

## DAVIS-BACON COMPLIANCE DURING CONSTRUCTION

The following steps should be followed in order to comply with Davis-Bacon requirements during the construction period of the property.

1. Contractor posts Davis-Bacon posters and Wage Decision at work trailer or other location **easily accessible** to employees and protected from the elements.
2. Prime and subcontractors submit first weekly payroll:
  - Complete [Payroll Report](#)

*The Owner must submit payrolls weekly commencing the work ending with the effective date of the Notice-to- Proceed with construction until the week ending the date of Final Inspection.*

*Owners should number the Payroll Reports beginning with #1 and to clearly mark the last payroll of the project "Final." If there is a temporary break in the work, the Payroll Report should be marked "No Work" and submitted.*

*Contractors must either use [DOL Form WH-347](#), Payroll Report, or a payroll form of his own choice, provided such a form contains all of the information that is required on WH-347 and is approved by the VHDA Davis-Bacon Compliance Officer.*

*The Payroll Report must be submitted promptly for every work week of the project no later than seven (7) work days following completion of the work week. Payroll Reports must be submitted directly to VHDA, not the Project Engineer, on a weekly basis.*

- **Complete [Register of Assigned Employees](#)** (RAE) (subsequent ones are needed when there are newly assigned workers or their individual addresses, wages or deductions change. Authorizations accompany deduction changes.)
  - **Monthly Register of Contractors, Subcontractors and Suppliers** over \$10,000
  - Signed [Authorization of Employee Payroll Deduction\(s\)](#)
  - *Payroll Reports* and all other above-listed documents from subs
3. Owner sends weekly to the VHDA Davis-Bacon Compliance Officer Payroll Reports and all related documentation (including all Payroll Reports from General Contractor and Subcontractors). VHDA sends to Owner a written list of items incorrect or missing weekly
  4. Owner requests Additional Wage Rates from VHDA as needed.
  5. Owner ensures that any subcontractors added after the pre-construction conference signs the *EEO and Labor Standards Checklists*.
  6. VHDA conducts **monthly** employee interviews (one worker per trade and 25% of **total** workforce is required by end of project).

## 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, address and social security number; 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.

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

The first payroll on which each employee appears must contain the employee's name, address and Social Security Number. Afterward, the address and Social Security Number only need to be reported if there is a change in this information.

### c. Work Classification

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

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, and 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 the 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.

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.

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.

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).

j. Signature

Make sure the payroll is signed with an original signature. 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.