

Timesheets and Allocation of Costs

2018 Technical Assistance Workshop
May 10, 2018

Office of Budget
Grant Administration
City of Dallas



Purpose

- To provide technical assistance for City departments and entities receiving funding from the City of Dallas
- To ensure compliance, that all costs (particularly personnel costs) charged to a federal grant are accurate, allowable, and properly allocated
- To prepare for testing that will occur during a monitoring visit by the granting agency, external auditors, or others



Presentation Overview

- Discuss Costs Charged to Grant Funds
- Highlight key provisions in the Uniform Guidance (2 CFR, Part 200) on Cost Allocation
- Review Federal and City requirements for submitting timesheets
- Provide steps and emphasize the importance of accurate time distribution on staff timesheets



Costs Charged to Grant Funds

- During implementation and carrying out eligible activities of a grant, expenses will be incurred that support the work performed under the grant
- Costs generally include, but not limited to:
 - Salaries
 - Supplies
 - Equipment
 - Space
 - Communication
 - Administration



Costs Charged to Grant Funds

- All costs charged to Federal awards must be supported by a system of internal controls that provides reasonable assurance that the costs incurred are accurate, allowable and properly allocated



Key Provisions related to Costs

Reasonable

Allocable

Necessary

ALLOWABLE COSTS

- Reasonable - Costs do not exceed that which would be incurred by a prudent person under the same (or similar) circumstances at the time the decision was made to incur the cost
- Allocable - Costs are equitably distributed in proportion to the benefits received. Does the cost benefit the grant. Is the benefit solely for one grant; or is the benefit shared by other activities. If a cost does not provide a benefit, it is not allocable. If shared by activities, cost must be shared. If not allocable, it is not an allowable cost.
- Necessary - Cost is essential to carrying out the grant activity



Support Documentation

- Whether an advance or reimbursement, financial support documentation is required for all costs and/or expenses to be charged to grant funds
- Documentation may include: invoices, receipts, cancelled checks, payroll records, general ledger reports, time documentation records, time certifications, daily records, and any other documents to prove costs are eligible



Proportional Benefit

- If a cost benefits two or more projects or activities, the cost must be allocated to the projects based on the proportional benefit
- Costs may be allocated in various ways, depending on the “type” of cost
 - Ex: Rent and Utilities in a shared office space - costs could be allocated based on square footage of space used



Timesheet Truths

Employee Nbr:
Employee:

Supervisor:
Department:

Time Card for Wed, April 25, 2018 - Tue, May 8, 2018

Date	PAY CODE	HOURS	ACTIVITY
Wed, April 25, 2018			
Thu, April 26, 2018			
Fri, April 27, 2018			
Sat, April 28, 2018			
Sun, April 29, 2018			
Mon, April 30, 2018			
Tue, May 1, 2018			
Wed, May 2, 2018			
Thu, May 3, 2018			
Fri, May 4, 2018			
Sat, May 5, 2018			
Sun, May 6, 2018			
Mon, May 7, 2018			
Tue, May 8, 2018			

Total Hours

Employee _____

Supervisor _____

Supervisor Name(please print) _____ Supervisor Phone# _____

Lawson Timesheet



- Timesheets account for one of the **largest expense** line items for grants
- Timesheets are not used only for payroll, but are also used for invoicing grantors, developing reports, a resource management tool, etc.

Documentation of Personnel Compensation

- Internal controls must ensure that:
 - The total compensation paid to individual employees is reasonable according to the work performed.
 - The compensation is made in accordance with established federal and City policies.
 - The appropriate distribution of salary or wages among specific activities is made when an employee works on more than one award or activity.



Rules, Regulations, and Administrative Directives

Federal Grant Guidelines	City of Dallas Administrative Directives
Cost Principles 2 CFR, Part 200.430 Compensation – Personal Services	AD 3-56 Payroll Procedures



2 CFR, Part 200.430

- Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on documented payrolls approved by a responsible official of the entity.
- The payroll distribution system will:
 - (i) be incorporated into the official records of the recipient,
 - (ii) reasonably reflect the activity for which the employee is compensated by the recipient.
 - (iii) encompass both Federally assisted and all other activities compensated by the recipient on an integrated basis.



2 CFR, Part 200.430

- No documentation outside the payroll distribution system is required for the salaries and wages of employees who work in a single indirect cost activity.
- Certified reports reflecting the distribution of charges within the payroll for each employee (professional or nonprofessional) whose compensation is charged, in whole or in part, directly to Federal awards must be maintained.
- The reports must provide an **after-the-fact certification of the conformance of payroll charges with the activity of each employee, unless a mutually satisfactory** alternative is approved by the awarding agency.
 - **Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards, but may be used for interim accounting purposes.**



2 CFR, Part 200.430

- Charges for the salaries and wages of nonprofessional employees, in addition to the supporting documentation described earlier, must also be supported by records indicating the total number of hours worked each day maintained in conformance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA).
- Salaries and wages of employees used in meeting cost sharing or matching requirements on awards must be supported in the same manner as salaries and wages claimed for reimbursement from awarding agencies.
- Substitute systems for allocating salaries and wages to Federal awards may be used in place of the reports if approved by the cognizant agency.



Administrative Directive 3-56

- The purpose of the City of Dallas' AD 3-56, Payroll Procedures, is to establish a comprehensive guidelines regarding the City's payroll processing procedures, including requirements regarding employee's entry of time/leave, failure to enter time or leave each pay period, supervisor's approval of employees' time and leave records in HRIS and Kronos clock system.



Activity Codes

- To ensure accuracy when submitting a timesheet, employees should **always** select the appropriate grant fund payroll activity code from the drop down menu on the time card.

Employee Nbr:
Employee:

Supervisor:
Department:

Time Card for Wed, March 14, 2018 - Tue, March 27, 2018

Date	PAY CODE	HOURS	ACTIVITY
Wed, March 14, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Thu, March 15, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Fri, March 16, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Sat, March 17, 2018			
Sun, March 18, 2018			
Mon, March 19, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Tue, March 20, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Wed, March 21, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Thu, March 22, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Fri, March 23, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)
Sat, March 24, 2018			
Sun, March 25, 2018			
Mon, March 26, 2018	VACC	8.00	BMSZZZMONTGF (Compliance Monitoring)
Tue, March 27, 2018	ACTV	8.00	BMSZZZMONTGF (Compliance Monitoring)

Total Hours 80.00

Employee _____

Supervisor _____

Supervisor Name (please print) _____ Supervisor Phone# _____





Activity Codes

- Because salaries charged to Federal awards are subject to the Standards of Documentation described by § 2 CFR 430(i), the City creates unique payroll codes, called **activity codes**, for employees to use on their timesheet when working on a grant funded activity.
- Per AD 3-56, activity codes must be used to account for time (hour/day) worked on a specific job, project or grant funded activity. Employees who work on projects that require special accounting or on grant funded activities are required to use the unique activity code developed specifically for the related job function.



Activity Code Set-up

- If an employee normally assigned to a grant-funded project works on another assignment or project, he or she is responsible for selecting and entering the appropriate time code for the additional activity.
- If the appropriate code does not exist, the employee shall submit a request for the appropriate code to be set up by the employee's manager.



Activity Code Set-up in AMS

- An activity code and program code must also be set-up the Advantage system (AMS).
- To do so, the employee's manager shall notify the Department's budget manager to setup major program and activity program codes in AMS.



Activity Code Set-up in Lawson

- After setting up the activity code in AMS, the department/manager requests that the activity code be set up in Lawson
- This request is submitted to the Payroll Office in the following format:

Lawson Activity Code Set Up Request						
Process Level/ Dept	Grant	Created Activity Code	Activity Code Description	Dept. Contact Name	Dept. Contact Phone Number	Date Requested
<i>PER</i>	<i>FEMA - Hurricane Harvey</i>	<i>CTYZZZZHARVEY</i>	<i>Hurricane Harvey Deployment</i>	<i>Andrea Riordan</i>	<i>(214) 111-1111</i>	<i>3/16/2018</i>

Example



Activity Code Set-up

- Corrections cannot be made to activity codes once time has been submitted for payroll processing and payroll has been processed.
- Therefore, if an employee normally assigned to a grant-funded project works on another grant and does not record this appropriately when submitting his/her timesheet, a JV (journal voucher) must be submitted to correct the funding source and reimburse the grant.



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