

Uniform Guidance Requirements: Time and Effort Reporting Documentation

2 CFR 200.430(i) Compensation – Personal Services,
Standards for Documentation of Personnel Services

Documentation

The Uniform Guidance Section 200.430 states: “Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.” SCFC knows that each subrecipient’s system is unique; therefore, what may be adequate for one institution, may not be adequate at another, depending on each entity’s system of internal controls. During a monitoring visit, SCFC requests documentation to support payroll costs. The supporting documents are assessed in conjunction with your system of internal controls (such as a regular review/certification process), to determine whether we can reasonably conclude the charges are accurate, allowable, and properly allocated. Subrecipients have the flexibility to design internal controls for payroll distribution in a manner that is consistent with how their organization is structured, their use of technology, and other considerations, if the result achieved ensures payroll charges are accurate, allowable, and properly allocated.

The Uniform Guidance states that payroll distribution records must:

- Be incorporated into the official records
- Reasonably reflect the employee’s total activity
 - They cannot include time that an employee is not compensated for and cannot be compensated above 100%
- Encompass both Federally-assisted and all other activities compensated on an integrated basis
- Comply with accounting policies and practices
- Support the distribution of salary or wages among specific activities or cost objectives if an employee works on more than one award or activity.

If systems do not meet the above standards, SCFC may require personnel activity reports or equivalent if records do not meet these standards

Matching Funds

Time and Effort reporting documentation requirements also apply to salaries counted as match under the grant. Remember – to be allowable as match, a cost must be allowable as a grant charge. All requirements that apply to your grant funds also apply to matching funds.

Split Appointments

In cases of split appointments, where part of a salary is charged to a SCFC grant and part to another funding source, documentation must be maintained regarding the allocation of the salary. A reasonable method of tracking time and effort can be employed. Estimates may be used, however reconciliation to actual time worked and charged (planned vs actual) must occur on a regular basis (see below, Budget Estimates). Time worked, level of effort, and dollars charged are not independent of each other; they are linked and methodologies for tracking, reporting, and the internal controls that are in place, need to be part of the documentation associated with personnel charges to your SCFC grant.

For example, an individual may be a split appointment where the individual works on a non-grant project, works on a SCFC award, and works on a grant award where they are the prime recipient. The organization estimates that 30% of time is spent on the non-grant project; 45% of time is on the SCFC award; and 25% is spent on the prime grant award. Of the individual's \$100,000 salary, they anticipate charging \$45,000 to the grant – based on the estimated time – and for the first month charge that proportional amount. Monthly, individual tracks the hours spent on the award and his supervisor reviews and approves. The actual time work is 10 hours per week – or 25% of time. Therefore, the grant charges from the first four weeks must be adjusted to reflect the 10 hours actually worked. Note that the frequency of reconciliation may be bi-weekly, monthly, or even quarterly, so long as it is a part of an adequate internal control system at the organization.

SCFC does not envision a situation where reconciliation less frequently than quarterly would be sufficient under the internal control standards in the Uniform Guidance. Each situation is unique and will be reviewed on an individual basis.