

## Personnel Cost Allocations/Time Reporting

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**Policy No.: 700-10**

**Effective: July 1, 2014**

**Revised: N/A**

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**Authority/References:** US Department of Education – Cost Allocation Guide for State and Local Governments (the Green Book); Office of Management and Budget (OMB) Circular A-87 relocated to 2 CFR 225, Appendix B, paragraph 8.h; OMB Circular A-122; Cost Principles for State, Local, and Indian Tribal Governments and Education Department General Administrative Regulations (EDGAR); EDGAR 34 CFR 76.561; Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments - Common Rule; Final Rule” originally issued at 53 FR 8034-8103 (March 11, 1998); 34 CFR Part 74, Subpart D

**Last Reviewed: N/A**

**Purpose:** To ensure compliance with federal reporting of cost allocations such that total activities expended on various Federal and State programs are accurately recorded and completely reported on all programs and required activities.

**Policy 700- 10** GVRA will comply with all federal reporting requirements for personnel cost allocations.

### 1. Cost Allocation Plan

- > **1.1 GVRA will adhere to the Department of Human Services’ (DHS) cost allocation plan.**
  - > The Cost Allocation Plan (CAP) will be submitted in lieu of a direct cost rate proposal when substantial direct costs of programs consist of joint or common cost distributions and/or when the nature of the grantee’s activities is such that direct costs cannot be adequately determined with reasonable precision. The CAP will be submitted to the cognizant federal agency with supporting documentation.
  - > GVRA will verify that DHS cost allocation plan is compliant with OMB A-87 and has been approved by the federal cognizant agency.
  - > A copy of the current DHS (CAP) shall be maintained within the GVRA budget unit.

- > **1.2. Funding Source:**
  - > Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other federal awards to overcome
  - > funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

## **2. Time Reporting**

### **> 2.1 Personnel Action Reports (PARS) General**

- > Charges to federal awards for salaries and wages, whether treated as direct or indirect costs, shall be based on payrolls documented in accordance with generally accepted practice of the State of Georgia. The objective being to identify effort spent on multiple activities or programs.
- > Documentation is required where employees work on:
  - > More than one federal award
  - > A federal award and a non-federal award;
  - > An indirect cost activity and a direct cost activity;
  - > Two or more indirect activities which are allocated using different allocations bases; or
  - > An unallowable activity and a direct or indirect cost activity
  - > PARs identifying the amount of time an employee works on multiple cost objectives must be used to supplement the time and attendance reporting system.
- > No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
- > Salaries of employees working on multiple activities or cost objectives must be distributed based on PAR reports or equivalent documentation unless a statistical sampling system or other substitute system approved by the cognizant federal agency is used.

*Reference GVRA Personnel Activity Report – Attachment 1*

### **> 2.2 PARs Standards**

- > PARs should be completed weekly by individuals part of a cost pool designated for VR personnel performing activities on multiple grants activities. PARs should be recorded in increments of 15 minutes and should accurately and completely report effort on all programs and required activities. They must be completed and detailed enough to reflect all activities performed during a specific period of time. The time

increments should be sufficient to recognize the (1) number of different activities performed, and (2) dynamics of these responsibilities.

- > PARs must:
  - > Reflect an after-the-fact distribution of the actual activity of each employee and must account for the total activity for which each employee is compensated.
  - > Be prepared weekly and must account for 100% of time.
  - > Be verified and signed by the employee and their manager
  - > Reflect the entirety of an agency's activities and cannot be limited to a subset of agency funding sources.

All the required PARs will be reviewed by the Director of Fiscal Services monthly. The Director is required to complete a summary of all the PARs by employee and activity. The monthly summaries, along with the signed weekly timesheets, are submitted quarterly to the DHS cost allocation section.

> **2.3 Certification**

- > Employees must enter the number of hours worked per program area each day on the reporting document.
- > Certification of employees who work on multiple awards or cost objectives must be completed quarterly.
- > Periodic certification of employees who work solely on a single federal award or cost objective are required at least semi-annually and must be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.  
For employees who work solely on as single federal award or coat objective, semi-annual certification may be achieved through payroll coding and time and attendance certification.

> **2.4 Time Sheet Requirements:**

- > Timesheets must:
  - > Be summarized quarterly and coincide with pay periods using a lag period for reporting;
  - > Be certified by someone who has direct knowledge of the work done by the employee
  - > Include all benefitting programs;
  - > Include 15 minute time interval reporting;

- > Be submitted to Cost Allocation four days after the first pay period of each quarter.
- > **3. Record Retention**
  - > **3.1 General Record Retention**
    - > Records shall be retained for 3 years. For required submissions, the retention period starts from the date of the such submission. For submissions that are not required, the retention period starts for the end of the fiscal year covered by proposal.

**Scope:** Every employee who works on multiple awards or cost objectives.

**Attachments/Exhibits:**

Attachment 1: GVRA Personnel Activity Report

Personnel Time Activity Report Fact Sheet

Refer to: 2 CFR Part 225/OMB A-87

[http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105\\_a87.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105_a87.pdf) ; Cost Allocation Guide for State and Local Governments

<http://www2.ed.gov/about/offices/list/ocfo/fipao/guideigcwebsite.pdf>

**Glossary Reference(s):**

**Personnel Action Report (PAR)** – A federal reporting tool used to document salaries and wages to benefiting grants via the tracking of costs and time and certifying the documentation.

**Certification** – The employee and manager’s verification of hours worked on a project or activity.

**Cost Allocation Plan** – Document that identifies, accumulates, and distributes allowable direct and indirect costs to cost objectives. The plan also identifies the allocation methods used for distribution to cost objectives, on the basis of relative benefits received. May include: Central service cost allocation plan, public assistance cost allocation plan, and indirect cost rate proposal.

**Cost Pool** - A grouping of individual costs, typically by department or service center. Cost allocations are then made from a cost pool. For example, the cost of the maintenance department is accumulated in a cost pool and then allocated to those departments using its services.

**Direct Costs** – Costs that can be identified specifically with a particular final cost objective to include:

Compensation of employees for the time devoted and identified specifically to the performance of those awards;

Cost of materials acquired, consumed, or expended specifically for the purpose of those awards;

Equipment and other approved capital expenditures;

Travel expenses incurred specifically to carry out the award.

**Indirect Costs** – Costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

**Indirect Cost Pool** – The accumulated costs that jointly benefit two or more programs or other cost objectives.

**Indirect Cost Rate** – A method for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ration of the indirect costs to a direct cost base.

**Indirect Cost Rate Proposal** – The documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate as described in Appendix E of 2 CFR part 225.

Approved: J. J. L. W. C.F.O. 6/23/2014  
Name Title Date

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