

Time & Effort Reporting

Demonstrating Allowability of Employee Compensation under Federal Grants

Federal Funding Conference
February 2021



Allowable Costs

“Allowable Costs” refers to items of cost, that in general, are costs that can be funded with federal grant dollars as long as the cost fits within a framework of responsible stewardship of public funds.



<p>Overarching Federal Rules</p> <p>Subpart E - Cost Principles</p> <p>Law: 2 CFR Part 200</p>	<p>The Uniform Grant Guidance lists 55 “items of cost” that receive clarification regarding the allowability of charging to federal funds. Items include:</p> <ul style="list-style-type: none"> • Supplies • Recruitment Costs • Remodeling and Construction • Equipment • Travel • Compensation <p>Federal Uniform Grant Guidance</p>
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**KEEP
CALM
IT'S
PAYDAY**

Compensation - Personnel Services

2 CFR § 200.421

Uniform Grant Guidance addresses appropriate internal controls to support grant charges.

Grant Objectives = Cost Objectives

Cost objectives drive the level of detail that must be kept as “supporting documentation” for personnel grant charges.

- ❖ Dependent on the objectives of the Federal funding source.
- ❖ Does not have anything to do with how the position is funded.

Single or Multiple Objectives

Single Objective = Singular Purpose

- ❖ A position dedicated to a singular purpose.

Multiple Objectives = Variety of Assignments

- ❖ A position in which the work can be delineated:
 - Working with students with and without IEPs
 - General instruction and also providing academic interventions
 - School Psychologist and Multi-Levels of Support Coordinator

<p>Time & Effort Documentation</p> <p>§200.430 (i) Standards for Documentation of Personnel Expenses</p>	<p>Charges to federal awards must be based on records that accurately reflect the work performed.</p> <p>These records must:</p> <ul style="list-style-type: none"> ❖ Be supported by a system of internal control which provides <u>reasonable</u> assurance that the charges are accurate, allowable, and properly allocated. ❖ Be incorporated into the official records of the subrecipient. ❖ Reasonably reflect the total activity for which the employee is compensated by the subrecipient, not exceeding 100% of compensated activities.
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Procedures / Personnel Costs

- ❖ Subrecipient develops the procedures.
- ❖ Use same procedure for all federal grants, as it must be incorporated into the official documents.
- ❖ Identify “single cost objective” staff per grant – meaning 100% of the person’s time could be charged to a particular grant (based on the grant’s objectives).
- ❖ For all others, determine how the business office will know the accurate amount to claim.

Procedures for Single Cost Objective

Subrecipient develops the procedures and uses it for all federal grants.

Single Cost Objective = Simplified Procedures

Suggestion:

Maintain job descriptions that demonstrate the allowability of 100% of the position's compensation.

Procedures for Multiple Cost Objectives

Multiple Cost Objectives = Detailed Procedures

Suggestions:

- ❖ Class Schedules
- ❖ Time sampling

Would not qualify as "acceptable" procedures:

- ❖ Job description percentages
- ❖ Percentage based on federal grant budgeted amount

Procedures for Short-Term Work

Types of Work:

- ❖ Short-term substitute teachers
- ❖ Substitute paraprofessionals
- ❖ Extended contract time

Time sheets would be acceptable documentation:

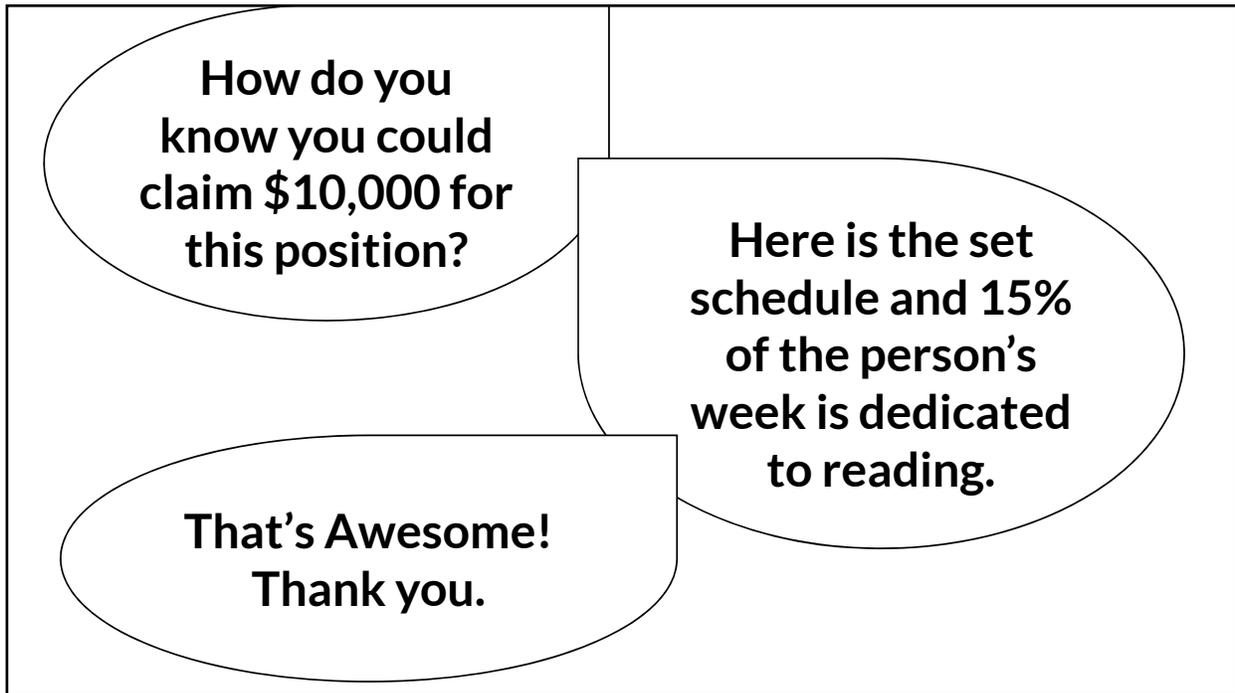
- ❖ However, make sure the time sheet identifies the work and possibly even the funding source, especially with substitutes.

Time & Effort Documentation

§200.430 (i) Standards for Documentation of Personnel Expenses

- ❖ Documentation records should be adjusted in a timely manner if there are significant changes in the employee's work activity.
- ❖ Comply with the subrecipient's established accounting policies and practices.
- ❖ All necessary adjustments must be made such that the final amount charged to the Federal award is **ACCURATE, ALLOWABLE, and PROPERLY ALLOCATED.**





Procedures / Personnel Costs

Determine if the time necessary maintaining supporting documentation is worth charging as a direct cost onto a Federal grant:

- ❖ **EASY!** – Set schedule outlining a staff person's work (special education in the morning / behavioral interventions for all students in the afternoon).
- ❖ **EASY!** – Time sheets for substitute teachers.
- ❖ **DIFFICULT!** – Bookkeeper works on 4 different federal grants plus local budgeting. Individual would need to keep time on each funding type to determine allowable grant charge.

Technical Assistance

Time and Effort Reporting Requirement - Federal Grants

<https://dpi.wi.gov/wisegrants/uniform-grant-guidance/allowablecosts>

Checklist for Time & Effort Supporting Documentation Written Procedures

<http://bit.ly/allowable-costs-checklist> (page 2)