

Time and Effort Reporting

For State - Department of Health (DOH) and Federal - Health Research, Inc. (HRI) Funded Contracts

Agency Timesheets

Document time worked and funding source to be billed



Agency Policies and Procedures

-How to complete timesheets
-vacation, sick, and leave time
-approval process
.....etc

Your organization's system for tracking time worked and the funding sources supporting that work

**New York State Department of Health
AIDS Institute
Administration and Contract Management
10/2007**

Time and Effort Reporting System

- A time and effort reporting system is a requirement of all contracts with the AIDS Institute.
 - Federally (HRI) funded:
 - CDC – Centers for Disease Control and Prevention
 - HRSA – Health Resources & Services Administration (includes Ryan White and other grants)
 - MHRA – Medical & Health Research Association of NYC
 - State (DOH) funded

 - The requirement for your agency to have a time and effort reporting system is in your contract. This requirement references an OMB circular. These circulars are applicable to both State and Federally funded programs. This is specified in the contract language:
 - Federal (HRI) funded contracts – **Attachment A, Sections 3 & 4**
 - State (DOH) funded contracts - **Appendix A-1, Paragraphs 3.a & 3.b**
- (The circular applicable to your agency is shown in the table on the next page.)
- Every AIDS Institute contractor:
 - Must establish and utilize a time and effort reporting system.
 - Must have this system documented in the agency’s policies and procedures.
 - Must understand the burden of proof is with the contractor to have a time and effort system and to substantiate Personal Services charges to the contract.
 - Is subject to be audited for compliance to their time and effort reporting system; failure to have a system in place will result in an audit exception and possible disallowance for the salaries of funded staff.

A sample timesheet is included on **Page 8**.

A diagram showing the relationship between the contract, time and effort system, payroll, and vouchers is on **Page 9**.

Time and Effort Reporting System

Definition: A system that documents employee’s work time and allocation to funding sources. It is the basis for agency payroll and billing to appropriate funding sources for personnel expenditures. This system is most often implemented using employee timesheets that, once approved, are used for preparing the agency’s payroll. The system must be documented in the agency’s policies and procedures.

Components:

- **Timesheets or Personnel Activity Reports** must document employee time worked and the distribution of activities to funding sources.
 - If daysheets are being used to track daily activities for billing purposes (e.g. Medicaid), these daysheets could be part of the time and effort reporting system.
- **Agency Policies and Procedures** describing the time and effort reporting system should address the following:
 - Description of timesheet or personnel activity report and how to complete it
 - Policy for vacation, sick, & leave time accruals
 - Policy for salary increases and bonuses (if applicable)
 - Process for approval of timesheets
 - How time and effort reporting system validates payroll
 - How changes in time allocation are managed and communicated to employees and documented at the agency
 - Retention of records – depending on funding:
 - State 7 years
 - MHRA 7 years
 - CDC 3 years
 - HRSA 3 years

Use the table below to determine the requirements that apply to your organization and where in this document you can find more information about those requirements.

IF YOUR ORGANIZATION IS:	THEN THIS CIRCULAR APPLIES:	PAGE TO TURN TO IN THIS PACKAGE
NOT-FOR-PROFIT	OMB A-122 <u>OR</u> 2 CFR part 230	PAGE 4
State or Local Government Indian Tribal Government	OMB A-87 <u>OR</u> 2 CFR part 225	PAGE 5
Educational Institution	OMB A-21 <u>OR</u> 2 CFR part 220	PAGE 6
Hospital	OMB A-110 <u>OR</u> 45 CFR part 74 - Appendix E	PAGE 7

1. OMB Circular A-122 (Not-For-Profit)

<http://www.whitehouse.gov/omb/circulars/a122/a122.html> OR

http://www.whitehouse.gov/omb/fedreg/2005/083105_a122.pdf

- Distribution of salaries and wages to awards must be supported by timesheets or personnel activity reports.
- Timesheets reflecting the distribution of activity of each employee must be maintained for all staff members whose compensation is charged, in whole or in part, directly to awards. Timesheets maintained by organizations to satisfy these requirements must meet the following standards:
 - The reports must reflect an *after-the-fact* determination of the actual activity for each employee. **Budget estimates do not qualify as support for charges to awards.**
 - Each timesheet must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization.
 - The timesheet must be signed by the individual employee or responsible supervisory official having first-hand knowledge that the distribution of activity represents a *reasonable estimate of the actual work performed by the employee* during the periods covered.
 - The timesheet must be prepared at least monthly and must coincide with one or more pay periods.

Note: the term “*after-the-fact*” used above with regard to personal activity reports is meant to ensure that these reports are completed once the work is concluded. It would not be acceptable to have a timesheet with % allocation on it that is just photocopied for each new period.

2. OMB Circular A-87 (State, Local and Indian Tribal Governments)

<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html> OR
http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf

- Employees that are expected to work solely on a single award will be supported by periodic certifications that the employee worked solely on the program for the period covered by the certification. They should be prepared at least semi-annually and signed by the employee or supervisor having first-hand knowledge of the work performed by the employee.
- Employees that work on more than one program will be supported by personnel activity reports or equivalent documentation that meet the following standards:
 - They must reflect an *after-the-fact* determination of the actual activity of each employee.
 - They must account for the total activity for which each employee is compensated.
 - They must be prepared monthly and must coincide with one or more pay periods.
 - They must be signed by the employee.
 - Budget estimates or other distribution percentages determined before the services are performed do not qualify as support; however, they may be used for interim accounting purposes, provided that:
 - They produce a reasonable approximation of the activity performed.
 - At least quarterly comparisons of actual to budget based on monthly activity reports are made. Adjustments to charges may be made annually if the quarterly comparisons show the differences to be less than 10 percent.
 - They are revised at least quarterly, if necessary, to reflect changed circumstances.

Note: the term “*after-the-fact*” used above with regard to personal activity reports is meant to ensure that these reports are completed once the work is concluded. It would not be acceptable to have a timesheet with % allocation on it that is just photocopied for each new period.

3. OMB Circular A-21 (Educational Institutions)

<http://www.whitehouse.gov/omb/circulars/a021/a021.html> OR

http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf

- Plan Confirmation - Under this method, the distribution of salaries are based upon budgeted percentages, updated to reflect significant changes in work distribution. At least annually, a statement will be signed by the employee or responsible official that the work was performed and that the charges are reasonable in relation to work performed.

OR

- *After-the-fact* Activity Reports - These reports will reflect an after-the-fact reporting of the percentage of distribution of activity of employees. The reports will be signed by the employee or responsible official.
 - For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than 6 months.
 - For other employees, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

Note: the term “*after-the-fact*” used above with regard to personal activity reports is meant to ensure that these reports are completed once the work is concluded. It would not be acceptable to have a timesheet with % allocation on it that is just photocopied for each new period.

4. OMB Circular A-110 which cites HHS regulation 45 CFR 74 – Appendix E (Hospitals)

<http://www.whitehouse.gov/omb/circulars/a110/a110.html> OR

http://www.nhtsa.dot.gov/nhtsa/whatsup/TEA21/GrantMan/HTML/29d_OMB_CostPrnHosp_45CFR_Prt74.html

- Non-professional staff charges for salaries and wages must be supported by daily time and attendance and payroll distribution records.
- Professional staff may complete, at least monthly, reasonable estimates of the percentage of distribution in the absence of actual time records.
 - Estimates must be prepared by the individual who performed the services or by a responsible individual having first-hand knowledge of the services performed.
 - Budget estimates do not qualify as estimates of effort spent.

SAMPLE TIMESHEET

Employee's Full Name and Position Title

	MON	DAY	TIME IN	TIME OUT	HOURS WORKED	VAC	SICK	PER	NOTES
MON									
TUES									
WED									
THUR									
FRI									
SAT									
SUN									

MON									
TUES									
WED									
THUR									
FRI									
SAT									
SUN									

Total									
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Time Sheet End Date _____ mm/dd/yy				Funding Source		% Allocated	
Accrual Summary	Vacation	Sick	Personal				
Beginning Balance							
Used this Period							
Subtotal							
Earned this Period							
New Balance				Total		100%	

This timesheet is certified as to time, activity, and accruals.

Employee's Signature mm/dd/yy

Supervisor's Signature mm/dd/yy

Relationship Between Contract, Time and Effort, Payroll, and Vouchers

