursements to the workers in accordance with the schedule of wages due. Amounts for unfound workers will be retained as described above (See 2-8(f) and 3-4(a)).

If the parties do not agree and an administrative hearing is requested, the escrow will be maintained as explained in 3-4(c), below.

Remember, if you have any questions or need assistance concerning labor standards requirements help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Relations staff in your area.

- c. **Where the parties are waiting for the outcome of an administrative hearing** that has been or will be requested contesting a final determination of wages due. The deposit shall be equal to the amount of wage restitution and liquidated damages, if applicable, that have been determined due. Once a final decision is rendered, disbursements from the escrow account are made in accordance with the decision.

### **3-5 ADMINISTRATIVE SANCTIONS.**

Contractors and/or subcontractors that violate the labor standards provisions may face administrative sanctions imposed by HUD and/or DOL.

- a. **DOL debarment.** Contractors and/or subcontractors that are found by the Secretary of Labor to be in aggravated or willful violation of the labor standards provisions of the Davis-Bacon and Related Acts (DBRA) will be ineligible (debarred) to participate in any DBRA or Davis-Bacon Act contracts for up to 3 years. Debarment includes the contractor or subcontractor and any firm, corporation, partnership or association in which the contractor or subcontractor has a substantial interest. Debarment proceedings can be recommended by the contract administrator or can be initiated by the DOL. Debarment proceedings are described in DOL regulations 29 CFR 5.12.
- b. **HUD sanctions.** HUD sanctions may include Limited Denials of Participation (LDPs), debarments and suspensions.
  1. **Limited Denial of Participation.** HUD may issue to the employer a limited denial of participation (LDP) which prohibits the employer from further participation in HUD programs for a period up to one year. The LDP is usually effective for the HUD program in which the violation occurred and for the geographic jurisdiction of the issuing HUD Office. HUD regulations concerning LDP's are found at 24 CFR 24.700-24.714.

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2. **Debarment and suspensions.** In certain circumstances, HUD may initiate its own debarment or suspension proceedings against a contractor and/or subcontractor in connection with improper actions regarding Davis-Bacon obligations. For example, HUD may initiate debarment where a contractor has been convicted for making false statements (such as false statements on certified payrolls or other prevailing wage certifications) or may initiate suspension where a contractor has been indicted for making false statements. HUD regulations concerning debarment and suspension are found at 24 CFR Part 24.

**3-6 FALSIFICATION OF CERTIFIED PAYROLL REPORTS.**

Contractors and/or subcontractors that are found to have willfully falsified payroll reports (Statements of Compliance), including correction certified payroll reports, may be subject to civil or criminal prosecution. Penalties may be imposed of \$1,000 and/or one year in prison for each false statement (see Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code).

Remember, if you have any questions or need assistance concerning labor standards requirements help is always available. Contact the contract administrator for the project you're working on or the HUD Field Labor Relations staff in your area.

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## ACRONYMS AND SYMBOLS

CDBG -	Community Development Block Grant
CFR -	Code of Federal Regulations
CPR -	Certified Payroll Report
CWHSSA -	Contract Work Hours and Safety Standards Act
DBA -	Davis-Bacon Act
DBRA -	Davis-Bacon and Related Acts
DOL -	Department of Labor
FHA -	Federal Housing Administration
FLSA -	Fair Labor Standards Act
HUD -	Housing and Urban Development (Department of)
IHA -	Indian Housing Authority
LCA -	Local Contracting Agency
LDP -	Limited Denial of Participation
O/T -	Overtime
PHA -	Public Housing Agency
S/T -	Straight-time
SAC -	State Apprenticeship Council/Agency
TDHE -	Tribally-Designated Housing Entity
§ -	Section
¶ -	Paragraph

A-1

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## DAVIS-BACON - RELATED WEB SITES\*

HUD Office of Labor Relations:  
[www.hud.gov/offices/olr](http://www.hud.gov/offices/olr)

HUD Regulations:  
<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>

HUDClips (HUD Forms and Publications):  
[www.hud.gov/offices/adm/hudclips/index.cfm](http://www.hud.gov/offices/adm/hudclips/index.cfm)

DOL Davis-Bacon and Related Acts Homepage:  
<http://www.dol.gov/whd/contracts/dbra.htm>

DOL Regulations:  
<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>

Davis-Bacon Wage Decisions:  
[www.wdol.gov](http://www.wdol.gov)

DOL Forms:  
[www.dol.gov/whd/programs/dbra/forms.htm](http://www.dol.gov/whd/programs/dbra/forms.htm)

**\*Web addresses active as of January 2012**

<b>Project Wage Rate Sheet</b>			U.S. Department of Housing and Urban Development Office of Labor Relations			
<b>Project Name:</b>			<b>Wage Decision Number/Modification Number:</b>			
<b>Project Number:</b>			<b>Project County:</b>			
<b>Work Classification</b>	<b>Basic Hourly Rate (BHR)</b>	<b>Fringe Benefits</b>	<b>Total Hourly Wage Rate</b>	<b>Laborers Fringe Benefits</b>		<b>\$</b>
Bricklayers			\$	<b>Group #</b>	<b>BHR</b>	<b>Total Wage</b>
Carpenters			\$			\$
Cement Masons			\$			\$
Drywall Hangers			\$			\$
Electricians			\$			\$
Iron Workers			\$			\$
Painters			\$	<b>Operators Fringe Benefits:</b>		\$
Plumbers			\$	<b>Group #</b>	<b>BHR</b>	<b>Total Wage</b>
Roofers			\$			\$
Sheet Metal Workers			\$			\$
Soft Floor Workers			\$			\$
Tapers			\$			\$
Tile Setters			\$	<b>Truck Drivers Fringe Benefits:</b>		\$
<b>Other Classifications</b>				<b>Group #</b>	<b>BHR</b>	<b>Total Wage</b>
			\$			
			\$			
			\$			
<b>Additional Classifications (HUD Form 4230-A)</b>						
<b>Work Classification</b>	<b>Basic Hourly Rate (BHR)</b>	<b>Fringe Benefits</b>	<b>Total Hourly Wage Rate</b>	<b>Date of HUD Submission to DOL</b>		<b>Date of DOL Approval</b>
			\$			
			\$			
			\$			

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Rev. Dec. 2008

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

NAME OF CONTRACTOR  OR SUBCONTRACTOR  ADDRESS PROJECT OR CONTRACT NO.  
 OMB No. 1215-0149  
 Expires: 12/31/2011

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER OF WORKER)	(2) NO. OF WITHHOLDING ELEMENTS	(3) WORK CLASSIFICATION	(4) DAY AND DATE							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS			(9) NET WAGES PAID FOR WEEK		
			MON	TUE	WED	THUR	FRI	SAT	SUN				FICA	WITH- HOLDING TAX	OTHER			

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 C.F.R. § 3.104) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts to submit weekly a copy of all reports to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payroll is correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and Federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

**Public Burden Statement**  
 We estimate that it will take an average of 45 minutes to complete this collection, including time for reviewing instructions, gathering existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room 83402, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Date \_\_\_\_\_

I, \_\_\_\_\_ (Name of Signatory Party) \_\_\_\_\_ (Title) do hereby state:

(1) That I pay or supervise the payment of the persons employed by \_\_\_\_\_ (Contractor or Subcontractor) \_\_\_\_\_ on the \_\_\_\_\_ (Building or Work) \_\_\_\_\_; that during the payroll period commencing on the \_\_\_\_\_ day of \_\_\_\_\_, and ending the \_\_\_\_\_ day of \_\_\_\_\_ all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

\_\_\_\_\_ (Contractor or Subcontractor) \_\_\_\_\_ from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the wages earned by any person for the purpose of the rebate of the same. The provisions of this Act are hereby certified to be true and correct as the same are contained in the Act, Chapter 37, § 3145, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967, 76 Stat. 357, 40 U.S.C. § 3145), and described below:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete that the wages for laborers or mechanics contained therein are not less than the applicable rates contained in the wage determination inserted into the contract, that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That: (a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS  \_\_\_\_\_ in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

\_\_\_\_\_ Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE \_\_\_\_\_ SIGNATURE \_\_\_\_\_

THE WILFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.





U.S. Department of Housing and Urban Development  
Office of Departmental Operations and Coordination  
Washington, DC 20410

Email: [www.OfficeofLaborRelations@hud.gov](mailto:www.OfficeofLaborRelations@hud.gov)

**Labor Relations Desk Guide  
LR01.DG**



# Electronic Systems User Guide for Sub-Contractors (and sub-tier contractors)



Please send suggestions for changes, additions, or deletions to:  
U.S. Department of Housing and Urban Development  
Office of Labor Standards and Enforcement  
Region VI  
801 Cherry Street, Suite 2500  
Fort Worth, Texas 76102

Updated 4/25/16

**NOTE: This is a locally developed document and is not an "official" document. It is intended to only be a guide for navigating through the Elation System**



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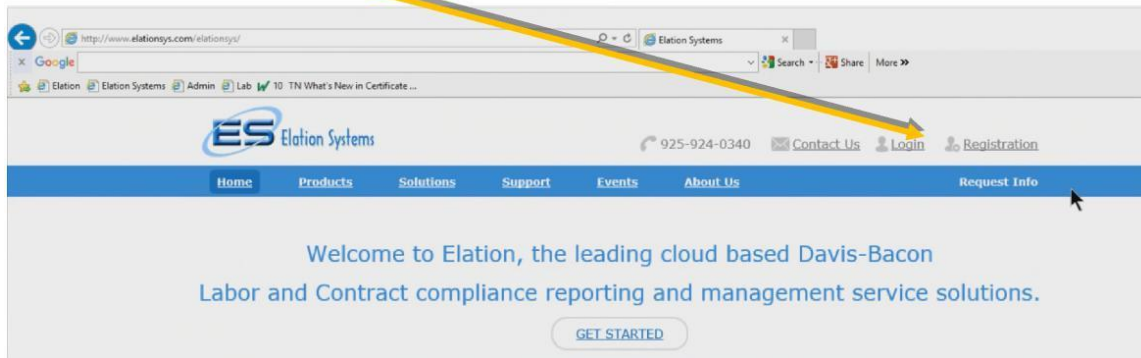
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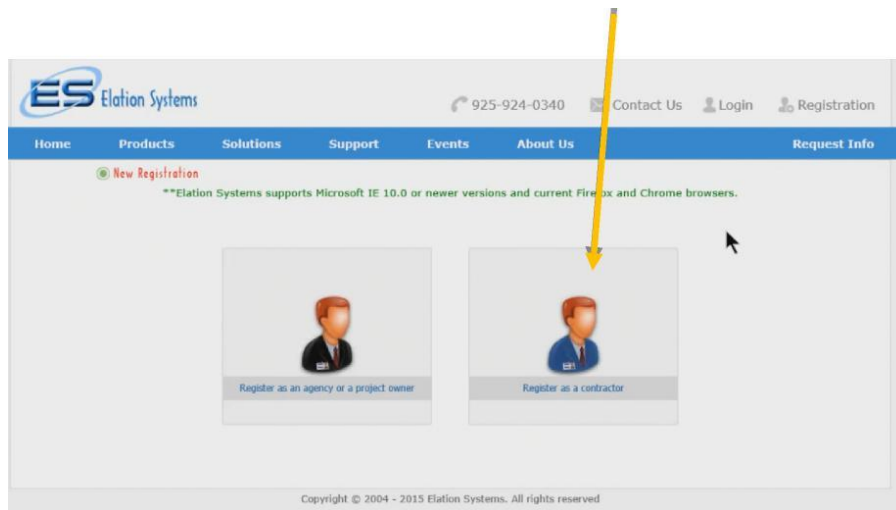
# HUD Davis-Bacon Electronic Payroll Certification Submissions Training

## **Step One: Registering Your Account**

1. Log onto Elation's website at [www.elationsys.com](http://www.elationsys.com).
2. Click on the **"Registration"** link in the top right hand corner of the window.



3. Once on the new registration page, select **"Register as a contractor."**





- This will take you to the following screen: “New Registration as a Contractor.”

- In the “Promotion Code” box, to find which code to use, please check the following map to see what HUD region you are in. Then use the Roman numeral for your region in the promo code, e.g., if your project is in **Kansas, Iowa, Missouri, or Nebraska** you are in **Region 7**, and the promo code would be **HUD-VII-2015**.





6. Once you find your region, enter the following code, exactly as written: “HUD-XX(X)-2015.” This promo code lets Elation know you are using the system free of charge.

**New Registration**  
\*\*Elation Systems supports Microsoft IE 10.0 or newer versions and current Firefox and Chrome browsers.

**Promotion Code**  
Promotion Code:

**Business Information**

Company Name: \*

Federal ID No: \*  (Example: 90-0123456)

DUNS No:  (Example: 123456789)

Contractor License Number:

Contractor License Issued By: <-Select State->

Services: No Services Selected [Select Services](#)

Address1: \*

Address2:

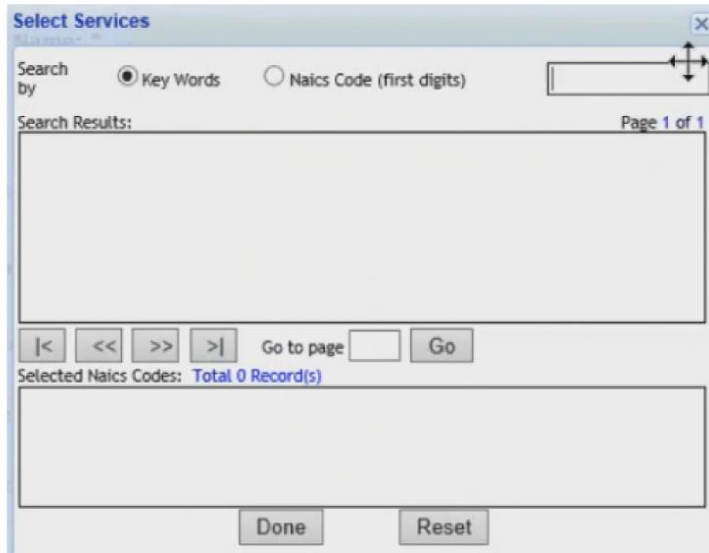
7. If you enter the wrong promo code, Elation will check to see what region you are in and will change it if necessary. Also, if you are a contractor who has locations nationwide, and will be working in more than one region, you will need to create an account for each region.
8. Then follow through each step by adding “**Company Name**,” “**Federal Tax ID Number**,” “**Address**” and “**Zip Code**.” By entering the “**Zip Code**,” the “**City**” and “**State**” will be automatically entered for you.
9. The only other required field is the “**Business Phone Number**.” All other fields (with no asterisk (\*)) are optional.)
10. The next step is to enter your NAICS Code, or the services your company provides. Click on the “**Select Services**” hyperlink.

Contractor License Issued By: <-Select State->

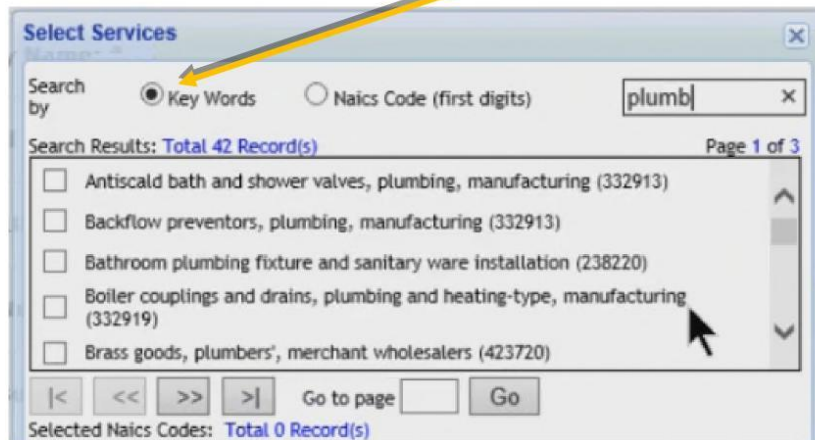
Services: \* No Services Selected [Select Services](#)



11. This will bring up the “Select Services” box:



12. In the search box, you can search your services two ways: “Key Words” or “NAICS Code.” To search by “Key Words”, type the first couple of letters of services you provide. As an example, start with “plumbing.” This will pull up all services to do with plumbing.







13. Select your type of services by checking the box next to it. That will put your service in the **“Selected NAICS Codes”** box.

**Select Services**

Search by:  Key Words  Naics Code (first digits)

Search Results: Total 43 Record(s) Page 1 of 3

<input type="checkbox"/>	Fittings and valves, plumbers', merchant wholesalers (423720)
<input type="checkbox"/>	Flush valves, plumbing, manufacturing (332913)
<input checked="" type="checkbox"/>	Plumbers (238220)
<input checked="" type="checkbox"/>	Plumbers' apprenticeship training (611513)
<input type="checkbox"/>	Plumbers' brass goods merchant wholesalers (423720)

Selected Naics Codes: Total 1 Record(s)

<input checked="" type="checkbox"/>	238220 Plumbers
-------------------------------------	-----------------

Done Reset

14. You can then select more services, or click **“Done”**.
15. Now you will see the services you selected on the main screen. This is a required (\*) field.

Services: \* 238220 (1) [Select Services](#)

16. Then continue to add in your contact information. All of which are required (\*) fields.

**Administrative Contact Information**

First Name: *	<input type="text"/>
Last Name: *	<input type="text"/>
Email: *	<input type="text"/>
Phone: *	<input type="text"/> - <input type="text"/>

Previous **Next**



17. Now click "Next".
18. On the next page, enter a "Secondary Contact." This is required (\*) so you will have a back up to access your Elation account.

Secondary Contact Information		<input type="checkbox"/> Same as business information
First Name: *	<input type="text"/>	
Last Name: *	<input type="text"/>	
Address1: *	<input type="text"/>	
Address2:	<input type="text"/>	
Zip Code: *	<input type="text"/> ( Example: <input checked="" type="radio"/> 12345   <input type="radio"/> 12345-6789 )	
City: *	N/A	
State Code: *	N/A	

11. Once this is complete, move on to creating your log-in information. Enter your "Company Contact Email Address," what you want to be your "Login Name," and "Password."

Login Information	*This information will be required when you log into your ES account.
Company Contact Email Address: *	<input type="text"/>
Your Desired Login Name: *	<input type="text"/>
Login Password: *	<input type="password"/>
Confirm Password: *	<input type="password"/>

- Clicking the SUBMIT button will start your registration process with Elation Systems, Inc.
- You will receive an email to confirm your registration shortly.
- Please read and follow instructions in the email.
- Please check your JUNK MAILBOX as this email will be coming to you from noReply@elationsystems.com.
- Need Assistance, Click [here](#)

I have read and understood the service agreement.



20. The password you select must adhere to the following conventions and you will get a green circle beside each convention when correct.

**Password must:**

- Be at least 6 characters
- Have at least one lowercase characters of (a through z, sharp-s, with diacritic marks, Greek and Cyrillic characters)
- Have at least one uppercase characters of (A through Z, with diacritic marks, Greek and Cyrillic characters)
- Have at least one base 10 digits (0 through 9)
- Have at least one nonalphanumeric characters: ~!  
@#%&\* \_-+= `| \(){}[];":'<>.,~/

ES.COM

21. Once Password is confirmed, click on the link to read the **“Service Agreement:”**

**Login Information** \*This information will be required when you log into your ES account.

Company Contact Email Address: *	<input type="text"/>
Your Desired Login Name: *	<input type="text"/>
Login Password: *	<input type="password"/>
Confirm Password: *	<input type="password"/>

- Clicking the SUBMIT button will start your registration process with Elation Systems, Inc.
- You will receive an email to confirm your registration shortly.
- Please read and follow instructions in the email.
- Please check your JUNK MAILBOX as this email will be coming to you from noReply@elationsystems.com.
- Need Assistance, Click [here](#)

[I have read and understood the service agreement.](#)



## 22. Read the service agreement.

**Master Subscription Service Agreement**

BY CLICKING THE "ACCEPT" BUTTON DISPLAYED AS PART OF THE ORDERING PROCESS, YOU AGREE TO THE FOLLOWING TERMS AND CONDITIONS (THE "AGREEMENT"), GOVERNING YOUR USE OF ELATION SYSTEMS (THE "ELATION SYSTEMS") ONLINE SERVICE (THE "SERVICE"). IF YOU ARE ENTERING INTO THIS AGREEMENT ON BEHALF OF A COMPANY OR OTHER LEGAL ENTITY, YOU REPRESENT THAT YOU HAVE THE AUTHORITY TO BIND SUCH ENTITY TO THESE TERMS AND CONDITIONS, IN WHICH CASE THE TERMS "YOU" OR "YOUR" SHALL REFER TO SUCH ENTITY. IF YOU DO NOT HAVE SUCH AUTHORITY, OR IF YOU DO NOT AGREE WITH THESE TERMS AND CONDITIONS, YOU MUST SELECT THE "I DECLINE" BUTTON AND MAY NOT USE THE SERVICE.

**Welcome**

As part of the Service, Elation Systems will provide you with use of the Service, including a browser interface and data encryption, transmission, access and storage. Your registration for, or use of, the Service shall be deemed to be your agreement to abide by this Agreement including any materials available on the Elation Systems website incorporated by reference herein, including but not limited to Elation Systems' privacy and security policies. For reference, a Definitions section is included at the end of this Agreement.

**1. Privacy & Security**

Elation Systems' privacy and security policies may be viewed at <http://www.Elation.com>. Elation Systems reserves the right to modify its privacy and security policies in its reasonable discretion from time to time. Individual users, when they initially log in, will be asked whether or not they wish to receive marketing and other non-critical Service-related communications from Elation Systems from time to time. They may opt out of receiving such communications at that time or at any subsequent time by changing their preference under Personal Settings. Note that because the Service is a hosted, online application, Elation Systems occasionally may need to notify all users of the Service (whether or not they have opted out as described above) of important announcements regarding the operation of the Service.

**2. License Grant & Restrictions**

Elation Systems hereby grants you a non-exclusive, non-transferable, non-sublicensable right to use the Service, solely for your own internal business purposes, subject to the terms and conditions of this Agreement. All rights not expressly granted to you are reserved by Elation Systems and its licensors.

You shall not (i) license, sublicense, sell, rent, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the Service or the Content in any way; (ii) modify or make derivative works based upon the Service or the Content; (iii) create links or "links" in the Service or "frame" or "mirror" any Content on any other server or wireless or internet based device; or (iv) reverse engineer or access the Service in order to (a) build a competitive product or service; (b) build a product using similar ideas, features, functions or graphics of the Service; or (c) copy any ideas, features, functions or graphics of the Service. User licenses cannot be shared or used by more than one individual user but may be transferred from time to time to any Users who are replacing former Users who have terminated employment or otherwise changed job status or function and no longer use the Service.

**3. Your Responsibilities**

You are responsible for all activity occurring under your User accounts and shall abide by all applicable local, state, national laws, treaties and regulations in connection with your use of the Service, including those related to data privacy, international communications and the transmission of technical or personal data. You shall (i) notify Elation Systems immediately of any unauthorized use of any password or account or any other known or suspected breach of security; (ii) report to Elation Systems immediately and use reasonable efforts to stop immediately any copying or distribution of Content that is known or suspected by you or your Users; and (iii) not impersonate another Elation Systems user or provide false identity information to gain access to or use the Service.

**4. Account Information and Data**

Elation Systems does not own any data, information or material that you submit to the Service in the course of using the Service ("Customer Data"). You, not Elation Systems, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all reported Data, and Elation Systems shall not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any reported Data. In the event this Agreement is terminated (other than by reason of your breach), Elation Systems will make available to you a file of the Customer Data within 60 days of termination. If you so request at the time of termination, Elation Systems reserves the right to withhold, remove and/or discard Customer Data without notice for any breach, including, without limitation, your non-payment. Upon termination for cause, your right to access or use the reported Data immediately ceases, and Elation Systems shall have no obligation to maintain or forward any reported Data.

**5. Intellectual Property Ownership**

Elation Systems alone (and its licensors, where applicable) shall own all right, title and interest, including all related Intellectual Property Rights, in and to the Elation Systems Technology, the Content and the Service and any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by you or any other party relating to the Service. This Agreement is not a sale and does not convey to you any rights of ownership in or related to the Service, the Elation Systems Technology or the Intellectual Property Rights owned by Elation Systems. The Elation Systems name, the Elation Systems logo, and the product names associated with the Service are trademarks of Elation Systems or third parties, and no right or license is granted to use them.

**6. Third Party Interactions**

During use of the Service, you may enter into correspondence with, purchase goods and/or services from, or participate in promotions of advertisers or sponsors showing their goods and/or services through the Service. Any such activity, and any terms, conditions, warranties or representations associated with such activity, is solely between you and the applicable third-party. Elation Systems and its licensors shall have no liability, obligation or responsibility for any such correspondence, purchase or promotion between you and any such third-party. Elation Systems does not endorse any sites on the Internet that are linked through the Service. Elation Systems provides these links to you only as a matter of convenience, and no extent shall Elation Systems or its licensors be responsible for any content, products, or other materials on or available from such sites. Elation Systems provides the Service to you pursuant to the terms and conditions of this Agreement. You recognize, however, that certain third-party providers of ancillary software, hardware or services may require your agreement to additional or different license or other terms prior to your use of or access to such software, hardware or services.

## 23. When done, check the box "I have read and understood the service agreement."

**Login Information** \*This information will be required when you log into your ES account.

Company Contact Email Address:

Your Desired Login Name:

Login Password:

Confirm Password:

- Clicking the **SUBMIT** button will start your registration process with Elation Systems, Inc.
- You will receive an email to confirm your registration shortly.
- Please read and follow instructions in the email.
- Please check your JUNK MAILBOX as this email will be coming to you from [noReply@elationsystems.com](mailto:noReply@elationsystems.com).
- Need Assistance, Click [here](#)

**I have read and understood the service agreement.**

## 24. I then click "Submit."



25. By clicking on the "Submit" button, Elation will know you have registered and within 24 hours they will send you a Registration Confirmation Email that looks like this:

\*\*\*\*\*  
Please keep this e-mail for your record.  
\*\*\*\*\*

Elation Systems has received your registration. Please click the following link:  
<https://www.elationsys.com/Registration/ConfirmRegistration.aspx?CN=CR-071204101225-5892> to complete your registration.

Registered For: ABC Construction, Inc.  
Registration Number: CR-071204101225-5892 Registration Date: 8/12/2004 Registered By: John Dow

A subsequent account activation email will be sent once we confirmed your information.

\*\*\*\*\*

Do not reply to this e-mail. This message was sent to you using an automated system. This e-mail alias is not monitored for replies. If you need help, please contact us through one of the methods described below.

If you have questions about your registration, contact Elation Systems through the Customer Assistance page at <http://www.elationsys.com/contactus.htm>, or call Elation Systems Customer Service, Monday through Friday between 8:00AM and 5:00PM PST at 1-925-924-0340, or email us at [support@elationsystems.com](mailto:support@elationsystems.com).

19. Make sure you click on the link in the email. This will activate your account. By skipping this step, you will not complete the registration nor have an active Elation account.
27. Once you click on the link, within another three business days you will receive another email confirming your account activation.

\*\*\*\*\*  
Please keep this e-mail for your record.  
\*\*\*\*\*

Elation Systems has reviewed your registration.

Registered For: ABC Construction, Inc.  
Registration Number: CR-071204101225-5892 Registration Date: 8/12/2004 Registered By: John Dow

Your registration has completed and your account has been activated on 8/13/2004.

\*\*\*\*\*

Do not reply to this e-mail. This message was sent to you using an automated system. This e-mail alias is not monitored for replies. If you need help, please contact us through one of the methods described below.

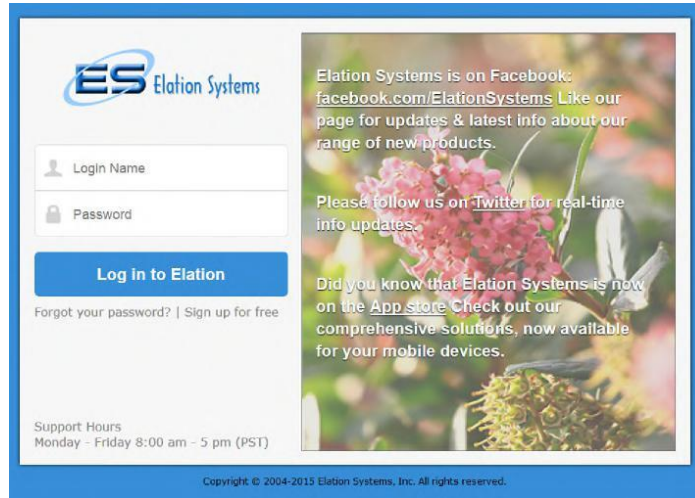
If you have questions about your registration, contact Elation Systems through the Customer Assistance page at <http://www.elationsys.com/contactus.htm>, or call Elation Systems Customer Service, Monday through Friday between 8:00AM and 5:30PM PST at 1-925-924-0340, or email us at [support@elationsystems.com](mailto:support@elationsystems.com).

28. Once you receive this email, you can now login at Elation with the user name and password you created and set up your account. Bookmark this new link: <https://www.elationsys.com/APP/>
29. Once these steps are complete, move onto Step Two: Electronic Signature Authorization.

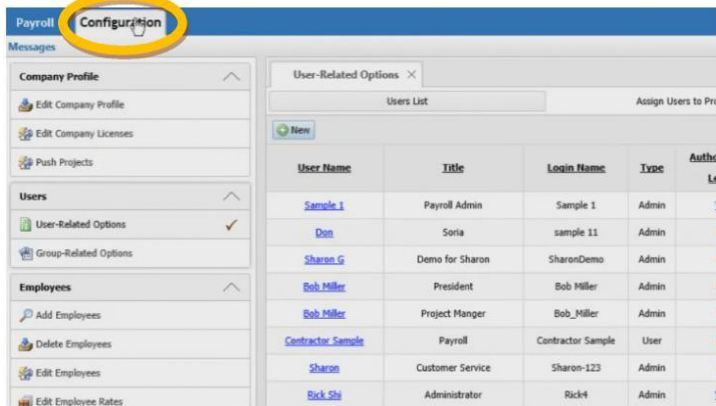


## Step Two: Electronic Signature Authorization

1. Login at Elation with the user name and password you created, and start to set up your account. <https://www.elationsys.com/APP/>



13. The first time you login, you'll need to create user accounts. Select the **"Configuration"** tab at the top left of the screen.







- This screen is your **"User Related Options."** Here you create new user accounts and **"Request Digital Signatures."** At first the only person you should see on this page is yourself, or who you registered and activated. To use the Electronic Payroll, a digital signature is required. To get a digital signature, you need an Authorization Letter.

User Name	Title	Login Name	Type	Authorization Letter	Digital Signing	Expiration Date	Request Digital Signing
<a href="#">Don</a>	Soria	sample 11	Admin	No	Not Installed		<a href="#">Request New (Fee: \$40)</a>

- First, ensure each user has a **"Title."** If there is no title in the **"User Related Options,"** click on the hyperlink that is the person's name to edit the account.

User Info [\[Edit\]](#) Full Name: (First Name Last Name)

Login Name	HUDt	Full Name	Amy Velasquez
User Title	Admin	User Phone	(210) 475-6843
Email Address	Amy.Velasquez@hud.gov	User Type	Company Admin
Mobile APP Only	<input type="radio"/> Yes <input checked="" type="radio"/> No		
<input type="checkbox"/> Change Login Password			

[Close](#)

- Click on the [\[Edit\]](#) hyperlink to add information to the account. The editable sections will turn yellow. Add the information you need to change. You must have a title entered to acquire a digital signature. This is also where you would go to **"Change Login Password"** as well.

User Info [\[Edit\]](#) Full Name: (First Name Last Name)

Login Name	HUDt	Full Name	<input type="text" value="Amy Velasquez"/>
User Title	<input type="text" value="Admin"/>	User Phone	<input type="text" value="(210) 475-6843"/>
Email Address	<input type="text" value="Amy.Velasquez@hud.gov"/>	User Type	<input type="text" value="Company Admin"/>
Mobile APP Only	<input type="radio"/> Yes <input checked="" type="radio"/> No		
<input type="checkbox"/> Change Login Password			

[Save](#) [Cancel](#)



- When done, click on the **“Save”** button.
- Go back to the **“Configuration Tab”** and find the user who needs a digital signature. Click on the **“Request New”** link in the **“Request Digital Signing”** column of the account you are using. (There is no fee for any HUD contractor.)

User Name	Title	Login Name	Type	Authorization Letter	Digital Signing	Expiration Date	Request Digital Signing
<a href="#">Don</a>	Soria	sample 11	Admin	No	Not Installed		<a href="#">Request New (Fee: \$40)</a>

- The following form letter will pop up with all the main fields pre-entered from the login information. This is what you need to print out and get your company’s principal to sign. They are the only people who can request digital signatures, and they can request for anyone they want to use the system.
- If you are the principal (e.g., owner, president, etc.) registering someone else to certify payrolls, you will only need to print out **“Section A.”**

**Authorize electronic signature**

INSTRUCTIONS FOR NOTARIZED LETTER

Instructions for submitting your Notarized Digital Signature Letter

- Print the letter (below the dotted line) on your company letterhead. No substitution of this letter will be accepted.
- The letter must be notarized and signed. **(Important: This document MUST be printed on company letterhead, notarized and signed before a digital signature certificate can be issued.)**
- Fax the letter and notarization to 925-924-0387, or e-mail a PDF file of your letter and notarization to: [Support@elationsystems.com](mailto:Support@elationsystems.com).
- Allow up to 48 business hours to process your digital signature certificate. Notification of your digital signature activation and install instructions will be conveyed to you via email.
- Certificates expire one year from the date of issue.
- Your company will be provided two digital signatures free of cost; additional digital signatures certificates are available at a cost.

Elation Systems Customer Support Fax (925) 924-0387 [Support@elationsystems.com](mailto:Support@elationsystems.com)

**Section A (Note: If you are an officer of the company, you may proceed directly to Section B)**

Date: \_\_\_\_\_

Dear Sir:

- If you are the principal registering yourself only need to print out **“Section B.”**

**Section B (Note: Section A needs to be completed if the person in this section is not an officer of the respective company)**

Date: \_\_\_\_\_

Dear Sir:

I, Sharon G, the undersigned, am the Demo for Sharon. I confirm and warrant that I have the authority to sign and certify the certified payroll reports, labor and compliance documents based on government regulations on behalf of Elation Systems Co.

I am also declaring that I have the authority to make the above representations on behalf of Elation Systems Co.

In doing so, I understand that Elation Systems will issue me a digital certificate along with my digitized ink signature, which will ultimately enable secure communications and electronic signing.





12. Once you are sure the form is filled out properly, print it on company letterhead (either put paper in the printer, or copy or paste text to a letterhead and then print), and have your company’s principal sign it with a notary. Scan and email, using a **“Read Receipt”** in your email program to [support@elationsystems.com](mailto:support@elationsystems.com).
13. Either way you print your letter, ensure you click on the **“Confirm”** button.

**Section B (Note: Section A needs to be completed if the person in this section is not an officer of the respective company)**

Date: \_\_\_\_\_

Dear Sir:

I, Sharon G, the undersigned, am the Demo for Sharon. I confirm and warrant that I have the authority to sign and certify the certified payroll reports, labor and compliance documents based on government regulations on behalf of Elation Systems Co.

I am also declaring that I have the authority to make the above representations on behalf of Elation Systems Co.

In doing so, I understand that Elation Systems will issue me a digital certificate along with my digitized ink signature, which will ultimately enable secure communications and electronic signing.

Sincerely,

Signature: \_\_\_\_\_

Full name: Sharon G

14. Now when you look at your **“User-Relation Options”** page, under digital signature it will say **“Authorization Letter”** Yes and **“Digital Signature”** Requested.

User Name	Title	Login Name	Type	Authorization Letter	Digital Signing	Expiration Date	Request Digital Signing
<a href="#">Don</a>	Soria	sample 11	Admin	Yes	Not Installed		<a href="#">Requested</a>

15. In three to six business days Elation will send you an email when they complete your digital signature application.
16. The email you will receive is titled **“Digital Signature Certificate – Your Company Name.”** This email has instructions to installing your digital signature:

Your signature authorization letter has been processed and the digital signature certificate has been issued to you and is ready for download and installation. Please login into your Elation Systems account by using your login ID (Your Account Name). Please Note: The certificate installation password (case sensitive) will be needed and it is xXxXxXx when prompted.



17. This email also comes with instructions to install your digital certificate. Here are the steps for *Internet Explorer* users. Please see Appendix E for Chrome users, Appendix F for Firefox users, and Appendix G for Safari Users.

- a. Click on your **“Configuration”** tab at the top of your screen.



- b. Now click on your **“User Name”** to edit your account.

User Name	Title
<a href="#">Amy Velasquez</a>	Owner

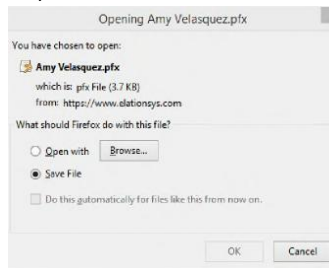
- c. Click the **[Edit]** hyperlink on your account **“User-Related Options”** page.



- d. Now your editable fields are yellow. Click on **“Download your certificate here.”**

User Info		Full Name: (First Name Last Name)	
Login Name	HUDSTest	Full Name	Amy Velasquez
User Title	Owner	User Phone	(210) 475-6043
Email Address	amy.velasquez@hud.gov	User Type	Company Admin
Mobile APP Only	<input type="radio"/> Yes <input checked="" type="radio"/> No		
<input type="checkbox"/> Change Login Password			
<input type="checkbox"/> Change Signature Password			
		Save	Cancel
<a href="#">Download your certificate here</a> <a href="#">(instruction)</a>			

- e. On the next screen, click on **“Save File”** and save it to your desktop.





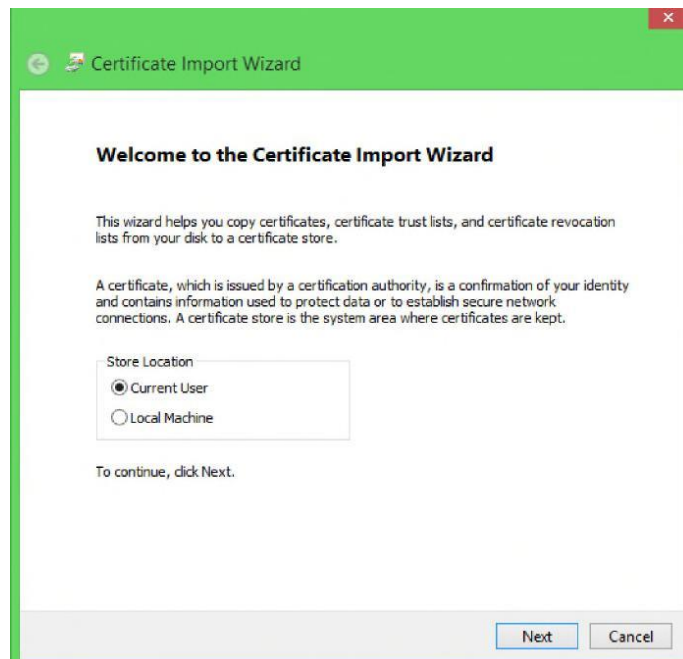
- f. Once that window closes, you'll be back at the **"User-Related Options"** page.
- g. Now your password fields will be highlighted in yellow (meaning you can edit them.) **"Change Signature Password"** and click **"Save."**

Change Signature Password

New Password	<input type="password"/>	Re-Enter New Password	<input type="password"/>
--------------	--------------------------	-----------------------	--------------------------

[Download your certificate here](#) [\(instruction\)](#)

- . Go to your desktop and find your digital signature file. It will be called **"Your Account Name.pfx"** or in the **"Type"** column, it will say **"Personal Information Exchange."** Double click on the file icon.
- a. A **"Certificate Import Wizard"** window will pop up. Select **"Current User"** if you are working on more than one networked computer, and **"Local Machine"** if you work from only one computer. Click **"Next."**





- j. Another window will pop up asking you to browse to the certificate you'd like to install. Click "Browse" and find the file on your desktop where you saved it.

**File to Import**  
Specify the file you want to import.

- k. Once   you've located the file, click on it, and then click "Next." The Wizard will take you to a screen that will ask for the password sent in Elation's email. Type it in there. If you get an error when copying and pasting the password from the email to Elation, there may be an added space at the end of password. Delete the last character and see if that works.

Type the password for the private key.

**Password:**

- l. If you've tried to enter your password by either typing it in, or copying and pasting from your email, and it still doesn't work, contact Elation's Customer Support to get it fixed.
- m. The next page will ask you where you want to store the digital certificate. Choose "Automatically select the certificate store" And then click "Next."

**Certificate Store**

Certificate stores are system areas where certificates are kept.

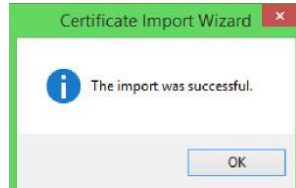
Windows can automatically select a certificate store, or you can specify a location for the certificate.

- Automatically select the certificate store based on the type of certificate
- Place all certificates in the following store

Certificate store:



- n. On the next window, click *“Finish.”* You should see the box below pop-up. If you get any other message, please call Elation to get it fixed.



- o. To finish installing your digital signature on your account, you have to set up your browser.
18. This new digital signature is good for one year. If the digital signature needs to be renewed for the same person, Elation will automatically renew it for you. If it's for another person, you need to complete the process explained above.
19. If your company will have more than one person submitting payrolls, this process needs to be accomplished for each user. There are no limits to how many people you can register on your account.
20. You will also use this page, *“User-Relation Options”* to add and remove users. Click *“New”* above the column *“User Name:”*



21. Fill out the following fields for each employee you'd like to have access to Elation.

User Info		<i>Full Name:(First Name Last Name)</i>	
Login Name	<input type="text"/>	Full Name	<input type="text"/>
Login Password:	<input type="password"/>		
User Title	<input type="text"/>	User Phone	<input type="text"/>
Email Address	<input type="text"/>	User Type	Company User <input type="button" value="v"/>
Mobile APP Only	<input type="radio"/> Yes <input checked="" type="radio"/> No		
<input type="button" value="Save"/> <input type="button" value="Cancel"/>			



22. When selecting "**User Type**," use caution. A *Company User* can only change their account information. A *Company Admin* can change anything about your account from adding and removing users to changing the account password. It is recommended that you not give every user Admin rights, only those who have a need for it

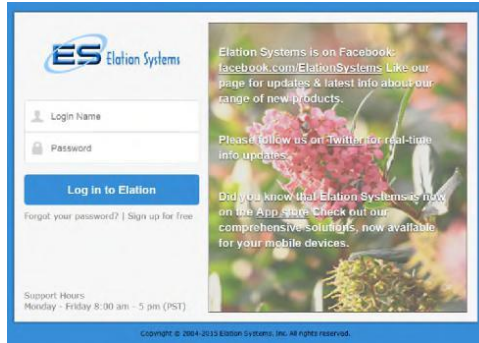


23. Remember, everyone who is using Elation for payroll submission must go through this process: primes AND all tier subs.
24. Once these steps are complete, move onto Step Three: Adding Employees.

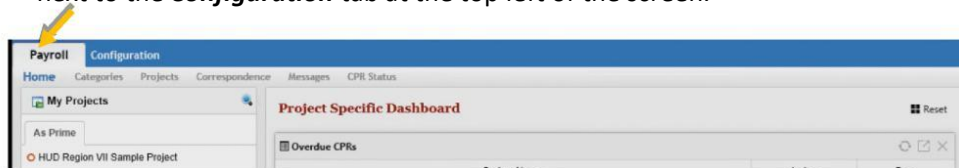


### **Step Three: Adding Employees**

1. Login at Elation with the user name and password you created, and set up your account. Bookmark this new link: <https://www.elationsys.com/APP/>



2. When you log in and have an activated project you will now see a **Payroll** tab next to the **Configuration** tab at the top left of the screen.

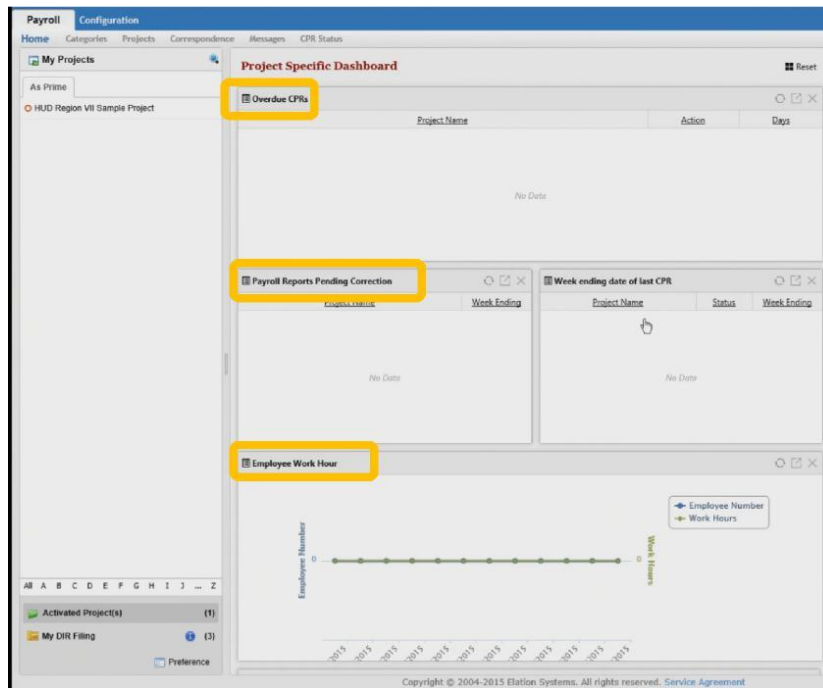


3. If you have no **“Payroll”** tab or cannot see a specific project that means your Prime has not connected you to that project yet. Please contact your prime to let them know you have been activated or to see if they need more information from you to add your contract.
20. On the left hand side of the screen you will see your activated project(s) under the listing for **“My Projects.”**

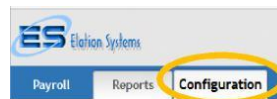




5. This screen is your *“Project Specific Dashboard.”* Here you can see all action regarding Certified Payrolls and that project, from *“Overdue CPRs,” “Reports Pending Correction”* and *“Employee Work Hours.”*

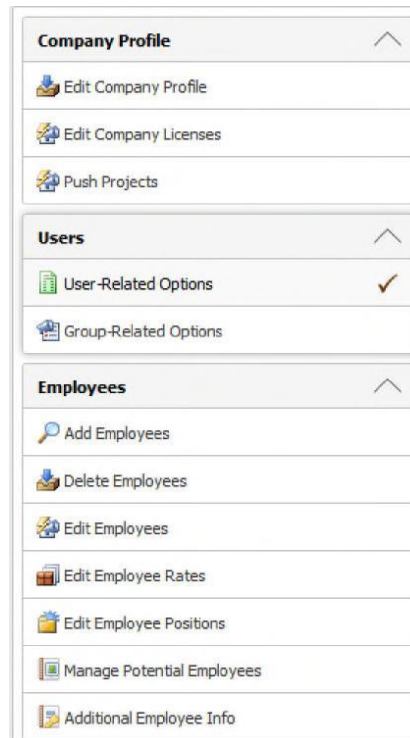


21. To add employees to your project, click on your *“Configuration Tab”* at the top of the screen.

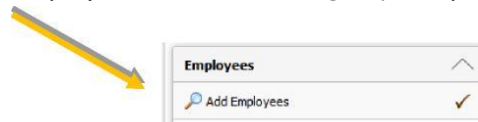




- This will bring up the following menu on the left-hand side of the page:



- Click on the *“Add Employees”* link under the group *“Employees.”*



- This will bring up a form you can fill out for each of your employees. Most fields are not required unless you want to track information.



10. The following items circled are required.

GENERAL INFORMATION			
Assigned Employee ID:	<input type="text"/>	N/A if not available	
First Name:	<input type="text"/>	Middle Initial:	<input type="text"/>
Last Name:	<input type="text"/>	Name Suffix:	<input type="text"/>
SSN / Employee ID:	<input type="text"/>	Title:	<input type="text"/>
SSN Sample: xxx-xx-1234		Ethnicity:	<input type="text"/>
Gender:	<input type="text"/>	Withholding Exemption:	<input type="text"/>
Home Phone #:	<input type="text"/>		
EMPLOYEE HOME ADDRESS			
Address:	<input type="text"/>	City:	<input type="text"/>
Zip:	<input type="text"/>	State:	<input type="text"/>

11. The Apprentice Certificate is required if you have a bona fide apprentice enrolled in a Department of Labor approved training program. Otherwise leave this blank.

Worker's Certificate	
<b>Apprentice Certificate</b>	
Effective Date and/or Indentured is not mandatory.	Only applicable to apprentice employee.
Effective From: <input type="text"/>	<a href="#">Upload</a> (Less than 2 MB) (or just drag file(s) on this button and drop)
To: <input type="text"/>	
Indentured Date: <input type="text"/>	

- 12. Set up all your employees using these steps.
- 13. Once you have set up your employees, move on to Step Four: Payroll Reporting.



### **Step Four: Payroll Reporting**

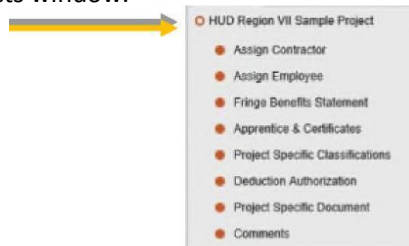
1. Now that you have created a login, registered, received your digital signature, and set up your subcontracts, you are ready to enter payroll data.
2. There are two ways any contractor can enter payrolls into Elation:
  - a. Either upload a pre-prepared Certified Payroll created in another program. Elation works with any payroll program as long as you can export the file as an Adobe .pdf file instead of printing it.
  - b. Manually enter the information into Elation.

CERTIFIED PAYROLL REPORT		
Alten Construction, Inc. 720 12th Street Richmond, CA 94801  LICENSE #: 705713	JOB: Mission Dolores Park Rehab (201402) Project ID No.FCP14012 Contract No. 3073V	PAY DATE: 07/10/15 WEEK ENDING: 07/03/15 WEEK #: 78

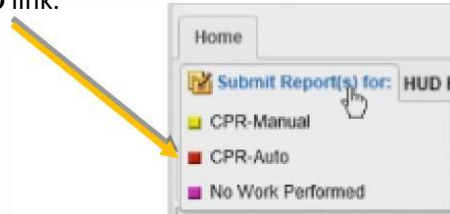
#### ***Automatic Payroll Upload Instructions:***

(If you will be manually entering your CPRs, skip down to number #20.)

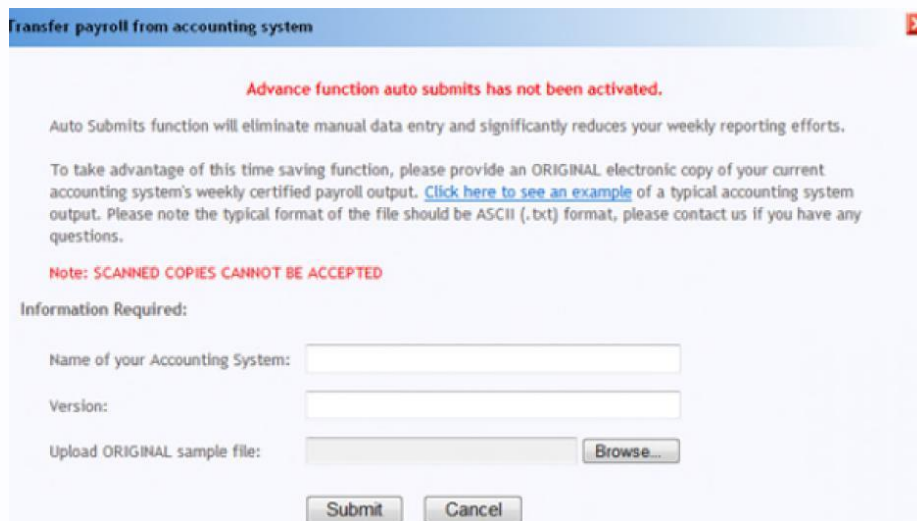
1. To use the automatic upload feature on Elation, *you must first configure your account.* To do this, upload your first pre-prepared payroll. You must export a file that is a computer readable format (e.g., excel, plain text, Adobe pdf, word, etc.)
2. This process will not work if you upload a scanned document that has been saved as a graphic format (e.g., .jpg, .gif, .tiff, etc.) The easiest way to do this is to “export” your payroll from your current program. Elation will import all the information from your payroll, including Craft, Employee Name, Hours Worked, both Standard and Overtime rate of Pay, Fringes Paid and Deductions.
3. To do this, click on the project you will be submitting a payroll for from the My Projects window.



- The on the right side of the screen, under the “Home” tab, click on “Submit Report(s) for:” Here you will have three options: “CPR-Manual,” “CPR-Auto,” and “No Work Performed.” To do an automatic payroll upload, choose the **CPR-Auto** link.



- Once selected, a Transfer payroll from accounting system will open up. Enter the “Name of your Accounting System,” the “Version” and here is where you will upload your exported file. Then click “Submit.”



**Transfer payroll from accounting system**

**Advance function auto submits has not been activated.**

Auto Submits function will eliminate manual data entry and significantly reduces your weekly reporting efforts.

To take advantage of this time saving function, please provide an ORIGINAL electronic copy of your current accounting system's weekly certified payroll output. [Click here to see an example](#) of a typical accounting system output. Please note the typical format of the file should be ASCII (.txt) format, please contact us if you have any questions.

**Note: SCANNED COPIES CANNOT BE ACCEPTED**

Information Required:

Name of your Accounting System:

Version:

Upload ORIGINAL sample file:

- Then browse to where your Certified Payroll is saved. Select the file you just exported. **\*Important: the payroll must not be in graphic format, you must be able to select parts of the text with your mouse cursor.**



7. By submitting this first payroll, Elation will configure your account to use the file in your format you. Elation will extract all the data on the uploaded payroll and populate it into the standard payroll reporting template. The data includes names of employees, exemption status, classification(s), hours worked per day (including standard, overtime, and double time), rate of pay, deductions, check date and number.
8. ***Give Elation at least 3 business days to configure your first payroll.*** Once you see it has been imported, your account is set up to use your exported payrolls.
9. The next time you auto upload your CPR you will see a “Transfer payroll from accounting system” window. Here you will select the subcontract number (you probably will have only one, unless you have multiple sub contracts with an upper tier contractor.)
10. The select your ***“Payroll Week Ending Date:” This step is extremely important because once you enter a date here, the rest of your payrolls will have the number prepopulated and you cannot change it. If you enter the first week ending date incorrectly, you will have to delete all your payrolls and start over***

Transfer payroll from accounting system

Upload CPR Data      Referenced Sample CPR

Company Name: Elation Systems Co.  
Project Name: HUD Region VII Sample Project  
Select the subcontract: Prime Contract (HUD-2015-7-1)

This is my Last Certified Payroll Report     weekly     bi-weekly  
 Project Completed

Payroll Week Ending Date:

Payroll File To Be Uploaded:

1. Upload file MUST include complete Employee Name, Address.  
2. DO NOT UPLOAD NO WORK PERFORMED REPORTS.

Note: It is your responsibility to ensure the accuracy of the data that will be transmitted, so please be sure to check and verify the data after the automated processing before you sign off and submit the report.





- h. **Statement of Compliance\_Submit:** \*See below.
  - i. **Print:** use this to print a hard copy of the payroll, if needed.
13. **\*Statement of Compliance Submit:** Once you're sure the payroll is in compliance, click this button. The system will validate all the required information based on the wage decision. Once it is verified you will see the statement of compliance. Based on how you pay fringes, you can specify on this page if they are invested into a specific account or paid in cash as part of their hourly wages. Once that's done, click on the **Sign** button.

**Statement of Compliance - Internal Expense**

Date: 3/10/2016

Name: Rick Shi, Title: Administrator

Employer: Elation Systems Co.

Project: H&D Region VII Sample Project (Contract/Subcontract) SEB-2015-7-1

Period: 27th day of June 2015, and ending the 3rd day of July 2015

Signature: Rick Shi

Section (b): WHERE FRINGE BENEFITS ARE PAID IN CASH

Section (c): EXCEPTIONS

Section (d): SIGNATURE

Section (e): WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 34 OF THE UNITED STATES CODE.

14. Because you have signed up for and received an electronic signature, this **"Fetch the signature"** box will open up. It will ask for your password and if you verify the information on the payroll is true, full, and correct

**Fetch the signature**

I, **Rick Shi**, the undersigned, am the **Administrator** with the authority to act for and on behalf of **Elation Systems Co.**, certify under penalty of perjury that the records of copies thereof submitted and consisting of **2** pages are the originals or true, full, and correct copies of the originals which depict the payroll record(s) of the actual disbursements by way of cash, check, or whatever form to the individual or individuals named.

Date: 3/10/2016

Signature Password: [password field]

[I Agree]





15. If so, click the **"I Agree"** button and it will add your digital signature.
16. Once signature is applied, click **"Submit."**

NAME AND TITLE: Amy Velasquez, Owner

SIGNATURE: [Digital Signature]

Submit

**17. If you get any errors when trying to submit your payroll, find out if your Prime Contractor has set up your subcontract. The contract amount (in dollars) is required for you as a sub-contractor to submit a payroll**

14. If you are set up correctly, when you go back to the main payroll screen, you'll see your submitted payroll there. It should have an icon that looks like a white piece of paper with a green arrow on it. Now it is ready for your Prime Contractor to review and release to HUD.

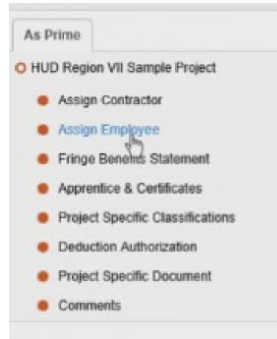
Week Ending	CPR	Submitted Date	Action	Issues	Contract/Subcontract	Payroll ID
07/03/2015	[Green Arrow Icon]	03/10/2016	[Warning Icon]	[Warning Icon]	HUD-2015-7-1	1

**Manual Payroll Entry Instructions:**

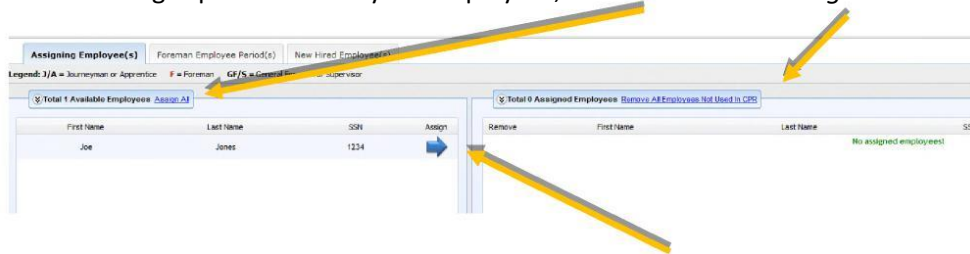
1. If you will be uploading your CPRs for automatic reporting, go back to item #4. You would use manual entry if you do not already have accounting software that creates your payrolls.
2. You've already entered the employees you anticipate to be working on the project into the system, so now you need to add them to the project.



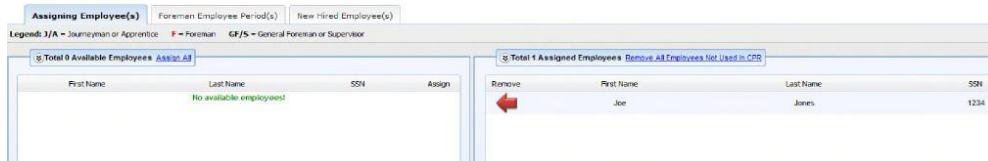
- To do this, click on *“Payroll”* tab, then *“Name of Project”* and then *“Assign Employee.”*



- This brings up a window of your employees, *“Available”* and *“Assigned.”*



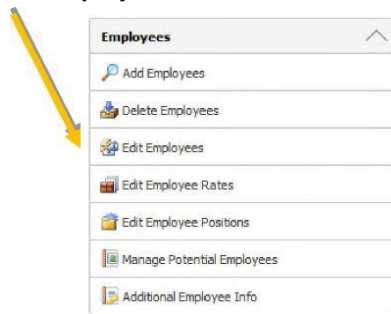
- To assign an employee to your project, click on the blue arrow to move them from *“Available”* to *“Assigned.”*
- Now the employee is *“Assigned”* to the project.



- To remove the employee from the project, click on the red arrow to move them back to *“Available.”*



- If you've made a mistake or didn't have all the information for your employees, select **"Edit Employees"** and make the changes necessary.



- Once in the Edit Employees window, click on **"Edit"** by the employee's name you want to change. The same screen you filled out before will come up, but with [Edit] options for each section.



- Click on your **"Project,"** then **"Fringe Benefit Statement."** Fringe benefit statements are project specific, so if your employee works on more than one project they will need a Fringe Benefit Statement for each. Even if the Fringes are all \$0.00 you still need to complete this step.





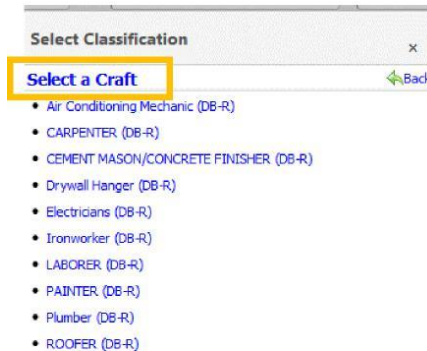
11. The first step to add the Fringe Benefits is classifying your workers. Click on ***“Select Classification.”***



12. The following window will pop up. ***“Select the Rate Version”*** (there should only be one unless you have more than one type of construction going on e.g., building and residential, or an additional classification has been added), and select the ***“Construction Trade”*** of the employee. Here most employees will be ***“Journeymen”*** because to use the other two choices you must upload a ***“Pre-Apprentice”*** or ***“Apprentice”*** certificate.



13. A new window will pop up, asking you to ***“Select a Craft”*** available on that Wage Decision. Make your selection from the list. If the ***“Craft”*** you need is not on this list (a common occurrence) you will have to request an Additional classification. ***See Appendix B for instructions.***





- Once you select a **“Craft,”** another window will pop up for **“Select a Class.”** Make your selection here.

- This will populate on the **“Fringe Benefit Statement”** in the upper left hand corner.

- Select the employee(s) to assign these fringes to by clicking in the box by their name or **“All Employees.”** (Note – the **(DB-R)** after the word PAINTER means *Davis-Bacon Residential.*)
- Next add the start date. \*Effective date MUST be at least one day prior to date of CPR week beginning date for benefits to take effect. “Same for Premium time” will automatically be checked. If your fringes are different for premium time uncheck this box

- Now add dollar amounts into each field, even if they are all zeroes. If your company does not offer fringe benefits and the Wage Decision does not call for any, below is what your **“Fringe Benefit Statement”** would look like.

Fringe Benefit	Hourly Amount	+	% of Hourly Rate	Check Payable To	Address Hailed To
Vacation	\$ 0.000	+	0.000 %		
Health & Welfare	\$ 0.000	+	0.000 %		
Pension	\$ 0.000	+	0.000 %		
Apprentice / Training	\$ 0.000	+	0.000 %		
DB-R	\$ 0.000	+	0.000 %		
Subsistence and/or Travel Pay	\$	+	%		
Total				\$ 0.000	+ 0.000 %

\*Effective date MUST be prior to date of CPR week beginning date for benefits to take effect.



19. When done entering data, make sure you **“Save”**

Save

**FRINGE BENEFITS FROM COMPANY GLOBAL POOL**

20. Now you will have a notice at the top of the **“Add New Fringes”** tab – **“PENDING FRINGE BENEFITS”** and below that in red it will tell you how many you need to sign off on. Click on the **“here”** link.

Add New Fringes Employee FB Records Update Fringes

**PENDING FRINGE BENEFITS**

You have **1** pending Fringe Benefits to be signed off. Click [here](#) to sign off these Fringe Benefits.

21. A new window will pop up called **“Sign This Fringe Benefits Statement.”**

Sign This Fringe Benefits Statement			
HUD Region VI Test Account			
<b>CONTRACTOR FRINGE BENEFIT STATEMENT</b>			
Contractor / Subcontractor Name: HUD Region VI Test Account		Contract Number: 115 00000 Contract Location: Boxar	Today's Date: 3/22/2016
Tel: Resident Engineer/District Labor Compliance Officer		Business Address: 615 E. Houston Street, Suite 301, SAN ANTONIO, TX, 78205	
In order that the proper Fringe Benefit rates can be verified when checking the payrolls on this above contract, the hourly rates for fringe benefits, substance and/or travel allowance payment made for employees on the various classes of work are tabulated below.			
<b>THIS FORM MUST BE COMPLETED AND SUBMITTED WITH THE FIRST CERTIFIED PAYROLL, OR WHEN THERE HAVE BEEN CHANGES</b>			
<a href="#">Eli</a> <a href="#">Delsia</a> <b>CLASSIFICATION</b> TX160021-M00-0 Journeyman Boxar RODPER (DB-R) Including Built Up, Composition and Single Fly Roofs		Joe J Jones III (1234)	
Effective Date: <u>3/25/2016</u>	Vacation	\$ 0.000 + 0.000 %	
	Health & Welfare	\$ 0.000 + 0.000 %	
	Pension	\$ 0.000 + 0.000 %	
	Apprentice / Training	\$ 0.000 + 0.000 %	
	Other	\$ 0.000 + 0.000 %	
	Substance and/or Travel Pay	\$ 0.000 + 0.000 %	Total \$ 0.000 + 0.000 %
I certify under the penalty or perjury that fringe benefits are paid to the approved Plans, Funds, or Programs as listed above.			
Name And Title: Amy Velazquez/Owner			
Signature:		Business Telephone Number: 210-475-6843	
<input type="button" value="Sign the Statement"/>			

22. Click on the **“Sign the Statement”** button.



23. “Fetch the signature” will appear again. Enter your “Signature Password” and digitally sign by clicking on **“I Agree.”**

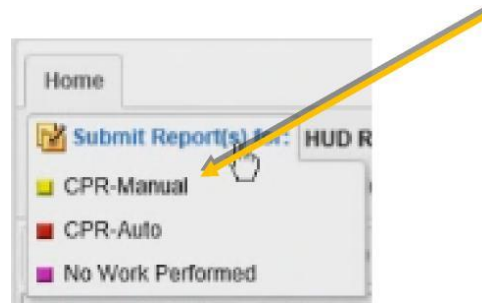
**Fetch the signature** x

I, **Amy Velasquez**, the undersigned, am the **Owner** with the authority to act for and on behalf of **HUD Region VI Test Account**, certify under penalty of perjury that the records of copies thereof submitted and consisting of **1** pages are the originals or true, full, and correct copies of the originals which depict the payroll record(s) of the actual disbursements by way of cash, check, or whatever form to the individual or individuals named.

Date: **3/22/2016**

Signature Password:

24. Once you have entered Fringe Benefit Statements for all employees, you are ready to submit a payroll manually.
25. Click on your **Project** and then **Submit Report(s) for: CPR-Manual**.





26. When the window for **“Manual Submit”** pops up, **“Select the subcontract,”** **“Enter payroll pay period ending date,”** **“Select number of classifications each employee worked during this payroll period”** and then **“Submit.”**

27. Once you click **“Submit,”** the Payroll Reporting Form will pop up. Here enter the **Payroll Number**, **Hours Worked Each Day** (column 4), **Total Hours** worked – on this project only - (column 5), **Rate of Pay** (column 6).

28. Note: Only check **“Owner-Operator”** box if the employee is an Owner Operator, Independent Contractor, or Non-Paid Apprentice, and you have documentation to upload as evidence.





29. In column 7, "**Gross Amount Earned (This/All)**," "**This**" box equals the gross amount that the employee earned on this project this week. The "**All**" box equals the Total Gross Amount Earned by an employee for ALL of the work (on other projects) by that employee during this week.

(7) GROSS AMOUNT EARNED (THIS / ALL)
<input type="text"/>
<input type="text"/>

30. In Column 8, enter all deductions coming out of employee's paycheck (e.g., FICA, Federal Tax, State Tax, and others listed as applicable.)
31. Use the "**Other Deds**" (Deductions) box to enter employee deduction amounts that not already listed, but are withheld from the employees' pay checks. (e.g., child support, insurance, tax lien, etc.).

(8) DEDUCTIONS, CONTRIBUTIONS AND PAYMENTS							(9) NET WAGES PAID FOR WEEK
FICA <input type="text"/>	FED TAX <input type="text"/>	STATE TAX <input type="text"/>	SDI <input type="text"/>	VAC HOLIDAY 4.00	HEALTH & WELF <input type="text"/>	PENSION 2.00	<input type="text"/>
TRAINING <input type="text"/>	OTHER REIMB. <input type="text"/>	DUES <input type="text"/>	TRAV SUBS <input type="text"/>	OTHER FRINGE <input type="text"/>	<a href="#">OTHER DEDS</a> <input type="text"/>	TOTAL DEDUCTS <input type="text"/>	

32. To include these other deductions, click on the "**Other Deds**" hyperlink, enter a description and amount, then click Save.

Other Deductions ✖

Field Description	Amount
<input type="text" value="401k Emp. Amount"/>	<input type="text" value="\$ 156.60"/>

Create New Field

Field description:  Add Save



33. Create as many field descriptions as needed. Ensure if it is a discretionary (not state or federally mandated) deduction you upload the authorization form signed by each employee. See Appendix C for an example to use.
34. To upload these documents, have the employee sign and then scan as a “.pdf” or graphic file. Open Project and click on the **“Deduction Authorization”** link.



35. Find your employee’s name and upload (or drag and drop)the signed document authorizing the deduction.
36. In column 9, enter **“Net Wages Paid for Week,”** which is **“Gross Amount Earned ALL”** minus **“Total Deductions.”** As of now, Elation only adds the total amount of hours worked. You have to do the calculations manually and enter the data in the specific field.
37. In Column 10, if the employee has Direct Deposit enter “DD” or bank reference number. If a paycheck is issued, enter the check number and issue date.



38. Clicking on the **“Save as Draft”** button will save your work and display an orange icon. This allows you to create a payroll without submitting it.





Certified Payroll Report					
<a href="#">Week Ending</a>	<a href="#">Export to Excel</a>	CPR	Action	Issues/Messages	<a href="#">Contract/Subcontract</a>
10/8/2005					ES2005-1

39. The payroll will be saved as a draft and you will see it on your payroll as an orange arrow. Click on the orange arrow to reopen the draft payroll report. In the lower left corner of report, look at the number after "Go to Page", If number(s) is blue, there are no calculation or compliance errors so you can submit your report.

Go to page:

40. If number(s) is red, there is a problem.

Go to page:

41. Hover your mouse of the red "i" to determine problem.

42. Once you correct the problem the number should turn blue. When blue, your payroll has no errors.
43. You can then either **Save this Payroll as a Draft** or Click the **Statement of Compliance\_Submit** to submit this payroll report.



### End of Work Notices

1. If this is the end of your project, make sure to click the boxes for **"This is My Last Certified Payroll"** and **"Project Completed"** when submitting the last payroll. This lets HUD know not to expect any more payrolls.

This is my last Certified Payroll Report     Project completed

2. If you have completed the work on a Subcontract and still are performing work on the project or other Subcontracts, check only **"This is my Last Certified Payroll Report."**
3. If you missed checking either box and need to mark the statement as **"This is my Last Payroll Report"** and **"Project Complete"** you can:
  - f. Submit a **"No Work Performed Statement"** and check the appropriate boxes in the detail window or,

No Work Performed Report

Standard Certified Payroll Report

weekly     bi-weekly

Select the subcontract: -- Select a subcontract --

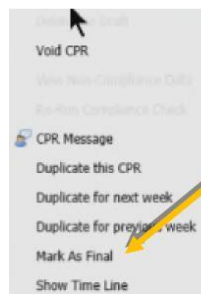
Please enter payroll week ending date: 3/29/2016

Also submit Non-performance Reports for next 0 periods

This is my last Certified Payroll Report     Project completed

Submit    Cancel

- j. Right click on the Icon in the CPR column and select **"Mark As Final"** or,

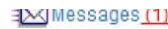




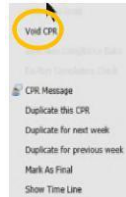
- c. Contact your Prime contractor to Mark your payrolls as "Final" and "Complete".

**Payroll Errors or Non-Compliance Issues**

- 3. (\*All "flagged" icons (errors) are discussed the Appendix A\*). Once you review your uploaded payroll report, the system will let you know if it finds issues and if sent to HUD with the flags, HUD will reject the CPR. These can be found as Red Messages either in the top left and top left corner of the payroll report.



- 11. There are two types of ways to correct rejected payrolls: Void CPR and amend a rejected CPR. If it is only an administrative error (wrong payroll number, misspellings, deduction errors, etc.), you can recall the payroll. To do this, right click on the payroll icon, and click on **"Void CPR"**.



- 12. Enter the reason the CPR should be voided in the **"Reason"** box, and then **"Submit."**

Request to Void a Report Refresh Share Close

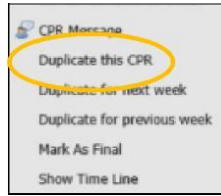
**Request owner to void a CPR**

You are requesting the owner of the project to void the **Certified Payroll Report with the ending date on 3/15/2016.**

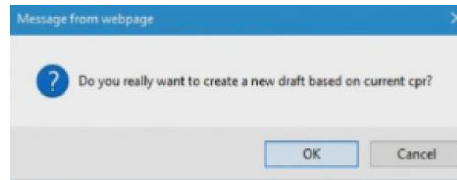
Reason:



- Once you've asked for the void, click on **"Duplicate this CPR"** to create a duplicate of the bad payroll.



- The system will ask you **"Do you really want to create a new draft based on current CPR?"** Click on the **"OK"** button.



- This allows you to have a new payroll populated with all the preexisting information already loaded. You only need to make the changes required, not retype everything again.

		PAYROLL NO.	FOR WEEK ENDING							SELF-INSURED CERTIFICATE NO:			PROJECT OR CONTRACT NO: HUD-2015-7							
		2	7/10/2015							WORKER'S COMPENSATION POLICY NO:			PROJECT AND LOCATION: HUD Region VII							
(1) NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) SECURITY EMPLOYER	(3) WORK CLASSIFICATION	(4) CLASS.	(5) DAY AND DATE							(6) TOTAL HOURS	(7) RATE OF PAY	(8) GROSS AMOUNT EARNED (THIS / ALL)	(9) DEDUCTIONS, CONTRIBUTIONS AND PAYMENTS						
				Sat	Sun	Mon	Tue	Wed	Thu	Fri										
				4	5	6	7	8	9	10										
Rigo Estrada SR XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX XXX-XX-3426 <a href="#">remove this employee</a>	S/4	Wasmatic Apprentice ELECTRICIAN (JOB-2) S/4000	S			4:00	7:00	8:00	8:00	8:00	37.00	31.170	1153.29	FICA	FED TAX	STATE TAX	SDI	VAC HOLIDAY	HEALTH & WELF	
		<input type="checkbox"/> Owner <input type="checkbox"/> Operator/IND Contractor/Non Paid App	O										1200.00	TRAINING	OTHER REIMB.	DUES	TRAV SUBS	OTHER FRINGE	OTHER FEES	
			D																	40.00

- Here you can change the flagged information in the **"Hours Worked Each Day," "Rate of Pay," "Gross Amount Earned,"** and deductions fields, or even change the **"Work Classification."**



- Now your CPR column will have two of the same payroll weeks, one with errors and the other corrected. The one with errors will say **“Void”** in the Action column.

Week Ending	CPR	Submitted Date	Action	Payroll NO.
07/10/2015		03/10/2016		2
07/10/2015		03/10/2016	Void	2

- HUD will void out the erroneous payroll and your account will have only accepted payroll reports.
- If it is not an administrative error (e.g., wage related non-compliance errors) you will have to **“Amend”** the payroll. To do this, you will have to wait until HUD rejects your payroll. Once you get an email saying it’s been rejected you can fix the problems, cut a restitution check if required, and amend the payroll, sign and resubmit.
- To amend a rejected payroll, click on the red icon with the white x in it.



- This will open up the rejected report. The errors on the page will be highlighted in red.

WORK CLASSIFICATION	CPR NO.	(A) DAY AND DATE							TOTAL HOURS	RATE OF PAY	GROSS AMOUNT EARNED (THIS PAY)
		Wed	Thu	Fri	Sat	Sun	Mon	Tue			
Journeyman Boiler LABORER (DB-R) LABORER	1	0.00	0.00	0.00			0.00	0.00	40.00	5.00	200.00
	0										200.00
	0										200.00

- When HUD rejects a payroll you will get a message letting you know what needs to be corrected.

**Reason:** Please verify and correct possible non-compliance issues as shown below for:

Project: Dummy Project (Contract/Subcontract: 115-00000)  
 Week Ending Date: 03/22/2016  
 Contractor / SubContractor: HUD Region VI Test Account

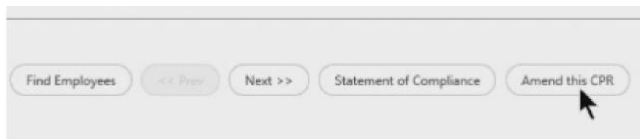
Employee: JOE J JONES III worked as Journeyman level  
 LABORER (DB-R) / LABORER (Craft / Class) may have non compliance issues including:  
 \* Total regular hourly rate (basic regular hourly rate + fringe), which was \$5.000 was \$2.250 less than the required rate of \$7.250  
 \* Total wages, which was \$200.000, for the week ending on 03/22/2016 was \$90.000 less than the required wages of \$290.000



- 14. When it makes it to the top review (HUD) and is rejected it falls back to the original contractor to make corrections.
- 15. Click on the red circle with the x in it



- 16. This will open the rejected payroll there will now be an option to **“Amend the CPR.”**



- 17. Click on that button and you will come to a page that shows all the errors in that payroll. All individuals with discrepancies will automatically be selected. Then click **“Continue.”**

Select the employees that you want to Correct for Week Ending Date "3/22/2016" Continue

<input checked="" type="checkbox"/>	Employee Name	Employee SSN	
1. <input checked="" type="checkbox"/>	Joe J Jones III	xxx-xx-1234	

- 18. The first individual worksheet will come up in yellow for you to make corrections either to the **“Rate of Pay,” “Owner / Operator” Status, “Hours Worked Each Day,”** or **“Work Classification,”** etc. Once you’ve made the corrections click on **“Next>>”** to move to the next employee needing corrections.

ID	NAME, ADDRESS AND SOCIAL SECURITY NUMBER OF EMPLOYEE	CLASSIFICATION	WEEK END DATA											TOTAL HOURS	GROSS AMOUNT PAID (H1 / H2)	OTHER DEDUCTIONS AND PAYMENTS					
			MON		TUE		WED		THU		FRI		TOTAL			FICA	MED TAX	STATE TAX	FED UNEMP	MEDICARE	OTHER
			HR	MIN	HR	MIN	HR	MIN	HR	MIN	HR	MIN									
1	Joe J Jones III 11234 Main Street New York, NY 10001	Owner / Operator	8.00	0.00	8.00	0.00	8.00	0.00	8.00	0.00	8.00	0.00	32.00								
2																					
3																					





19. After you've made all the corrections needed, click on "Statement of Compliance\_Submit" and digitally sign again then "Submit."

NAME AND TITLE	SIGNATURE
<u>Amy Velasquez,</u> Owner	 
<input type="button" value="Submit"/>	

20. Elation keeps a history of "Amended Payroll" and allows HUD to see what your payroll looks like after you have corrected non-administrative errors. To see the difference between a rejected payroll and an "Accepted" Payroll, you can click on the "(history)" link next to that week's payroll and the history for that payroll will come up.



✔	<a href="#">(history)</a>
✔	<a href="#">(history)</a>

✔	Iteration 1	Submitted on 02/24/2016
✘	Original	Submitted on 02/23/2016

19. If you click on the icon for the latest "Iteration," you will see the payrolls compared to each other. This will show the corrections made between the old and new payrolls.

	Gross Payroll							Total	FICA	FED TAX	STATE TAX	SDI	VAC HOLIDAY	HEALTH & WELF	PENSION
	S	M	T	W	T	F	S								
<b>Start to</b>															
S							45.00	13,000	-2,054.00						
O															
D															
<b>Final to</b>															
S	8.00	8.00	8.00	8.00	8.00		4.00	4.00	18,300	598.00					598.00
O															
D															



**No Work Payrolls**

- 2. The other type of payroll that will need to be submitted is a **“No Work Performed”** Payroll. In your Payroll dashboard, click on **“Submit Report(s) for: No Work Performed.”**



- 20. If you know there is no work for the next couple weeks, you can submit **“No Work”** payrolls all at once. On the **“No Work Performed Report,”** enter the **“Subcontract Number,” “Payroll Week Ending Date,”** and pull down the menu to choose how many weeks of **“No Work”** you are reporting. Then click **“Submit.”**

- 21. On the **“No Work Performed Report”** that pops up, enter your next payroll number and click **“Sign.”**



## **Appendix A - Flagged Payrolls and Icon's Meaning**

To understand what each of the icons on your payroll means, see the Legend at the top of the screen:

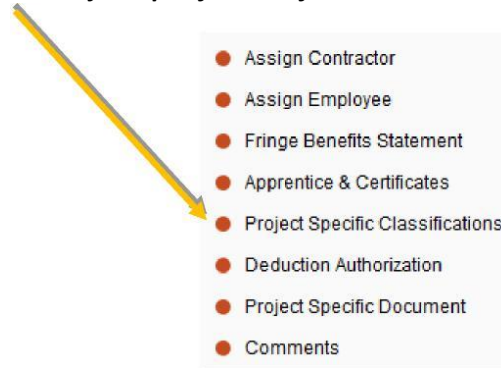


1. The first five icons are **CPR status**:
  - a. An orange arrow means the CPR is still in draft status. This occurs when you fill out the payroll but do not certify it. This can be done so you can enter hours daily, but submit weekly. As long as CPR in draft status they can still be edited.
  - b. A white paper with green arrow means the CPR has been submitted. Once submitted the CPR is official and can no longer be edited.
  - c. A green circle with a white check mark means the CPR has been accepted by HUD.
  - d. A red circle with a white x mark means the CPR has been rejected and must be corrected.
  - e. A white paper with an orange N means it's a No Work Week.
2. The next four icons are "**Discrepancy Icons**:"
  - f. A triangle with an exclamation point means the payroll has been flagged for wage related discrepancies, or possible non-compliance issues.
  - g. A yellow circle with a white exclamation point means there is a missing certificate (e.g., for an apprentice.)
  - h. A yellow light bulb means there are calculation errors in the payroll.
  - i. An orange triangle with an exclamation point alerts you to a problem with the ratio of journeymen to apprentices. The baseline is two journeymen to one apprentice.
3. To find out the exact problem and to correct it, click on each icon to be shown the exact error.

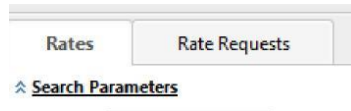


### **Appendix B - Requesting Additional Classifications**

1. If you have a classification that is not on the original Wage Determination, you will need to ask for an additional classification.
2. First we ask that you confirm the classification is not already on the original wage decision. This just duplicates work for all parties.
30. Once you've confirmed the rate is not available to you, in your "**Project**" window, click on "**Project Specific Classifications.**"



31. Once you get to the page, click on the tab at the top called "**Rate Requests.**"



32. On the next screen, click "**New Request**" in the upper left hand corner.





6. You will see the HUD Form 4230A pop up. Most of the information on the project is already populated on this new form. You will have to add the **“Craft Description”** and **“Class Description.”**

The screenshot shows the HUD Form 4230A with a pop-up dialog box. The dialog has fields for 'Location' (Wyandotte), 'Construction Trade\*' (Journeyman), 'Craft Description\*' (highlighted with a red box), and 'Class Description\*' (highlighted with a red box). Below these fields are 'OK' and 'Close' buttons. The background form shows project details for 'HUD Region VII Sample Project' in Wyandotte, KS, with a wage decision effective date of 07/01/2015.

7. For the **“Craft Descriptions”** you have four choices:
- Laborer
  - Equipment Operator
  - Driver
  - Mechanic

This screenshot shows the same pop-up dialog as above, but with specific values entered: 'Location' is Bexar, 'Construction Trade\*' is Journeyman, 'Craft Description\*' is Equipment Operator, and 'Class Description\*' is Fork Lift Operator. 'OK' and 'Close' buttons are visible at the bottom.

8. Then in the **“Class Description”** put the exact equipment, vehicle, or skill to be used.



- Then click **“OK”** on the small form and that information will be added to the 4230A. Now add the **“Basic Wage”** and **“Fringes”** if any. If you want to add additional classifications to this request, click on the green **“+Add”** button. There is no limitation to the number of additional classifications you can ask for on one form.

8.	WORK CLASSIFICATION(S) <small>(Use reverse or attach additional sheets, if necessary)</small>	HOURLY WAGE RATES	
		BASIC WAGE	FRINGE BENEFIT(S) (if any)
<a href="#">+ Add</a>	(J) Craft: Equipment Operator Class: Fork Lift Operator	15.000	0.000

- Once this Additional Classification is submitted, it goes to HUD and they approve or reject the rate. If approved, they forward it to DOL who has the final say. To help streamline this process, in box **“6. WAGE DECISION NO.”**, please click the box **“Copy Attached”** to forward a copy of the original wage decision with your form. It is also there for you to view to ensure you are asking for a proper wage and classification.

6. WAGE DECISION NO. (include modification number, if any)

[Remove](#) NUMBER: KS150011-MOD-7

[Remove](#) NUMBER: KS150011-MOD-8

COPY ATTACHED

[KS150011-MOD-7](#) [KS15011-MOD-8](#)

- In box **“5. CHARACTER OF CONSTRUCTION”** you need to select the type of construction being performed per the wage decision. It will usually be **“Residential”** but depending on the project could have additional types. In that case you will need to submit a separate additional classification request for the other type(s) of construction.

5. CHARACTER OF CONSTRUCTION

- Building       Residential
- Heavy       Other (specify)
- Highway



- Carefully review the following section and make sure you check off the appropriate boxes. The boxes in **“Check All That Apply”** allow you to submit supporting documentation (e.g., union contracts, bargaining unit agreement, etc.) Click in that box and an **“Upload File”** link will appear. Once you have checked off the appropriate boxes for your project, click **“Submit.”**

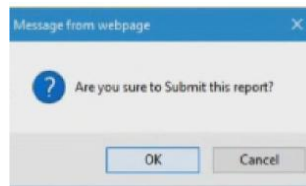
**Check All That Apply:**

- The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.
- The proposed classification is utilized in the area by the construction industry.
- The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.
- The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).
- Supporting documentation attached, including applicable wage decision.

**Check One:**

- Approved, meets all criteria. DOL confirmation requested.
- One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.

- The system once again will ask you **“Are you sure you want to submit this report?”** Click the **“OK”** button.



- Once submitted, you’ll see your additional classification request in the **“Rate Request”** window and under **“Status”** it will say **“Pending Approval by Prime.”** Once the Prime reviews and approves the additional classification, they will push it to HUD and then it will say **“Pending Review by Agency.”**

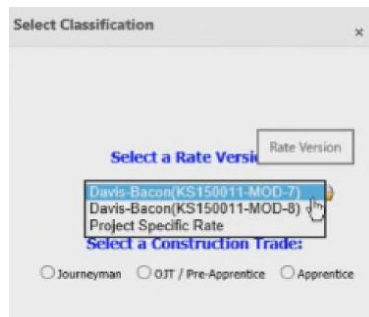
Request Date	Status	Submitted Date
03/10/2016	Pending Approval by Agency	03/10/2016
02/12/2016	Pending Approval by Agency	02/12/2016
02/11/2016	Pending Approval by Agency	02/11/2016
01/26/2016	Pending Approval by Agency	01/26/2016
01/13/2016	Pending Approval by Agency	01/13/2016



15. If the request is approved, the *“Status”* will change to *“Approved”* and if rejected, *“Status”* will change to *“Rejected.”*



19. If an additional classification is rejected by DOL they will tell you why. Otherwise they are conditionally approved by HUD and ready for use in your project.
21. Once you see the additional classification request has been *“Approved”*, fill out new Fringe Benefit Statements for your workers using the new classification.
22. In the *“Select Classification”* box you will now have a *“Project Specific Rate”* option to select for your new classification. The folder will open up with the new classifications approved for your project. Then you can add it to the new Fringe Benefit Statement as you did originally.







**Appendix C – Deduction Authorization Form Example**

**PAYROLL DEDUCTION AUTHORIZATION**

This is to authorize \_\_\_\_\_ to deduct from my paycheck \$ \_\_\_\_\_. This is for item number(s) circled below.

REPAYMENT OF:

- |    |                               |
|----|-------------------------------|
| 1. | Loan 7 Credit Union           |
| 2. | Retirement 8. Profit Sharing  |
| 3. | Advance on Wages 9. Donations |
|    | to Agencies                   |
| 4. | Savings 10. Insurance         |
|    | Premiums                      |
| 5. | Savings Bonds 11. Union       |
|    | Dues                          |
| 6. | Uniform 12.                   |
|    | _____ (Other)                 |

This deduction will be made \_\_\_\_\_ one time only  
\_\_\_\_\_ weekly

HUD PROJECT:

Name: \_\_\_\_\_ HUD# \_\_\_\_\_

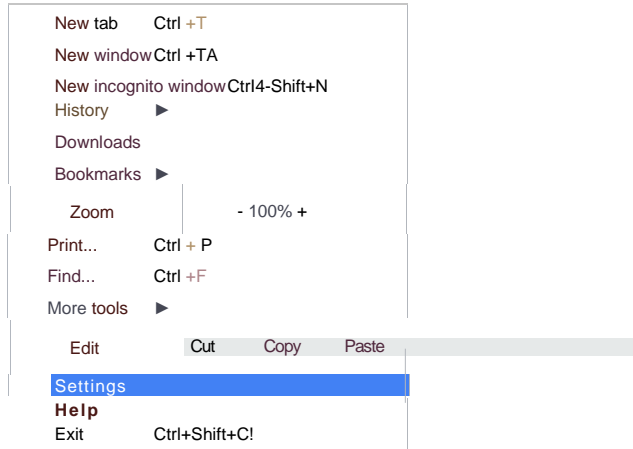
Employee's Name:

Employee's Signature \_\_\_\_\_ Date:



Appendix D - Digital Signature Installation for Google Chrome Users

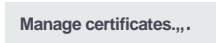
- 1. Open the "Settings" menu.



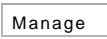
- 2. Scroll down to the HTTP/SSL section and click on "Manage certificates."

Google Cloud Print

HTTPS/SSL

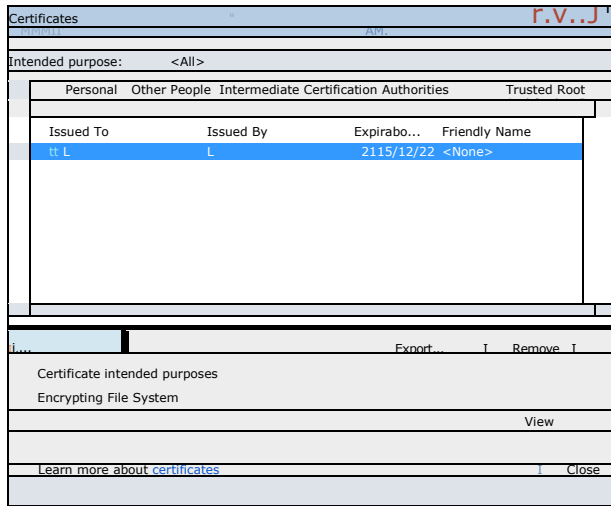


Set up or manage printers in Google Cloud Print. [Learn more](#)



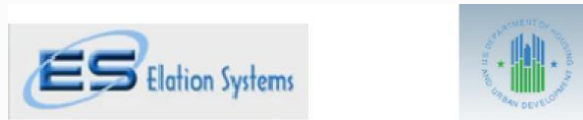


3. A 'Certificates' window will open. Click on the 'Import' button.

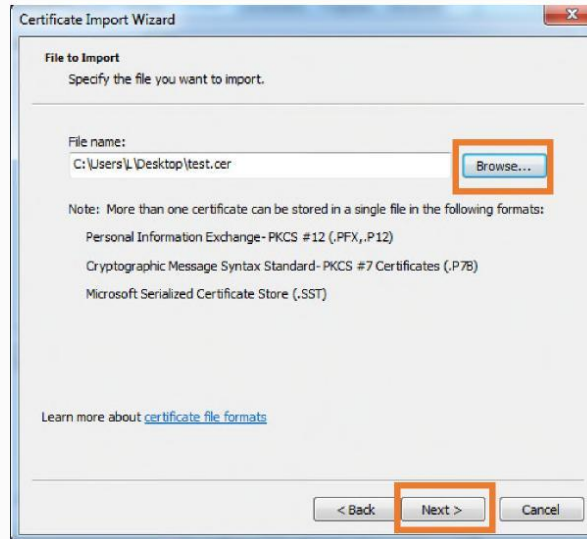


4. Now use the 'Certificate Import Wizard' by clicking on 'Next >'

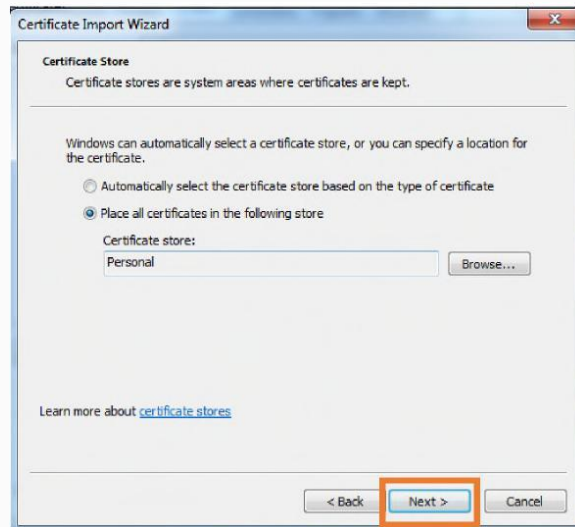




5. Now use the “Browse” button to find where you saved your certificate downloaded from Elation.

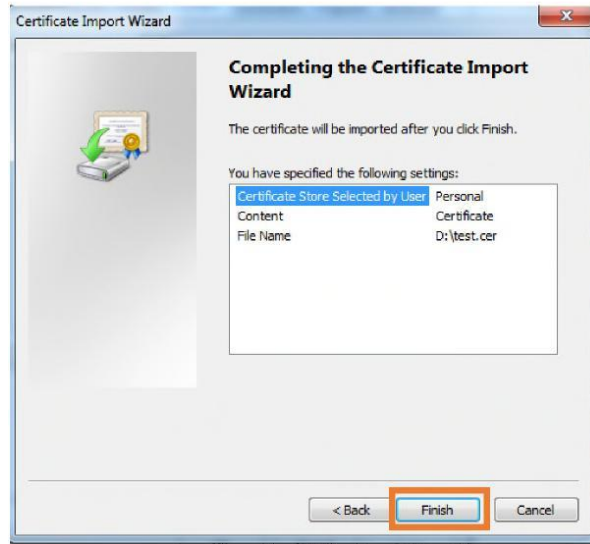


6. Once you’ve located the file, click “Next>” to have the “Import Wizard” do the work for you.
7. Use the “Place all certificates in the following store” and click “Next>”





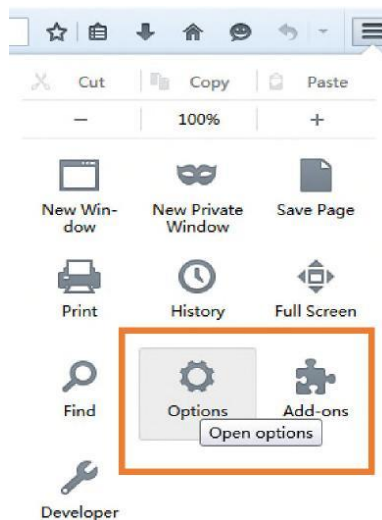
8. Then click "Finish."



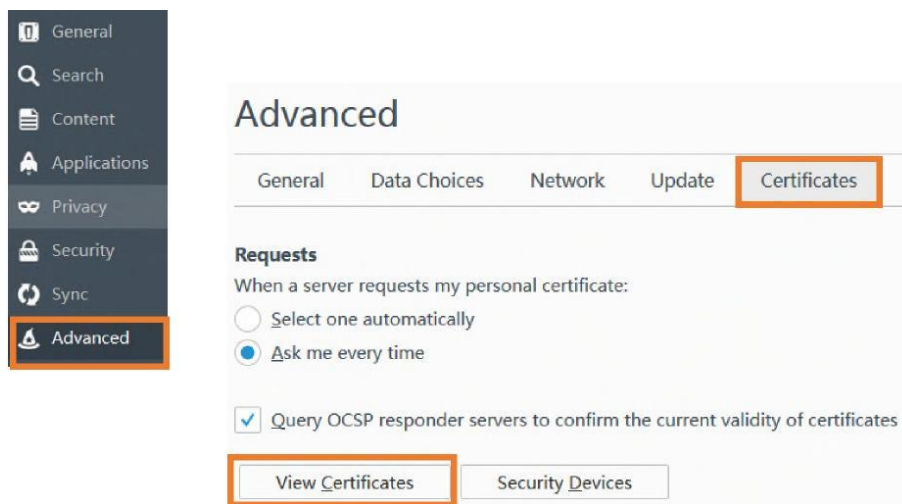


## **Appendix E - Digital Signature Installation for Firefox Users**

1. Select "Options" from the "Tools" menu.



2. Click "Advanced" on the window's menu then select the "Certificates" tab.



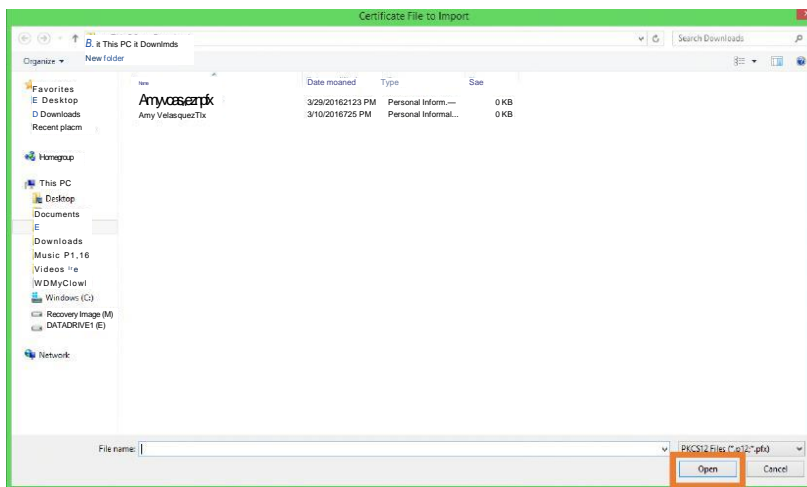
3. Click on "View Certificates."



4. Then click on "Import."

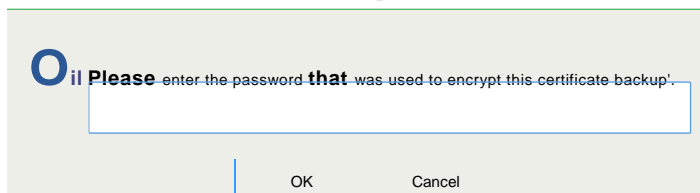


5. Browse to find your certificate and click "Open."



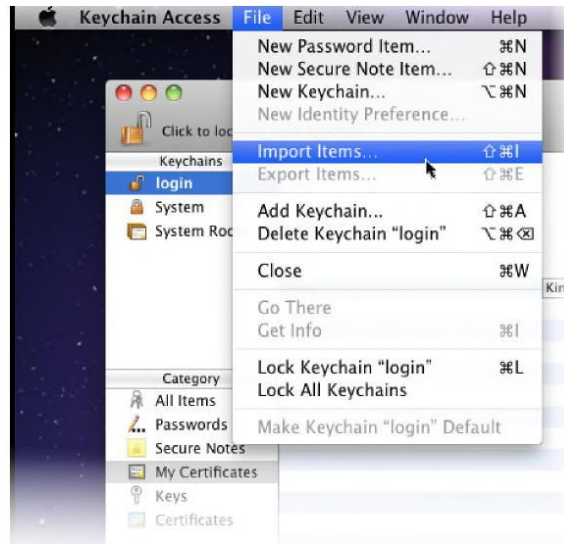
6. Enter the certificate password provided by Elation Systems, and click "OK."

Passwora Reqdrea

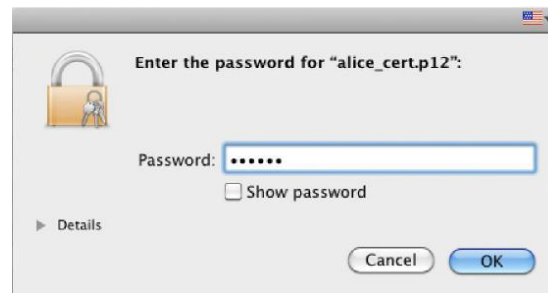


## **Appendix F - Digital Signature Installation for Safari Users**

1. Safari uses the Keychain Access utility built into Mac OS to manage digital certificates. Click **“Applications,” “Utilities,” “Keychain Access”** and then **“Login.”**
2. Now click **“File”** and **“Import Items.”** Then navigate to the location of your saved certificate and click **“Open.”**



3. Enter the initial password from Elation and click **“OK”**.







4. **Note:** If prompted to trust certificates issued by your CA automatically, select the *“Always Trust”* option and install your certificate

### **Appendix G - Elation Customer Assistance**

#### **Web Site**

[www.elationssys.com/contactus.htm](http://www.elationssys.com/contactus.htm)

#### **Phone Number**

925-924-0340

#### **Hours of Operation**

Monday – Friday, 8am to 5pm PST

#### **Email**

[support@elationsystems.com](mailto:support@elationsystems.com)

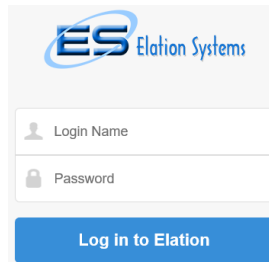


### **Appendix H- HUD Labor Standards Specialists**

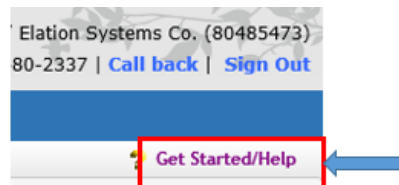
<b>OLSE Team Member</b>	<b>Office Location</b>	<b>Phone &amp; Contact Information</b>
Linda Banks	Fort Worth, Texas	817.978.5619 <a href="mailto:Jerlinda.D.Banks@hud.gov">Jerlinda.D.Banks@hud.gov</a>
Karen Clark	San Antonio, Texas	210.475.6818 <a href="mailto:Karen.Clark@hud.gov">Karen.Clark@hud.gov</a>
Anthony Jennings	Houston, Texas	713.718.3136 <a href="mailto:Anthony.T.Jennings@hud.gov">Anthony.T.Jennings@hud.gov</a>
Elizabeth Rodriguez	Fort Worth, Texas	817.978.5621 <a href="mailto:Elizabeth.Rodriguez@hud.gov">Elizabeth.Rodriguez@hud.gov</a>
Amy Velasquez	San Antonio, Texas	210.475.6843 <a href="mailto:Amy.Velasquez@hud.gov">Amy.Velasquez@hud.gov</a>

## How to Access Elation Systems Webinar Training Session 24x7 for Contractors and Subcontractors Working on HUD Projects

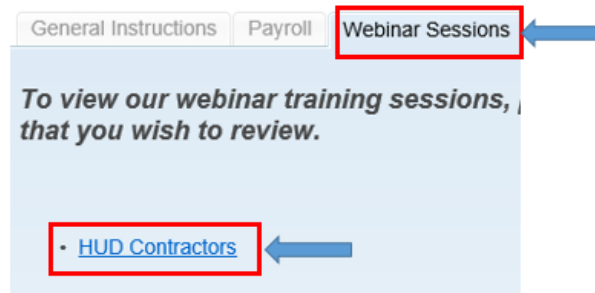
**Step 1** – Login in to your Elation Systems account.



**Step 2** – Click on the [Get Started / Help](#) link on the upper right corner as show below



**Step 3** – Click on the [Webinar Sessions](#) tab in the pop-up screen, and then click on the [HUD Contractors](#) link to start the On-Demand HUD training session as shown below.





U. S. Department of Housing and Urban Development (HUD)  
Region VII, Office of Field Policy and Management  
Davis Bacon and Labor Standards (DBLS) Division  
400 State Avenue, Gateway Tower Building II, 5<sup>th</sup> Floor  
Kansas City, Kansas 66101

*HUD DBLS Guidance and Federal Labor Standards Requirements Handout*

Change “OLSE” to “DBLS” throughout this document.

For Contractors/Subcontractors Working on HUD-funded/assisted or FHA-insured Construction Work Subject to Davis-Bacon/Davis-Bacon Related Acts Compliance – NO PAPER WEEKLY PAYROLL SUBMISSIONS – ONLY ELECTRONIC PAYROLL SUBMISSIONS

**PART A – Prime Contractors Responsibilities**

1. Submit a construction start notice to HUD Davis Bacon and Labor Standards Division (DBLS), via email to [Fannie.J.Woods@hud.gov](mailto:Fannie.J.Woods@hud.gov) and the DBLS Specialist assigned to the construction project. The DBLS Specialist will enter this document into the HUD Davis-Bacon Electronic Certification Submission Payroll (ECSP) System. **Once this notice is received, and the general/prime contractor is registered in the system and notifies HUD accordingly, HUD will activate the project. HOWEVER, the project can only be activated “after” the prime contractor establishes an account through Elation Systems, Inc. the HUD Electronic Payroll System Contractor. Therefore, it is incumbent on the prime contractor to establish immediately an account with Elation Systems, Inc. The prime contractor only establishes “one” account with Elations; and each subcontractor working on the construction project will also have to establish an account with Elation Systems, Inc.**
  
2. Submit, before construction starts, to HUD DBLS, via email, a list of all subcontractors, this means 1st tier, 2<sup>nd</sup> tier, 3<sup>rd</sup> tier, etc. subcontractors working on the job site, contracted work (i.e. earthwork, plumbing, etc.), total contract amount, and respective points of contact for each subcontractor. Submit this document to HUD DBLS “AND” **ENTER ALL THE SUBCONTRACTORS NAMES AND OTHER INFORMATION IN THE HUD ECSP System. The technical support number of the Elation Systems, Inc., the HUD Electronic Payroll System Contractor, is 1-925-924-0340, extension 100. Call us first for any issues related to this system; call them second; and “cc” the assigned HUD DBLS Specialist on any emails between the primes, subcontractors, and Technical Support at Elation Systems, Inc.**
  - a. **Contractors Eligibility Verification.** Ensure the list reflects the dollar amount for each sub contract; and a column labeled “checked SAM.GOV” with sub columns labeled “Yes” and “No” Check yes to indicate that the prime contractor verified the eligibility of all contractors to work on the job site; and the subcontractor has not been barred from working on federally-funded projects. Back up document is the output document from the prime contractor’s [www.sam.gov](http://www.sam.gov) search. Go to [www.sam.gov](http://www.sam.gov); find the search

module for inserting the contractors name; enter the contractors name; receive the output; and keep a copy of this with the applicable records to verify that this action was done. DO NOT SEND these documents to OLSE; keep in a file that is accessible to inspectors, auditors, etc. Ensure this information is entered on the subcontractors' lists that is submitted to HUD DBLS and entered in the HUD ECSP System, which may require entering this as a comment in the HUD ECSP System.

- b. **E-Verify Employment Requirements.** Ensure on the subcontractors' list, a column that reflects, Employee Eligibility Check Performed, and indicate "yes or no," which indicates that the subcontractors on this job is only hiring eligible persons to work in the United States. DO NOT SEND OLSE any of the documents. Ensure this information is entered on the subcontractors' list that is submitted to HUD OLSE and entered in the HUD ECSP, which may require entering this in the comments section of the HUD ECSP.
- c. **Workers and Construction Project Files.** Ensure the prime contractor has accessed to files that reflect "each worker working (employee or independent contractor) on this job site is eligible to work in the United States." The prime contractor is required to have documentation that reflects all workers, U. S, citizens and non-U. S. citizens, for the prime contractor and sub-contractors, performing work on this project is eligible to work in the United States.
  - i. **Prime Contractor and Subcontractor Obligations:** The prime contractor will provide general oversight to their subcontractors to ensure that they meet their contractual requirements and workers/employees working on a federally-funded project are eligible to work in the United States.
- d. **Copy of Federal Labor Standards Synopsis.** Include a column on the subcontractors' list indicating the date a copy of this synopsis was explained and given to each contractor performing work on the job site.

**3. Required Postings – Post immediately:**

- a. The **HUD-issued wage decision** for the project on the job site, protected from the elements, in an area that is visible and accessible to all workers (not inside the trailer if most of the workers do not go inside the trailer or office area).
  - i. Upon receipt of a DOL-approved classification, post the DOL letter next to the project wage decision.
- b. The **Davis-Bacon (DB) Poster** in an accessible and highly visible, area to all workers. Post the DB Poster in English and Spanish, for any Spanish speaking workers on the job site. Obtain, if you don't have, the poster from the below websites:
  - i. <http://www.dol.gov/whd/regs/compliance/posters/fedprojc.pdf> (English version)
  - ii. <http://www.dol.gov/whd/regs/compliance/posters/davispan.pdf> (Spanish version)
- c. **Ensure poster reflects the assigned HUD DBLS Specialist contact name and information.**

4. **Federally-funded prevailing wage job.** Remind the subcontractors and all workers that they are working a job subject to Davis-Bacon prevailing wages – tell them where to find the Davis-Bacon posted wage decision so they can check the required prevailing wage pay and fringes for their trade against their paychecks.
5. **Publicly-funded prevailing wage jobs in the State of Missouri.** If the construction work is a public works and/or public building project in the State of Missouri, the prime contractor is required to obtain and include the State of Missouri Prevailing Wage Decision and the Federal Project Davis-Bacon Wage Decision in all contractors and the language that the contractor is required to pay the higher of the two prevailing wage decisions. This does not apply to multi-family and/or other residential construction.
6. **CONTRACTS:**
  - a. Do not attempt to issue separate contracts to avoid paying prevailing wage rates on all the work performed as part of a HUD-funded/assisted, FHA-insured, Section 202, Section 811, or other Federally-funded construction work. Ensure each contract with a subcontractor contains a detailed scope of work, contract amount, separating the labor costs from materials, equipment costs; a copy of the Wage Decision; a copy of the *HUD- 92554M, Supplementary Conditions of the Contract for Construction*, and a requirement to verify each worker's eligibility to work in the United States in accordance with the federal I-9 verification process and/or E-verify system.
  - b. The failure to have written and signed contracts, with the required prevailing wage language and project wage decision, with each subcontractor, regardless of the subcontractor's tier, i.e. 1<sup>st</sup> tier, 2<sup>nd</sup> tier, performing work on the job site is a violation of the Federal Labor Standards that govern Federally-funded prevailing wage construction work. This applies to all subcontractors, including sub tier contracts and contracts with independent contractors.
  - c. During payroll review, requests for copies of contracts between contractors and independent contractors may be requested. Ensure these contracts are specific to the current FHA insured or HUD funded housing development, and include all requirements. The U.S. Department of Labor (DOL) requires that the employer and/or contractor maintain time records, name, date/hours/ rates of pay, etc., that any worker works on the job. HUD DBLS expects all contractors to comply with the DOL requirement.
7. **ISSUED FEDERAL WAGE DECISION and REVIEW for MISSING CLASSIFICATIONS:** Review the issued project wage decision, which is reflected in the HUD ECSP System, with all subcontractors to ensure trades that will be required at the job site are listed on the wage decision. **IF NOT**, complete and submit the *HUD Form 4230A, Request for Additional Classification, or Conformance Request*, with supporting documentation, through the HUD ECSP System. Region

VII, Kansas City, KS, for review and submission to the U. S. DOL for review and final approval of the trade and prevailing wage to the issued wage decision. The Davis-Bacon issued project wage decision does not include “all” trades required for construction of the facility.

**THEREFORE, the prime contractor is required to enter the request for conformance or request for additional classification document, HUD Form 4230A, in the HUD Electronic Certified Payroll System for the missing trades for HUD OLSE’s review, approval, and submission to the U. S. DOL for issuance of the DOL approved prevailing wage. Once DOL approves the document, HUD OLSE will enter it into the HUD ECSP System.** Below is U. S. DOL guidance for determining recommended wage rates:

- a. The contractor recommends hourly rates and fringes to HUD and the U. S. DOL for consideration only. Ensure all contractors have a clear understanding that the U. S. DOL, Wage and Hour Division, Washington, DC determines and approves all prevailing wage rates on projects subject to federal labor standards. Sometimes, the U. S. DOL approved rates are higher than the recommended rates. If the U. S. DOL approved rates are higher, then the prime and subcontractors are required to pay the higher rate from the first day the work is performed. Restitution payments apply when the paid rate is less than the U. S. DOL approved rates. Refer to the below AAM No. 213 for guidance on recommended wage rates.
  - b. On March 22, 2013, the U. S. DOL, Wage and Hour Division, issued [All Agency Memorandum \(AAM\) No. 213](#) to better reflect DOL’s regulatory requirements and to support improvements in the wage determination process overall. AAM No. 213 clarifies the “conformance” process and application of the Davis-Bacon Act (DBA) requirement that wage rates for additional classifications, when “conformed” to an existing wage determination, bear a “reasonable relationship” to the wage rates in that wage determination.
  - c. Contractors are not required to submit 4230As for apprentice, helper, superintendent, trainee, and/or owner work classification. DOL and HUD do not recognize such classifications.
- 8. LIABILITY:** The prime contractor is liable for any and all violations of federal labor standards by all contractors working on the construction work, subject to Davis-Bacon prevailing wage requirements. Below are some tips to assist with compliance.
- a. Share and emphasize this guidance to all subcontractors working on the job site
  - b. Ensure compliance with the Federal Labor Standards by all subcontractors.
  - c. Know who is working and when they are working on the job site.
    - i. May consider developing a daily sign-in sheet, by company’s name, company’s workers, and include with the Superintendent’s Daily Logs detailing what work each subcontractor performed at the job site on any particular day.
    - ii. Ensure the prime contractor knows the names of all workers, the dates worked on the job site and # of hours worked on the jobs site, per subcontractor, on the job site. **THIS IS REQUIRED DUE TO THE PRIME CONTRACTOR**

**HAVING THE ULTIMATE RESPONSIBILITY FOR ENSURING EACH SUBCONTRACTOR LOADS ALL OF HIS/HER WORKERS INTO THE HUD ECSP SYSTEM AND THAT EACH WORKER IS LISTED ON THE WEEKLY PAYROLL BASED ON DATES WORKED AND NUMBER OF HOURS PER DAY.**

- d. Review and ensure certified payrolls are accurate and in compliance with Federal Labor Standards prior to entering the weekly payrolls into the HUD ECSP System.**
- i. Payrolls not meeting this guidance will not be accepted.
  - ii. No paper payrolls are allowed or will be acceptable. Each subcontractor is required to have access to the Internet and enter weekly payrolls through the HUD ECSP System. **Prime and subcontractors may call the Elation Systems, Inc., Technical Support System, 1-925-924-0340, extension 100, to obtain a work around method for entering these payrolls IF the subcontractor does not have an electronic or some type accounting system.**
- e. Ensure subcontractors enter weekly payrolls for all “no work weeks.” Continue to number the “no work week” payrolls.
- f. **Ensure all subcontractors submit weekly certified payrolls and the “FINAL” payroll is marked “FINAL.” This is what stops the HUD ECSP System from sending out discrepancy notices—once a contractor has completed his/her portion of the project. When subcontractors complete the job and upload all certified payrolls, ensure the sub’s payroll status is marked completed.**
- g. **HOWEVER, if the subcontractor or another contractor is called back to complete “punch list” items “before” HUD accepts the project, the prime contractor will have to enter the new subcontractor’s name and other information in the HUD ECSP System and enter weekly payrolls for any “punch list” items. Once the punch list items are completed, by each sub, enter the “FINAL” in the last payroll submitted.**

**Part B - Prime Contractor and Subcontractors Responsibilities**

1. **Ensure prime contractors and subcontractors have established an account with Elation Systems, Inc. so the primes and subcontractors can enter weekly payrolls into the HUD ECSP System. Call Elation Systems, Inc. Technical Support Help Desk, 1-925-924-0340, extension 100, for any assistance with this.**
2. **Ensure prime contractors and subcontractors attend a HUD ECSP Contractors Session. A schedule will be published. If unable to attend one of these sessions, call the Elation Systems, Inc. Technical Support Help Desk, 1-925-924-0340, extension 100, to walk the contractor through the process.**



3. **Pay workers weekly!** This means if a worker performs physical and/or manual labor at the prevailing wage construction site, the worker is classified as a mechanic or laborer. The Davis-Bacon Act requires weekly pay to mechanics and laborers – NOT payment based on an invoice submitted less than weekly. This means self-employer owners/sole proprietors, partners, etc., with no crews, are paid weekly and the subcontractor and prime contractor should have copies of pay stubs and/or other payroll documents showing these workers were paid weekly!
4. **WORK CLASSIFICATIONS:** Use only the classifications listed on the issued wage decision. If the classification is not listed, and the work cannot be conformed to an existing trade, enter, via the HUD ECSP System the required information on the *HUD 4230A, Request for Additional Classification*, and submit electronically to HUD. Mechanics and laborers are paid weekly for the “labor/trade” that is performed on the construction site. Therefore, any contracts that are for material and labor should have separate amounts for each.
  - a. Sole proprietors and self-employed owners are either mechanics (performing a skilled trade) or laborers (non-skilled work) on prevailing wage projects. Therefore, these workers are paid weekly – not when invoices are submitted.
  - b. The U. S. DOL and HUD do not recognize classifications such as owner, independent contractor, superintendent, supervisor, helper, etc. –so not include these words on certified payrolls
  - c. Apprentice is not a DOL-approvable work classification. Review the paragraph on Apprentices in this document.
  - d. NO worker is “exempt” on a FHA-insured or HUD-funded Davis-Bacon Project; therefore do not use the word exempt in any work classification field.
5. **Rates of Pay.** The correct hourly prevailing wage rate is comprised of the basic rate + fringe rate that is reflected on the issued initial closing wage decision for the project. **All contractors are required, weekly, to pay each worker the “hourly total prevailing wage rate” for work performed for all work hours performed at the job site.**
6. **HUD ELECTRONIC CERTIFIED PAYROLL SYSTEM, Effective November 16, 2015** **Prime contractors and subcontractors are to submit weekly certified payrolls to the prime contractor who will input these payrolls into the new HUD Electronic Certified Payroll System. DO NOT HOLD** these weekly payrolls. PRIME CONTRACTORS are required to review these payrolls for compliance by all subcontractors before entering the final payroll into the HUD ECSP System. If the payrolls do not meet the guidance, as provided in this synopsis, payrolls will be flagged, as not acceptable; and error will have to be corrected through the electronic payroll system. An incomplete and/or erroneous payroll creates additional paperwork and unnecessary expenditure of critical man hours by all.

7. **Number certified payrolls sequentially/No Work Week. Number of all payrolls; no work week payrolls required. Each subcontractor is to start with payroll #1.**
8. Although HUD has implemented an electronic payroll processing system, specific information, as described below, is required for all payrolls entered into the system:
  - a. Use an accounting system for payroll reporting that reports all the information required on the WH 347 Form for certified payrolls. NO paper payrolls will be submitted/allowed/acceptable. Call the Elations Technical Support Help Desk at **1-925-924-0340, extension 100, for help with this if your company does not use an electronic accounting system or do not have Internet access. Also, contact your prime contractor for help with this.**
  - b. Ensure all blocks, as applicable, are completed.
  - c. Ensure **the correct work week ending date is reflected and the dates are correct for each day of that work week**. If there is a holiday in a work week and the worker did not work, reflect that day as a holiday (H).
  - d. Ensure the **correct rates of pay are paid weekly** (refer to #6Q and #8 of this handout)
  - e. Enter the supporting documentation for any deduction listed under “other.” (Refer to 6R of this handout)
  - f. **Ensure applicable blocks, i.e. 4 a or b or c**, of the Statement of Compliance (back side of the WH 347Form) are completed.
  - g. Use the remarks section to include any information that explains fringes, restitution payments, underpayments, corrections etc. Number corrected and/or restitution payrolls using the old number and adding either restitution or corrected to the payroll number block. For example 1-Restitution or 2-Corrected.
  - h. Ensure **each company has signed the electronic authorization letter for those persons authorized to sign the statement of compliance.**
  - i. Ensure the Statement of Compliance is submitted with weekly payrolls. .The HUD ECSP System will generate automatically the State of Compliance once the all the payroll and supporting information is entered and after you hit the “save or submit” button.
  - j. Ensure all workers, performing as mechanics and/or laborers, on the job-site, are listed on the weekly certified payroll for the week they worked. Pay workers weekly, not less than

the required hourly total prevailing wage rate (basic + fringe benefit amount on the project wage decision.)

- k. Ensure the following on each certified payrolls:
- i. **Only use the work classification** that is listed on the wage decision for the project. If the work classification is not there or cannot be conformed to an existing trade, **YOU** are required to enter a request for additional classification, using HUD 4230A Form, with supporting documentation, through the HUD ECSP System.
  - l. **Overtime is reflected on the federal certified payrolls for overtime hours, in excess of 40, on the applicable federal job site.** (This means the prevailing wage job hours and other jobs that the worker is working. If the worker's total work hours exceed 40 per week on the prevailing wage job site, overtime pay, based on the federal prevailing wage rate, is required.) **Some states and union contractors may require workers to be paid after 8- or 10- hour work days.** If that is true in your state or through a union contract, pay the worker overtime based on those agreements.
  - m. **CWHSSA.** On projects directly funded by HUD, and the prime contractor's construction contract amount is \$100K or more, the Contract Work Hour Safety and Standards Act (CWHSSA) applies to the prime contractor and all subcontractors. Contractors failing to pay the required overtime will be assessed liquidated damages, of \$25 per day, per worker, per violation. Examples of directly funded projects are the construction funded via the HUD Community Development Block Grant, HOME, Neighborhood Stabilization Program, Disaster Recovery, Public Housing Authorities, the HUD Section 811 and 202 Grant Programs. CWHSSA applies to these projects, as related to overtime violations. The contracting agency will notify the prime contractor of these violations.
  - n. On projects where CWHSSA does not apply, the Federal Labor Standards Act applies to overtime when workers work more than 40 hours per week on the project job site.
  - o. **Gross Pay.** Ensure total gross pay, deductions, and net pay are reflected for workers who work more than the prevailing wage job during a work week—meaning all jobs for that work week.
    - i. **Do not attempt to divide a two-week payroll period into a weekly certified payroll report.** Sometimes, this office will ask for the employer's copy of the worker's pay stub, direct deposit statement, or other information to verify that the worker was paid weekly and not bi-weekly, monthly, or when an invoice is submitted.
  - p. **Worker's Written Authorizations.** Enter written authorizations from workers for "other or miscellaneous" deductions from workers' paychecks. **Only bona fide deductions, as allowed by law, will be allowed.** These other deductions must be for the benefit of the worker and not the employer.

- i. There must be written, signed, and dated agreement, in place, and entered into the HUD electronic payroll system “prior” to the start of the construction job.
- ii. The agreements must clearly state the item, the total payment, the weekly payment amount, and duration of the loan.
- iii. Deductions for tools, gloves, boots, telephones, etc., may not be allowed.
- iv. Deductions for worker’s personal protective equipment, required by law, and for which the employer must pay is not an allowable deduction—authorized or not by the worker.
- v. If an item is required to obtain and/or for continuation of employment, that item is not an allowable deduction. **Some of the fees/other deductions that this office have seen and not allowed and that benefitted the employer were:**
  - 1. Personal protective equipment
  - 2. Transportation charges for temporary workers to go to and return from the job site
  - 3. Administrative fees for deducting child support and/or other court ordered deductions
  - 4. Pre-employment drug screening tests
  - 5. Deductions for lodging
  - 6. Deductions for equipment destruction – unless clearly specified in the employer’s human resources or personnel policy.
  - 7. Deductions for direct deposit of workers’ paychecks.
- q. Do not reflect a work classification for “helper” or “assistant.” Such work classifications are not allowed.
- r. **APPRENTICES and verification: NO worker will be accepted as such, without the required verification documentation entered into the HUD Electronic Payroll System for each apprentice, when he/she appears on the first payroll.** It is the contractor’s responsibility to provide the required documentation and upload as an attachment to each payroll in the HUD electronic payroll system. *Absent such documentation, the worker is classified and paid as a journeyman.*
  - i. **Required paperwork:** 1) title page of the Apprentice Program Standards; 2) a copy of the D-B individual certification/registration for “each” worker classified as an apprentice; 3) a copy of the Program Standards for the Apprenticeship Program – **the Program Standards must show:** 1) ratio of journeyman to apprentice; 2) apprentice rate of pay (based on the apprentice work level); and 3) fringe benefits for each apprentice. NOTE: If the program standards do not

reflect fringe benefits or the rate of pay, then the apprentice will be paid the full journeyman basic wages and fringes.

- s. Include the apprentice's trade and work level, i.e. 1, 2, 3, 4, and percentage of journeyman pay, as part of the work classification.
- t. Apprentices are out-of-ratio when they are working alone any part of the day and/or any day. They are out-of-ratio if the apprentice to journeyman ratio does not match the ratio in the Apprenticeship Program Standards. This is based on the job site, and not the company, as a whole.
- u. Supervision of apprentices. Apprentices are supervised by full journeyman, of the same trade, working for the same employer.
- v. **General/prime contractors must enter the ratio for each trade, with apprentices on the job site, in the Journeyman to Apprentice (J/A) Apprentice Ratio Module in the Elation Systems.** The HUD DBLS Specialist will not accept payrolls, reflecting apprentices, without the appropriate supporting documentation will not be accepted.

**9. INDEPENDENT CONTRACTORS OR 1099 WORKERS:**

- a. Most workers on prevailing wage projects do not meet the criteria for classification as independent contractors. For HUD prevailing wage projects, any worker classified as an independent contractor and/or 1099 worker must meet the required city and state requirements for such classification. Failure to meet those requirements may result in fines and other penalties assessed against the contract classifying workers, as such.
- b. Any certified payrolls that include the term "1099 worker or independent contractor" for a worker **will require supporting documentation, entered into the HUD Electronic Payroll System** that validates the worker's status as an independent contractor. The required supporting documentation: 1) city business license or state certification as a business and/or independent contractor; 2) a copy of the required contract, containing the required Federal Labor Standards Compliance language and the project's Davis-Bacon wage decision, between the worker and the contractor or subcontractor that hired the independent contractor; and 3) other documents that validates, within the respective State, County, or City, the worker's status as an independent contractor.
- c. ABSENT this information, this office will not accept certified payrolls that list workers as independent contractors and/or 1099 workers. Contractors and subcontractors are required to comply with all U. S. Department of Labor and Federal Internal Revenue Status Statutes that apply to employees/workers. During HUD's review of certified payrolls and failure of the prime contractor or any subcontractor on a HUD-funded job to provide the requested information to verify a contractor or subcontractor, at any tier, as an independent contractor may be referred to the appropriate State Office for review of

the worker's status. Although the contractor may supply the required information, HUD retains the authority to refer the contractor to the appropriate State Office for review of the worker's status.

#### 10. FRINGE BENEFITS:

- a. **Complete the itemized fringe benefits statement that is in the HUD ECSP System.** **This is** a list that reflects the hourly breakdown of fringe benefits for **each worker** receiving fringe benefits, **when the hourly basic wage is less than the total prevailing wage.** This is done the first time the worker appears on the certified payroll.
  - i. Ensure the fringe benefits for apprentices, as reflected on the fringe benefits statement, are the same fringes entered in the *Apprentice Wage Schedule Module* in the Elation Systems.
- b. **DO not enter a generic union statement of benefits, since each worker is different.** Some workers may or may not be vested and may or may not participate in an employer-paid fringe benefit program.
- c. Enter what you, as the employer, pay specifically as a fringe benefit on behalf of each worker.
- d. Reflect the name, address, and contact number of the 3<sup>rd</sup> Party Administrator for the fund; and frequency of deposits to the fund.

**11. Sole proprietors, self-employed owners, working with no crew.** The prime contractor or the contracting entity will keep track of work dates, weekly work hours, pay workers weekly, complete and enter into the electronic payroll system the weekly certified payrolls for subcontractors who are self-employed or sole proprietors with "no crew working with them." **Self-employed owners, with working crews,** may complete, certify, and submit the required weekly certified payrolls. HUD Labor Relations Letter 96-01 applies to this issue.

**12. HUD-11 Record of Employee Interview:** Usually during an on-site inspection, the HUD inspector will interview workers and complete the HUD Form-11, Record of Employee Interview. The HUD inspector forwards a copy to DBLS for review and comparison of submitted payroll data. The HUD DBLS Staff will enter this information and compare the data to the respective payroll in the HUD ECSP System. If the payroll is missing from the ECSP System or the worker's name is not listed on the payroll, then a notice or flag will appear in the ECSP System.

#### 13. Resources:

- a. **HUD Electronic Certification Submission Payroll (ECSP) System** - Elation Systems, Inc. Technical Support Help Number: **1-925-924-0340, extension 100.**
- b. HUD DBLS Homepage with links to the U. S. Department of Labor Websites

- i. [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/labor\\_standards\\_enforcement](http://portal.hud.gov/hudportal/HUD?src=/program_offices/labor_standards_enforcement)
  - c. HUD Guidebook, Making Davis-Bacon Work . . .
    - i. <http://portal.hud.gov/hudportal/documents/huddoc?id=4812-LRguide.pdf>
  - d. HUD Labor Relations Letter 96-01
    - i. [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/labor\\_standards\\_enforcement/olr\\_9601](http://portal.hud.gov/hudportal/HUD?src=/program_offices/labor_standards_enforcement/olr_9601)
  - e. Required Forms  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/labor\\_relations/olrform](http://portal.hud.gov/hudportal/HUD?src=/program_offices/labor_relations/olrform)
  - f. Contractors Eligibility Verification
    - i. [www.sam.gov](http://www.sam.gov)
  - g. Working in the United States
    - i. <http://www.uscis.gov/>
- 14.** Contact the prime contractor for any labor standards requirements issues. The prime contractor will contact this office to address issues which require a response from HUD OLSE, Region VII. A Regional Contractors Industrial Relations Specialist (CIRS) will respond to the questions. If a subcontractor is unable to resolve the issue through contact with the Prime Contractor, the subcontractor may call 314.418.5261 and speak with Fannie Woods, Director/Regional Supervisor, Davis Bacon and Labor Standards (DBLS) Division, Region VII, Kansas City, KS. Fannie's email address is [Fannie.J.Woods@hud.gov](mailto:Fannie.J.Woods@hud.gov).

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

October 5, 2015

Special Attention of  
All FHA Approved Multifamily Mortgagees  
All FHA Approved 232 and 242 Mortgagees

MORTGAGEE LETTER 2015-25

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SUBJECT: Implementation of Electronic Submission of Davis-Bacon Wage Rate  
Certifications

With this Mortgagee Letter, the Department of Housing and Urban Development (HUD) introduces a new method for submission of Davis-Bacon Prevailing Wage Payroll Certifications that are to be completed by construction contractors and submitted to the Labor Enforcement Field Staff at HUD. The objective is to automate the payroll review process through a subscription Commercial Off The Shelf (COTS) web-based service for federally funded and/or assisted construction projects receiving HUD grants, loans, loan guarantees and/or insurance to improve HUD's Davis-Bacon oversight and compliance.

**I. PURPOSE**

**A. Background**

The Office of Labor Standards and Enforcement (OLSE) is responsible for the administration and enforcement of Federal labor standards provisions in HUD programs. These standards include those contained within the Davis-Bacon and other Related Acts (DBRA), the Copeland Act and the Contract Work Hours and Safety Standards Act. Additionally, the Office of Labor Standards is responsible for the administration and enforcement of prevailing maintenance wage requirements of the U. S. Housing Act of 1937, the Native American Housing Assistance and Self-Determination Act of 1996. OLSE seeks to implement a web-based, electronic certified payroll tracking subscription to monitor compliance with the Davis-Bacon and Related Acts (DBRA).

**B. General Objectives of the Davis-Bacon Payroll Subscription**

The overall objective of this Mortgagee Letter is to announce HUD's planned implementation of an automated payroll review process via a subscription to a web-based service for federally funded or assisted construction projects receiving HUD grants, loans, loan guarantees, and/or insurance to improve HUD's Davis-Bacon oversight and compliance.

The subscription service shall enable OLSE to improve its monitoring and compliance oversight functions of Davis-Bacon wage rates for all HUD directly administered projects (multifamily, hospitals, nursing homes, Rental Assistance Demonstration (RAD) Sections 202 and

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)



811 and other assisted construction) that are subject to Davis-Bacon wage requirements. This web-based subscription service is to be used on all in-house contracts where staff performs the administration and enforcement of labor standards compliance, and will likely expedite the review and approval process functions. In-house labor compliance is performed for all multifamily insured projects.

### **C. Implementation of the Electronic Submission of Davis-Bacon Payroll Certifications in HUD Programs**

This Mortgagee Letter describes and identifies:

1. The implementation schedule for preliminary use, then mandatory use, of the Davis-Bacon Electronic Certification Submission tool;
2. The HUD programs that will use the program for submission of the Davis-Bacon reports to fulfill the Davis-Bacon Electronic Certification Submission Program requirements;
3. The system user access credentials and methods; and
4. The training and self-help resources, technical assistance and help desk resources available to users.

### **D. Standard Names**

To avoid confusion and to aid communication, the common name for the combination of software and systems tools herein described for the electronic submission of Davis-Bacon wage rates certification is the "Davis-Bacon Electronic Certification Submission Program" or the "Davis-Bacon ECSP."

## **II. IMPLEMENTATION CALENDAR AND PROGRAMS COVERED**

### **A. Calendar for Implementation/Participants**

All program participants are invited and encouraged to begin using the Davis-Bacon ECSP for the submission of Davis-Bacon wage reports submitted to HUD beginning on the first business day following 30 days after the date of publication of this Mortgagee Letter.

Participants include all general contractors required to use Davis-Bacon prevailing wages and participating in HUD/FHA insured multifamily programs and/or directly administered projects that are subject to Davis-Bacon wage requirements. The program will initially be implemented for new construction/substantial rehabilitation projects located in the Southwest Region that have yet to reach initial endorsement. **Use of the Davis-Bacon ECSP will be mandatory for all Davis-Bacon Payroll certification submissions after March 31, 2016 for all projects that are less than 50% complete. This requirement applies to all programs identified in paragraph B below.**

### **B. Applicability to HUD Programs**

This Mortgagee Letter applies to all FHA insured construction loans; Section 542 Risk Share construction loans, any healthcare construction loans (Section 232, 242 or Title XI) and to all

Public Housing Authority construction loans, specifically including FHA insured construction loans made through the Rental Assistance Demonstration (RAD) program.

### **III. SYSTEM ACCESS AND USER CREDENTIALS**

#### **A. System Summary**

The Davis-Bacon ECSP provides the following functions in managing prevailing wage data. These are:

- Electronic submission of Certified Payroll data from contractors and subcontractors;
- Access by contractors and subcontractors from any location via the Internet;
- Ability to import and export data files from the contractors' and subcontractors' existing payroll systems;
- Storage and maintenance of Federal prevailing wage rates including fringe benefits, workers compensation classification codes, and trade classifications;
- OLSE's/HUD's ability to provide email notification of non-compliance with the various programs to contractors and subcontractors;
- Capability to calculate restitution and generate e-mail alerts of non-compliance to contractors and program administrators;
- Reproduction of semi-annual and annual certified payroll reports in both digital and hard copy formats; and
- Standard and ad-hoc reporting functions delineated by the OLSE/HUD (statistical and graphical formats) made available via hard copy and digitally.

#### **B. User Credentials & Access**

Credentials, passwords and roles for the Davis-Bacon ECSP will be managed as follows:

1. Prime/General Contractors and Subcontractors - will access the submission portal through the web based connection which will provide identification and a password specific to the user. The ID will be the email address on record of the individual. An initial Password will be provided that can be changed after the individual logs into the system. Individuals will also select a PIN which becomes their Electronic Signature for signing Payrolls. The secure website connection is located at: <http://www.elationsys.com/elationsys/Solutions/Default.aspx>
  - a. Customer support for users' application, authorization, and authentication questions is provided through the Customer Service Team. Contact information for the Team will be communicated when the Contractor is assigned to the

project. Prime Contractors will receive phone numbers and email addresses for the Support Team. Subcontractors will receive email addresses.

2. HUD Supervisors in OLSE who are responsible for staff review of wage rate should request access, and an appropriate role for staff whose work assignments will include review or management of certifications. Available roles include the following:
  - a. Assigner: a person who will assign certifications to others for review;
  - b. Reviewer: a person who will review and make a decision on a wage rate certification assigned to them. A person in a reviewer role may reassign a file to another person with the reviewer role. Only a person in the reviewer role may approve or reject a submitted wage rate certification.
  - c. Viewer: A person who may have read only access to submitted wage rate certifications.
3. Users should be aware that credentials and permissions unused for 90 days are terminated as a security safeguard. When user credentials are terminated the user must contact the Prime Contractor if the user is a subcontractor. A Prime Contractor must contact the Support Team in order to have access restored.
4. All users should bear in mind that the Support Team will answer access and software related questions, including technical questions about the data included on the wage certifications. They will not provide compliance decisions but they will provide information to be used by the Prime Contractor or HUD Labor Relations Specialist to make a decision.

#### **IV. TRAINING FOR THE DAVIS-BACON ECSP, AND FUTURE REVISIONS**

Training for Davis-Bacon ECSP users will be provided by OLSE in a variety of ways including live presentations at industry related meetings and webinars. Many resources are available, such as the “Instructions for Use of the Davis-Bacon ECSP,” a guide which addresses all aspects of preparing and submitting wage rate certifications using the Davis-Bacon ECSP. Local Labor Relations contact information is available on the Davis-Bacon ECSP home page. Instructions may be downloaded from the Davis-Bacon ECSP home page at:

<http://www.elationsys.com/elationsys/Solutions/Default.aspx>

#### **V. PAPERWORK REDUCTION ACT**

The information collection requirements contained in this document and the Davis-Bacon ECSP have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 1235-0008. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information

unless the collection displays a currently valid OMB control number.

If there are any questions, and/or concerns regarding this Mortgagee Letter please contact Thomas Bernaciak at (202) 402-3242, in HUD Headquarters, Office of Multifamily Production or contact Vance Morris at (202) 402-2419, Office of Healthcare Programs. Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

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Edward L. Golding  
Principal Deputy Assistant Secretary for Housing

## Davis-Bacon Electronic Certification Submission Program Registration Instruction

Please follow the steps described below to establish your on-line account for the web based Davis-Bacon Electronic Certification Submission Program (ECSP) provided by Elation Systems. For your online security, please use latest browsers such as Internet Explorer (IE) 11, latest version of Chrome and Firefox.

1. Contractors and subcontractors must establish an account with Elation Systems' on-line services by registering over the web. The web address for registration is <https://www.elationsys.com/app/registration>. The special **promotional code is: HUD-IV-2015**.

**NOTE: If your company already has an account with Elation Systems, you do not need to register again.**

2. You will receive a confirmation email after completing registration form and the following is an example of the email. Please make sure to **click** on the link provided in the email to complete the registration process.

```
*****
Please keep this e-mail for your record.
*****

Elation Systems has received your registration. Please click the following link:
https://www.elationsys.com/Registration/ConfirmRegistration.aspx?CN=CR-071204101225-5892 to complete your
registration.

Registered For: ABC Construction, Inc.
Registration Number: CR-071204101225-5892 Registration Date: 8/12/2004 Registered By: John Dow

A subsequent account activation email will be sent once we confirmed your information.

*****
Do not reply to this e-mail. This message was sent to you using an automated system. This e-mail alias is not monitored
for replies. If you need help, please contact us through one of the methods described below.

If you have questions about your registration, contact Elation Systems through the Customer Assistance page at
http://www.elationsys.com/contactus.htm, or call Elation Systems Customer Service, Monday through Friday between
8:00AM and 5:00PM PST at 1-925-924-0340, or email us at support@elationsystems.com.
```

3. Once above steps are completed, you will receive an account activation email and following is an example.

```
*****
Please keep this e-mail for your record.
*****

Elation Systemation has reviewed your registration.

Registered For: ABC Construction, Inc.
Registration Number: CR-071204101225-5892 Registration Date: 8/12/2004 Registered By: John Dow

Your registration has completed and your account has been activated on 8/13/2004.

*****
Do not reply to this e-mail. This message was sent to you using an automated system. This e-mail alias is not monitored
for replies. If you need help, please contact us through one of the methods described below.

If you have questions about your registration, contact Elation Systems through the Customer Assistance page at
http://www.elationsys.com/contactus.htm, or call Elation Systems Customer Service, Monday through Friday between
8:00AM and 5:30PM PST at 1-925-924-0340, or email us at support@elationsystems.com.
```

4. After receiving the activation email, you may start to use the on-line reporting services by using the "User Name" and "Password" you specified at time of your registration.

**Thank you!**