SECTION 9 - TIME AND EFFORT/PAYROLL CONTROLS

(Applies to all staff charged in whole or in part to any funding stream)

9.1 Purpose

This section establishes procedures for documenting, reviewing, allocating, and reconciling personnel costs charged to federal, state, and other funding sources.

These procedures comply with:

- 2 CFR §200.430 (Compensation – Personal Services)
- 2 CFR §200.403 (Allowability)
- 2 CFR §200.303 (Internal Controls)

Personnel costs must be supported by records that accurately reflect the work performed.

9.2 Payroll Structure

Payroll is processed by the Fiscal Agent (NRVRC).

NRMRWDACB staff complete timesheets covering:

- 1st through 15th of each month
- 16th through 30th/31st of each month

Timesheets must reflect actual hours worked.

9.3 Time Distribution Requirements

All staff whose salaries are charged in whole or in part to a funding source must:

- Complete bi-monthly timesheets.
- Allocate hours by funding stream.
- Record total hours worked.
- Reflect actual distribution of activity.

Budget estimates may not be used in place of actual time reporting.

9.4 Timesheet Content Requirements

Each timesheet must include:

- Employee name
- Pay period dates
- Total hours worked
- Hours allocated by funding stream
- Leave time (separately identified)
- Employee signature
- Supervisor approval signature
- Date of approval

Electronic signatures are permitted if system controls exist.

9.5 Allocation of Time Across Funding Streams

When staff work on multiple funding streams:

- Hours must be recorded separately by grant.
- Allocation must reflect actual work performed.
- Estimates may not substitute for actual documentation.
- Retroactive adjustments must be documented.

9.6 Timesheet Approval Workflow

Step 1 – Employee Completion

Employee completes timesheet at end of pay period.

Employee certifies that:

"The distribution of time reported is a true and accurate reflection of actual work performed."

Step 2 – Supervisor Review

Supervisor reviews for:

- Reasonableness of distribution
- Accuracy of hours
- Alignment with assigned duties
- Proper funding stream allocation

Supervisor signs to approve.

Step 3 – Finance Manager Review

Finance Manager reviews:

- Proper funding stream coding
- Consistency with program assignments
- Allocation reasonableness
- Compliance with budget limits

If discrepancies are found:

- Timesheet returned for correction.

Step 4 – Fiscal Agent Payroll Processing

Fiscal Agent:

- Processes payroll
- Allocates salary costs based on approved timesheet
- Posts payroll costs to proper funding stream
- Maintains payroll records

Fiscal Agent may not alter approved allocation without written authorization.

9.7 Payroll Reconciliation

Monthly:

Finance Manager must:

☐ Compare payroll distribution to ledger
☐ Confirm funding stream accuracy
☐ Confirm no over-expenditure
☐ Verify administrative cap impact

Accounting Technician must:

☐ Verify allocation percentages
☐ Reconcile payroll totals to obligation tracking
☐ Flag anomalies

Discrepancies must be corrected within 10 business days.

9.8 Payroll Adjustments

If allocation error is identified:

1. Correction must be documented.
2. Written explanation required.
3. Adjustment processed by Fiscal Agent.
4. Adjustment reflected in next reporting cycle.

Frequent adjustments may trigger internal review.

9.9 Paid Leave Allocation

Paid leave must be:

- Allocated proportionally to funding streams based on time worked during pay period, OR
- Allocated in accordance with approved cost allocation plan.

Method must be consistent and documented.

9.10 Overtime Controls

Overtime must be:

- Pre-approved by Executive Director.
- Consistent with personnel policy.

- Charged to appropriate funding stream.
- Properly documented.

9.11 Personnel Cost Reasonableness Review

Quarterly, Finance Manager shall review:

- Salary levels
- Allocation patterns
- Significant changes in distribution
- Administrative cost percentage

Executive Director shall review summary quarterly.

9.12 Documentation Retention

Payroll and time documentation shall be retained:

- Minimum 3 years after final expenditure report.
- Longer if audit or litigation is pending.

Records must be accessible for monitoring.

9.13 Internal Control Statement

Personnel cost charging follows this layered control:

Employee Certification → Supervisor Approval → Finance Review → Fiscal Agent Processing → Monthly Reconciliation → Executive Oversight

This satisfies 2 CFR §200.430 documentation standards and 2 CFR §200.303 internal control requirements.