

Best Practices for Personnel Activity Reports



Trainer: Janet S. Johnson, CPA, CMA, Senior Manager

WIPFLI^{LLP}
CPAs and Consultants

Agenda

1. Red flags – are you in compliance?
2. Federal Regulations
3. Personnel Activity Reports and Cost Allocation
4. Getting it done – examples for different positions and different systems

Red Flags – Are you in compliance?

The following are red flags that you may not be in compliance with PAR requirements.

1. Everyone in a department works for just 1 grant so they don't maintain PARs.
2. Exempt employees don't keep timesheets so they don't have PARs.
3. Supervisors fill in PARs for their employees according to grant budgets.
4. You have a cost allocation plan and believe that meets PAR's requirements.

Personnel Activity Reports

Purpose:

- To support the distribution of salaries and wages to federal awards
- Required for exempt and non-exempt employees
- Required when charged wholly or in part to federal awards
- Not required for staff charged 100% to the indirect cost pool



Federal Regulations

WIPFLI^{LLP}
CPAs and Consultants

PAR – Federal Regulations

2 CFR Part 230 (A-122) Attachment B 8.m

- (1) The distribution of salaries and wages to awards must be supported by personnel activity reports
- (2) Reports reflecting the distribution of activity of each employee must be maintained for all staff members (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards.

PAR – Federal Regulations

Reports must meet the following standards:

- (a) The reports must reflect an *after-the-fact* determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.
- (b) Each report must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization.
- (c) The reports must be signed by the individual employee, or by a responsible supervisory official having first hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.
- (d) The reports must be prepared at least monthly and must coincide with one or more pay periods.

PAR Regulations Summary

- After-the-fact determination of actual activity
 - Budget estimates do not qualify
- Account for the total activity, not just award-funded
- Be signed by the employee or a supervisor with firsthand knowledge of the activities performed
- Prepared at least monthly and coincide with a pay period

PAR Overall Guidelines

1. Use the systems and processes you already have in place
 - a. If at all possible, avoid creating additional procedures
2. Keep the reports simple and transparent
 - a. Make sure the reports meet the requirements and easily communicate how the activities benefit the grant
3. Hold staff accountable for accurately maintaining their reports
 - a. Make this part of employees' job requirements



Personnel Activity Reports and Cost Allocation

WIPFLI^{LLP}
CPAs and Consultants

PARs vs. Cost Allocation

PAR –support that the activities performed benefit the grant to which the salary or wage is charged.

- **That is, the activities performed are reasonable, necessary and allowable**

Cost Allocation – a plan for fairly charging costs to benefiting grants, programs, activities.

- **That is, the methods to determine which funding pays how much**

PARs and Cost Allocation

So are they the same thing?

- **Yes** – they can be. You can use a PAR to charge actual time worked to awards

and

- **No** – not if you have other means for allocating costs, such as units of activity (e.g. number of employees, number of transactions, etc.)

Chicken or the Egg?

Question: Which comes first – PAR or Cost Allocation?

Answer: Cost Allocation

The design of PARs must support your cost allocation plan.

Cost Allocation Methods for Salaries and Wages

1. Approved indirect cost rate
2. Direct costing methods
 1. Charge time directly to funding grants or programs
 2. Allocate time based on measures of activity
Examples:
 1. Number of children or clients
 2. Number of employees
 3. Number of transactions

1. Approved Indirect Cost Rate

1. Employees who are charged 100% to the indirect cost pool are not required to maintain personnel activity reports
2. Employees who charge part of their time to an indirect cost pool and part of their time to directly to funding sources must maintain personnel activity reports

*Example: Sample Timesheet & Personnel Activity Report
Accounting Clerk*

SAMPLE FORM

Example:
Accounting clerk who charges part of her time to the indirect cost pool and part to a grant.

(Agency Name)
TIMESHEET & PERSONNEL ACTIVITY REPORT

Employee: Sue Smith Pay Period: 9/1/2012 to 9/14/2012
Position & Activity: Fiscal Dept – process accounts payable
Head Start – cost out in-kind

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Program	SA	SU	M	TU	W	TH	F	SA	SU	M	TU	W	TH	F	Total
Fiscal Dept			8	8	8	8					4	8	8	8	60
Head Start							8			8	4				20
Total - Hours Worked			8	8	8	8	8			8	8	8	8	8	80
Sick Leave															
Annual Leave															
Paid Holiday															
Other															
TOTAL HOURS			8	8	8	8	8			8	8	8	8	8	80
<i>I Certify that this Information is Correct:</i>															
Employee Signature								Supervisor Signature:				Checked By:			

2. Time Directly Charged to Grants

The requirements for PARs can be met on timesheets of staff who directly charge time to grants.

Example: Head Start teacher charges 100% of her time to the Head Start grant

- PAR requirements are met with a short statement on the timesheet:
 - Taught HS children at 123 Elm St. Center

*Example: Sample Timesheet & Personnel Activity Report
Head Start Teacher*

SAMPLE FORM

Example:
100% of time
charged to a
single grant.

(Agency Name)
TIMESHEET & PERSONNEL ACTIVITY REPORT

Employee: Jane Smith Pay Period: 9/1/2012 to 9/14/2012

Position & Activity: Head Start teacher, taught at 123 Elm St. Center

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total
	SA	SU	M	T	W	T	F	SA	SU	M	T	W	T	F	
			8	8	8	8				8	8	8	8	8	72
Total - Hours Worked															
Sick Leave							8								8
Annual Leave															
Paid Holiday															
Other															
TOTAL HOURS			8	8	8	8	8			8	8	8	8	8	80
<i>I Certify that this Information is Correct:</i>															
Employee Signature								Supervisor Signature:				Checked By:			

2. Time Directly Charged to Grants

Example: Head Start teacher teaches a classroom with some children funded by Head Start and others funded by a State grant. Her salary is allocated based on the number of children funded by each grant.

- The teacher will charge time to each grant base on a ratio of children's funding.
 - PAR requirements are met with a short statement on the timesheet
 - Taught children at 123 Maple St. Center

2. Time Directly Charged to Grants

Example: Bus driver who drives for Head Start in the morning and a senior program in the afternoon. The driver will charge actual time worked to each program on her timesheet.

- PAR requirements are met with a short statement on the timesheet
 - Drove 15-passenger bus

*Example: Sample Timesheet & Personnel Activity Report
Bus Driver*

SAMPLE FORM

Example:
Actual time worked
charged to each
grant.

(Agency Name)
TIMESHEET & PERSONNEL ACTIVITY REPORT

Employee: Mary Ford Pay Period: 9/1/2012 to 9/14/2012
Position & Activity: Bus Driver, drove 15-passenger bus

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Program	SA	SU	M	TU	W	TH	F	SA	SU	M	TU	W	TH	F	Total
Head Start			4	8	4	4	4				5		4	4	37
Sr. Services			4		4	4	4				3	8	4	4	35
Total - Hours Worked			8	8	8	8	8				8	8	8	8	72
Sick Leave															
Annual Leave										8					8
Paid Holiday															
Other															
TOTAL HOURS			8	8	8	8	8			8	8	8	8	8	80

I Certify that this Information is Correct:

Employee Signature	Supervisor Signature:	Checked By:
--------------------	-----------------------	-------------

3. Time Not Directly Charged to Grants

- If you use measures of activity to allocate costs, the purpose of the PAR is to support that the **activities** performed are allowable, reasonable and allocable.
- Time is charged to a departmental salary code (e.g. Fiscal Salaries) and a short statement on the timesheet meets PAR requirements.

3. Time Not Directly Charged to Grants

Example: Human Resources clerk maintains personnel files for all employees. He charges time on his timesheet to a HR Salaries and Wages code.

- PAR requirements are met with a statement on his timesheet
- HR Clerk – maintained all personnel records

Exempt Employees

- Activities of exempt employees often can't be described in a single phrase
 - You must be more specific than, “Managed the Weatherization program”
 - This doesn't say what activities were performed.

Exempt Employees

Examples of options for exempt employees:

1. Activities recorded on timesheets in hours worked
2. Activities tracked on a spreadsheet by percentages
3. Activities tracked in an Outlook calendar

Exempt Employees

- Create a list of the major activities performed or grants to be charged;
- Note hours or percentage of time spent in each category or grant, and
- Attach to the timesheet or with payroll records.
- Make it easy:
 - Use tools and processes already in place

Remember: whatever you do must meet all requirements!

Personnel Activity Reports

Example: Executive Director

- Categories:
 - Work with Human Resources on personnel issues
 - Prepare for & meet with the Board
 - Review financial reports
- **Remember the goal:** to provide only enough information so funders know the activities are in support of the award

*Example: Sample Personnel Activity Report
Executive Director*

SAMPLE FORM

Example:
Executive Director
fills out a
timesheet.

(Agency Name)

PERSONNEL ACTIVITY REPORT

Employee: Jim Howard

Pay Period 9/1/2012 to 9/14/2012

Position: Executive Director

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Program / Activity	SA	SU	M	T U	W	T H	F	SA	SU	M	T U	W	T H	F	Total
A			2	1	4	3				2	1	3	1	3	20
C			3												3
F			3	2	2					1	2	2	1	2	15
H				3		5						2			10
B				2	1									2	5
D				2							2		2		6
G					1					1	2			2	6
E										4			5		9
Other – calls, emails			1	1	2	1				2	1	2	2	1	13
Total - Hours Worked			9	11	10	9				10	8	9	11	10	87
Sick Leave															
Annual Leave							8								
Paid Holiday															
Other															
TOTAL HOURS			9	11	10	9	8			10	8	9	11	10	95

Work Codes

- | | |
|----------------------------|--------------------------------|
| A. Staff meeting | E. Program mgr meeting |
| B. Funding source contact | F. HR/IT issue |
| C. Review grant app | G. Community partners contacts |
| D. Review financial report | H. Board matters |

I Certify that this Information is Correct:

Employee Signature

Supervisor Signature:

Checked By:

Example: Finance Director Personnel Activity Report														
Spreadsheet Format														
9/1/2012 - 9/14/2012														
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	9/1/2012	9/2/2012	9/3/2012	9/4/2012	9/5/2012	9/6/2012	9/7/2012	9/8/2012	9/9/2012	9/10/2012	9/11/2012	9/12/2012	9/13/2012	9/14/2012
staff training & super		30%	40%	20%				20%	20%	10%	10%	20%		
staff team mtgs		30%			20%			30%		30%	30%	20%		
board reports		30%		30%										
Fin Stmt review			20%											
HR/IT issues			20%					30%	30%		30%	30%		
comm partner contacts									10%	20%	10%			
grant application				20%					30%	10%				
phone calls, emails		10%	20%	30%	10%			20%	10%	30%	20%	30%		
audit & 990					70%									
time off	100%													
Other - describe														
	100%	100%	100%	100%	100%	0%	0%	100%	100%	100%	100%	100%	0%	0%

Example: Finance Director tracks her activities on a spreadsheet in percentages.

Using an Outlook Calendar

Many exempt employees use Outlook calendars to record appointments, meetings, etc.

An Outlook calendar can be used as a personnel activity report *if it complies with all requirements.*

March 31, 2013 - April 06, 2013

March 2013							April 2013						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29
30	31												

	31 Sunday	1 Monday	2 Tuesday	3 Wednesday	4 Thursday	5 Friday	6 Saturday
7 am				Breakfast - Weatherization Dir			
8:00		Mgmt team mtg			breakfast with Board prospect	vacation day	
9:00			HS monitoring review planning meeting	HR dir, interview comm - transit dir decision			Annual Community Day
10:00		CAA directors' monthly phone c					
11:00							
12 pm			lunch with PC chair & HS dir		presentation to Chamber of Commerce		
1:00		Transit dir interview		HR dir - insurance plan changes			
2:00			transit dir interview				
3:00		transit dir interview		audit partner call	meet w/ atty & HR dir - emp handbook		
4:00		staff birthday party					
5:00							
6:00				City Council mtg			

Johnson, Janet

9/12/2012 10:45 AM

Example: Not in compliance with PARS requirements – does not account for 100% of activities.

March 31, 2013 - April 06, 2013

March 2013							April 2013						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	3	4	5	6	7	8	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

	31 Sunday	1 Monday	2 Tuesday	3 Wednesday	4 Thursday	5 Friday	6 Saturday
7 am				Breakfast - Weatherization Dir			
8:00		Mgmt team mtg	IT issue		breakfast with Board prospect	vacation day	Annual Community Day
9:00		phone calls, emails w/ staff, community partners	HS monitoring review planning meeting	deal w/ Weatherization issues, returns calls	call bd chair re: prospect, prog mgr & staff email, grant mgr & client, staff calls		
10:00		CAA directors'	phone call - strategic planner	HR dir, interview comm -			
11:00			HR issues				
12:00		prep for interviews & debrief, review grant applications; phone calls with staff, clients, board member, PC member, attorney	lunch with PC chair & HS dir	lunch at HS center	presentation to Chamber of Commerce		
1:00		Transit dir inte	fiscal issues, board questions, unplanned program dir meetings	HR dir - insurance plan changes	IT issues, HR problems, call banker, fiscal questions		
2:00		transit dir inte		prep for chamber of commerce presentation, staff, State & comm partner email, phone calls	meet w/ atty & HR dir - emp		
3:00				audit partner c			
4:00		staff birthday party					
5:00							
6:00				City Council mtg			

Johnson, Janet

1

9/8/2012 12:47 PM

Example: this calendar accounts for 100% of activities and can be used to meet PAR requirements

Personnel Activity Reports

Simpler is better – non-detailed, short descriptions are best

- Use check boxes and large blocks of time

Be creative – maybe you can use a field in your time reporting system

Summary

- Required for everyone charged to federal awards except if 100% in the indirect cost pool
- Coordinate with your cost allocation methods
- Develop a simple, doable process that meets all the requirements

Thank You!

Presenter Info:

Janet S. Johnson, Senior Manager

jsjohnson@wipfli.com

608.274.1980

WIPFLIⁱ LLP

CPAs and Consultants

www.wipfli.com