



Staff Timesheets: Requirements and Issues

Corporation for
NATIONAL &
COMMUNITY
SERVICE 



Financial and Grants Management Institute
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You need to know . . .

The information in this session is based on CNCS and Federal laws, rules, and regulations; CNCS grant terms and provisions; and generally accepted accounting and financial principles and practices.

Some state commissions, national grantees, or parent organizations may impose additional requirements.



Welcome . . .

- Introduction of trainer and CNCS staff
- Program types represented
 - Senior Corps, AmeriCorps, SIF, NCB, 9/11, MLK
- Questions
 - As we go . . . ask clarifying questions and provide your experiences
 - Questions at the end as time permits
- We will do a small group activity as time permits



Session Objectives

1. Discuss the importance of staff timesheets
2. Review Federal requirements and best practices for maintaining timesheets
3. Learn to identify and prevent key pitfalls related to staff timesheets



Significance

- **CNCS/OIG** Audit Reports Issued
 - 7 of 7 (100%) AmeriCorps reports in 2011 identified some programs were not correctly recording staff time worked on AmeriCorps grants
 - 1 of 1 (100%) Senior Corps reports in 2012 identified program recording staff time improperly

Rules and Regulations

Federal Grant Guidelines	Educational Institutions	States, Local, Indian Tribal Governments	Non-Profits	Hospitals
Administrative Requirements	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)	§ 45 CFR 2541 (formerly A-102)	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)	§ 45 CFR 2543 § 2 CFR 215 (formerly A-110)
Cost Principles	§ 2 CFR 220 (formerly A-21)	§ 2 CFR 225 (formerly A-87)	§ 2 CFR 230 (formerly A-122)	§ 45 CFR 74 (HHS regulations)
Audit Requirements ★	OMB A-133	OMB A-133	OMB A-133	OMB A-133

Notes:

CFR = Code of Federal Regulations

★ = Organization is subject to A-133 if it expends more than \$500,000 of Federal funds in its fiscal year

Locate Grants Management Circulars: www.whitehouse.gov/omb/grants_circulars/



Staff Timesheet Requirements

All salaries and wages charged to grants must be supported by signed time & attendance records, i.e., timesheets

Exceptions:

- State, Local and Indian Tribal Governments must comply with requirements of § 2 CFR 225 [OMB A-87]
- Educational Institutions must comply with requirements of § 2 CFR 220 [OMB A-21]
- Fixed-Amount Grants are exempt from timekeeping requirements



Non-Profit Organizations

§ 2 CFR 230 (formerly A-122):

Reports maintained by non-profit organizations:

Whether treated as direct costs or indirect costs, staff timekeeping records:

- Must be maintained for all staff (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards
- Must reflect an after-the-fact determination of the employee actual activity (not budgeted)
- Must account for the total activity of each employee
- Must be signed by the employee or supervisor having first hand knowledge
- Must be prepared at least monthly and must coincide with one or more pay periods



Exception 1:

State, Local, and Indian Tribal Governments

§ 2 CFR 225 (formerly A-87):

Budget estimates determined before services are performed do not qualify as support for charges to Federal awards, except on an interim accounting basis, provided that:

- The government's system for estimates produce reasonable approximation of the activity actually performed
- Quarterly comparison is performed of actual activity costs to budgeted estimates based on monthly activity reports
- Budget estimates are revised at least quarterly to reflect changed circumstances



Exception 2: Educational Institutions

§ 2 CFR 220 (formerly A-21):

Salaries, wages, and fringe benefits are allowable to the extent that the total compensation to individual employees:

- Conforms to the established policies of the institution *
- Are consistently applied
- Provided that the charges for work performed directly on sponsored agreements and for other work allocable as facilities and administrative (F&A) costs are determined and supported as defined in § 2 CFR 220

*** Check with your Accounting Department for your college or university requirements**



Why Complete a Timesheet?

- **Without timesheets, your organization**
 - Is prevented from effectively managing costs
 - Cannot accurately forecast future budget proposals
 - Is in non-compliance with grant requirements
 - Submits reimbursement requests that are not accurate
 - Submits reports to CNCS and other funders that are not accurate
 - May have to pay back funds to CNCS or other funders

- **With timesheets**
 - Personnel costs are visible so adjustments are easier
 - Employees spend less time trying to remember what actually happened
 - Supervisors find it easier to keep track of who worked what project and the hours spent



Timesheet Truths

- ❑ **Timesheets account for one of the largest expenses line items**
- ❑ **Timesheets are prone to error** – The “honor system” leaves a door wide open for employees to “guesstimate” their time
- ❑ **Timesheets consume bookkeepers’ time** – Spend hours that could be used on other projects, as they collect, correct, translate, and calculate timesheets

BUT

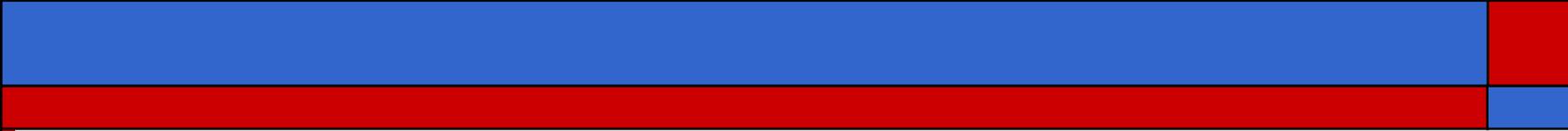
- ❑ **Timesheets are necessary** – For program to have any clue about how their program is operating
- ❑ **Timesheets are not being used just for payroll** – Timesheets are used for project management, invoicing funders, developing reports, and employee management



Overview of Timesheet Requirements

Salaries, Wages, and Fringe Benefits must be:

- Allowable
 - No unallowable activities, such as: general advertising, public relations, demonstrations, lobbying, or fundraising (includes writing applications to CNCS)
 - Consistent with policies and procedures and applied uniformly
 - Documented
- Reasonable
 - Ordinary and necessary for the operation of the grant
- Allocable
 - Incurred specifically for the grant and treated consistently with other costs
 - Not shifted to other Federal awards to overcome deficiency



Manual or Electronic Timesheets

Sample Timesheet

BI-WEEKLY TIME SHEET

ABC Non-profit

1234 United Blvd.
Dallas, TX 75335
Telephone: (214) 555-6666; FAX: (214) 555-7777

Employee Name: Jane Q, Coordinator
Title: Program Coordinator
Department: Service Program

Project Name: Happy Kids After School Program
Pay Period: 6/21/2010 to 7/4/2010
Supervisor: On Lee N. Americus

Days	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	Total Hrs.
Dates	6.21.10	6.22.10	6.23.10	6.24.10	6.25.10	6.26.10	6.27.10	6.28.10	6.29.10	6.30.10	7.1.10	7.2.10	7.3.10	7.4.10	
Task or Grant Project:															
AmeriCorps After School Program		5	4.75	4.5		2			4	8	7	8	8		51.25
Fundraising*				2							1				3
Headstart Program		3				6			4						13
Annual Leave				1.5											1.5
Sick Leave			3.25		8										11.25
Holiday															0
Leave: Other															0
TOTALS:	0	8	8	6	8	8	0	0	8	8	8	8	8	0	80

By signing below, I hereby attest that the time recorded on this time sheet is true and accurate to the best of my knowledge.

Employee Signature

Date

Supervisor's Signature

Date

Instructions:

1. Calculate all time in 15 minute increments, for example: 1.25, 2.50, 4.75.
2. Employee must submit timesheet to his/her supervisor by the ____ day of the pay period.
3. Sign timesheet with ink pen only (no pencil, no erasable pen).
4. Do not use "white-out" to correct mistakes, instead cross-out the error, write-in the correct number, and initial correction.
* = Do not charge time spent in organized fundraising solely to raise capital to Federal grants, whether to Federal or non-Federal share

NOTE: Electronic timesheets are allowed when a grantee (1) has an established, written policy establishing the use of electronic timekeeping systems; (2) has a secure, verifiable electronic signature system that a) identifies and authenticates a particular person as the source of the electronic signature, and b) indicates such person's approval of the time; and (3) does not allow changes to the electronic record once appropriate electronic signatures have been applied unless there is a clear, audible record of the revision.

See Handout 1



Best Practices for Timesheet Preparation

- ❑ Record time allocations daily
- ❑ Actual hours worked is better than “in-out” time
- ❑ Round to the nearest ¼ hour (.25)
- ❑ If using a manual timesheet, use ink to post your time
- ❑ Do not enter time charges before the date, except for planned leave
 - Make sure this is in your written policy
- ❑ Do not sign timesheet until end of pay period
- ❑ Double-check your time for accuracy
- ❑ Make changes by striking through and initialing
- ❑ Do not use white-out



Electronic Timesheets

Electronic timesheets are allowed when a grantee:

- Has an established, written policy establishing the use of electronic timekeeping systems
- Has a secure, verifiable electronic signature system that:
 - Identifies and authenticates a particular person as the source of the electronic signature, and
 - Indicates such person's approval of the time; and
- Does not allow changes to the electronic record once appropriate electronic signatures have been applied unless there is a clear, auditable record of the revision

Note: CNCS does not endorse the use of any one particular vendor

OnCorps Timekeeping

OnCorps cannot
be sole source
for Staff
timesheets

Timekeeping: Supervisors

You are entering time for period: 11/23/2009 - 12/04/2009

This timesheet is DUE: 12/08/2009

Please enter your fully loaded hourly wage including benefits that is used to calculate the value of your in-kind hours: \$ 25

Day	Start Hours	Activity
Mon Nov 23	0	
Tue Dec 1	0	
Wed Dec 2	5	Test description
Thu Dec 3	1	Testtest
Fri Dec 4	0	Test
Sat Dec 5	0	
Sun Dec 6	0	
	12	

I attest that the time recorded above is accurate and that the value of my time is verifiable and documented at my agency.

I also attest that my time is not paid out of other federal funds and can be used as match for the AmeriCorps grant.

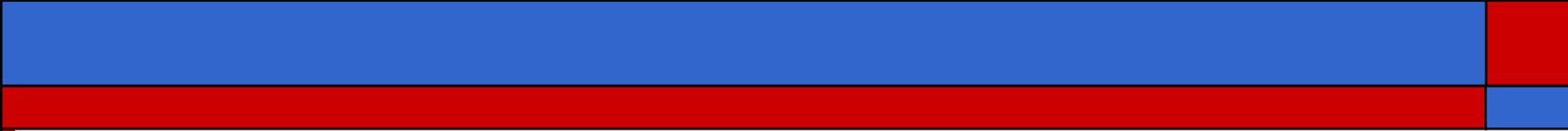
Save and Print Save Authorize and Submit

Document the dollar value of donated supervisor hours for program match

Daily hours and descriptions

Supervisors certify and submit for directors to approve and view automatic totals

“ . . . my time is verifiable and documented at my agency”



Pitfalls Related to Timekeeping



Timekeeping Findings

Findings:

- ❑ Staff allocating time to more than one grant were not keeping timesheets that show actual time spent on each grant
- ❑ Lack of proper timekeeping systems
- ❑ No timesheets or activity reports maintained or retained
- ❑ No reconciliation between estimates and actual time (governments)
- ❑ Non-compliance with OMB requirements
- ❑ Salaries and wages charged to the grant:
 - On the basis of budgeted amounts, instead of actual after-the-fact time (not allowed for non-profits)
 - Based on estimates (not allowed for non-profits)
 - Unsigned or unapproved timesheets by employee or supervisor



Timekeeping Findings (cont'd)

Consequences:

- ❑ May disallow entire claim for salary for all staff over the course of the entire grant
- ❑ Grantee staff may spend excessive time on alternative documentation years after the fact
- ❑ Unmet match requirement
- ❑ Loss of funding
- ❑ Financial penalties
- ❑ Harm to organization's reputation



Timekeeping Findings (cont'd)

Preventive Actions:

- ❑ Use timesheets that align with the payroll period to report all activities of the employee, both on the grant and other projects
- ❑ Implement procedures for a supervisor to review and approve all timesheets before sending to payroll
- ❑ Reconcile budgeted salaries to actual time spent on the grant (budgeting allowed only for government agencies)
- ❑ Know the regulatory and other requirements



Timesheet Fraud Found by OIG

- ❑ Multiple timesheets prepared at the same time
- ❑ Staff percentage of time charged to two or more programs is greater than 100%
- ❑ Frequent use of white out, changes, or additions
- ❑ Timesheet, sign in/out sheets, and payroll do not match
- ❑ Signatures for employee and/or supervisor are not consistent
- ❑ Executive Director directed employee to record hours worked when they had not



Preventing Timesheet Pitfalls

- Review your written timekeeping policies and procedures
 - Are they consistent with applicable OMB cost principles?
 - If not, implement changes immediately
- Are staff following the timekeeping policies and procedures?
 - Gather timesheets for all staff for current program year
 - Review timesheets to ensure timesheets are completed and approved/signed as required



Preventing Timesheet Pitfalls (cont'd)

Did you find discrepancies?

- Correct the mistakes NOW!
- Notify your prime grantee (commission or parent organization) or CNCS grants officer & obtain concurrence for corrective action, then:
 - Revise the timesheets
 - Mark the timesheets as “Adjusted” or “Revised” and document the file with the purpose of the adjustment
 - Revise your General Ledger to reflect actual hours worked as charged to grant
 - Revise and correct affected Reimbursement Request(s), Periodic Expense Reports (if using OnCorps), and/or FFR reports through eGrants
 - Change your timesheet recording practice
 - Implement staff training on proper procedures
 - Document, document, and document the corrective action!!

Timesheet Case Studies

1. Read through the Case Studies assigned to your table
2. Determine:
 - (a) applicable criteria, and
 - (b) corrective action that needs to be taken
3. Discuss your analyses within your table group
4. Select a spokesperson and report conclusions



**See Activity 1 &
Handout 2**

Taking it Home!



1. Familiarize all staff with timekeeping requirements
2. Establish and apply documentation practices to ensure timekeeping procedures comply with requirements
3. Ensure timesheets (manual or electronic) meet requirements
4. Maintain proper records and establish a written record retention policy



Questions?

Open

Wrap Up

Evaluation

For More Information

- **Contact your CNCS Grants Officer**

- E-mail or call your Grants Officer

- **Contact MBI Consulting**

- Financial & Grants Management Training and Technical Assistance Provider

- Telephone: 301-986-1595, ext. 110

- E-mail: cforrester@mbicfs.com

- **Visit the Resource Center**

- Online tools and training

- www.nationalserviceresources.org/financial-and-grants-management

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