

FINANCIAL MANAGEMENT

A SOUND INVESTMENT
IN SUCCESSFUL
VR OUTCOMES



PERSONNEL COST ALLOCATION

Presenters:

Tanielle Chandler, Financial Management
Specialist, U.S. Department of Education,
Rehabilitation Services Administration,
tanielle.chandler@ed.gov, (202) 245-6211

Sarah Clardy, Director of Management
Services, Missouri General VR Agency,
sarah.clardy@vr.dese.mo.gov, (573) 522-
6506

STATE AGENCIES STAFF COST ALLOCATION

Personnel Activity Reports



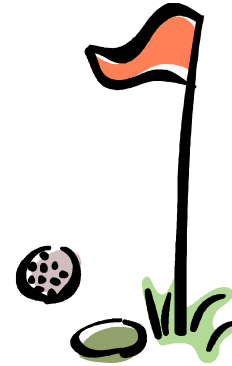
The Art of Tracking Staff Time To The Benefiting Grant

(OMB Circular - 2 CFR part 225, Appendix B, paragraph 8.h)

WHY IS PERSONNEL COST ALLOCATION NECESSARY?

- ◉ Compliance with OMB Circular A-87 (relocated to 2 CFR Part 225)
- ◉ Documentation for Auditors
- ◉ Management Information
- ◉ U.S. Department of Education Requirements

WHAT IS A PAR?



A PAR is a grantee tool that:

- ⦿ Allows grantees to meet requirements to document salaries and wages to benefiting grant; and
- ⦿ Is an essential tool for state agencies to prove to federal grant agencies that dollars intended for specific costs are in fact covering those - and only those - costs dictated in relevant regulations and/or agreements.

APPLICATION & USES OF PARs

- ◉ Preparing to allocate/track costs
- ◉ Preparing to allocate/track time
- ◉ Maintaining fiscal and program records
- ◉ Tracking changes and making updates
- ◉ Utilizing PARs to manage caseloads
- ◉ Modifying current payroll sheets as PARs
- ◉ Using PARs or Payroll Sheets for
100% Certifications



PAR STANDARDS

Personnel activity reports or equivalent documentation **must** meet the following standards:

- ⦿ They must reflect an **after-the-fact** distribution of the actual activity of each employee;
- ⦿ They must account for the **total activity** for which each employee is compensated;
- ⦿ They must be prepared **at least monthly** and must coincide with one or more pay periods; and
- ⦿ They **must be signed** by the employee. (8.h.(5))

TRACKING & DOCUMENTATION REQUIRED

- ◉ Charges to federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
- ◉ No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity. (8.h.(1))

HOW ABOUT STAFF WORKING 100% ON A SINGLE GRANT OR COST CENTER?

- ◉ Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification.
- ◉ These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. (8.h.(3))

HOW ABOUT STAFF WORKING ON MULTIPLE ACTIVITIES OR COST OBJECTIVES?

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h(5), unless a statistical sampling system (see subsection 8.h(6)) or other substitute system has been approved by the cognizant federal agency.

CONTINUED

Such documentary support will be 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 allocation bases; or
- ⦿ An unallowable activity and a direct or indirect cost activity.

CERTIFICATION, TIME PERIOD & SCOPE

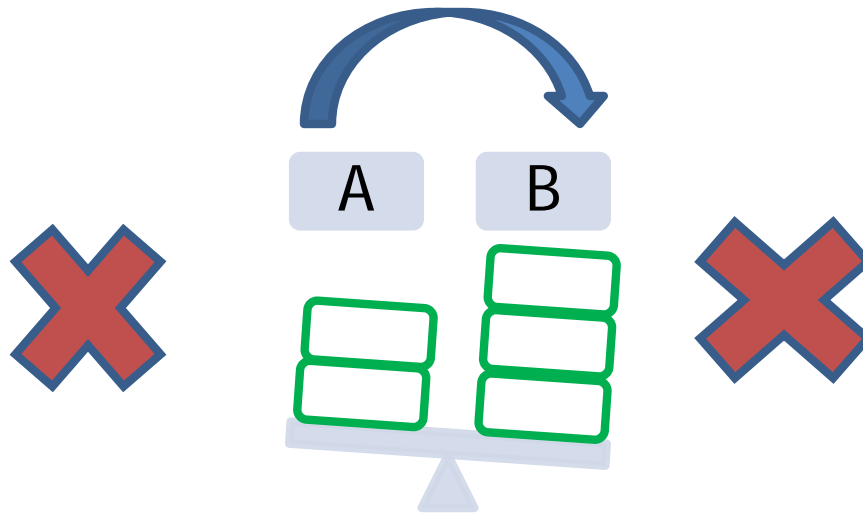
Reports must be signed by the individual employee, or by a responsible supervisory official having first hand knowledge of the activities performed by the employee.

The reports must be prepared at least monthly and must coincide with one or more pay periods.

Reports must reflect the entirety of an agency's activities and cannot be limited to a subset of agency funding sources.



FUNDING SOURCES CANNOT BE SHARED



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.

THE USE OF DATA SYSTEMS TO MEET PAR REQUIREMENTS

- Meeting PAR requirements does not require a complex data system. In many instances, an Excel spreadsheet can be utilized to provide the basic data required.
- It is possible to use current payroll systems to meet PAR requirements and 100% certifications.



The employee enters the number of hours worked per program area on this spreadsheet. The headings must include all possible grants and or cost centers for the VR agency.

Each staff person who is charging their time in multiple areas would use the same PAR to ensure that the automatic development of attached Excel spreadsheets will be accumulated accurately.

As the daily sheet is completed, the bi-weekly sheet is automatically computed.

DAILY PERSONNEL ACTIVITY REPORT/TIME STUDY REPORT -						
DATE: 08/18/08						
NAME OF EMPLOYEE: Summer Dawn						
Time	Vocational Rehabilitation Program	Vocational Rehabilitation Administration	Independent Living Program	Independent Living Administration	Older Blind Program	Older Blind Administration
AM - 7:00						
7:30	0.5					
8:00	0.25		0.25			
8:30					0.5	
9:00						
9:30					1	
10:00			0.5			
10:30		0.5				
11:00						
11:30				1		
PM - 12:00	0	0	0	0	0	0
12:30	0.5					
1:00		0.5				
1:30						
2:00						
2:30						
3:00						
3:30						
4:00	2.5					
4:30						
5:00						
5:30						
6:00						
6:30						
7:00						
Total Hours By Grant	3.75	1	0.75	1	1.5	0

The data from this spreadsheet is populated in the following Wage/Benefits Cost Allocation Plan Summary Spreadsheet. You must enter the total wages including salary and fringe. This bi-weekly sheet feeds into total agency totals

PERSONNEL ACTIVITY REPORT - BI-WEEKLY REPORT		NAME: Summer Dawn					
Day of the Week	Date	Vocational Rehabilitation Program	Vocational Rehabilitation Administration	Independent Living Program	Independent Living Administration	Older Blind Program	Older Blind Administration
Sunday	8/17/2008						
Monday	8/18/2008	3.75	1.00	0.75	1.00	1.50	0.00
Tuesday	8/19/2008	5.00	0.00	1.00	0.00	2.00	0.00
Wednesday	8/20/2008	8.00	0.00	0.00	0.00	0.00	0.00
Thursday	8/21/2008	7.00	0.00	1.00	0.00	0.00	0.00
Friday	8/22/2008	6.00	0.50	1.00	0.00	0.50	0.00
Saturday	8/23/2008						
Sunday	8/24/2008						
Monday	8/25/2008	5.00	0.00	1.00	0.00	1.00	1.00
Tuesday	8/26/2008	7.00	0.00	1.00	0.00	0.00	0.00
Wednesday	8/27/2008	6.00	0.00	1.00	0.00	1.00	0.00
Thursday	8/28/2008	8.00	0.00	0.00	0.00	0.00	0.00
Friday	8/29/2008	7.00	0.00	1.00	0.00	0.00	0.00
Saturday	8/30/2008						
Total Payroll Hours Per Grant		62.75	1.5	7.75	1	6	1
Summer Dawn % Per Grant		0.7844	0.0188	0.0969	0.0125	0.0750	0.0125
Total Wages:	\$2,000	\$1,568.75	\$37.50	\$193.75	\$25.00	\$150.00	\$25.00
Comments:							

Program Function & Name of Employee	Job Title	Vocational Rehabilitation Program	Vocational Rehabilitation Administration	Independent Living Program	Independent Living Administration	Older Blind Program	Older Blind Administration
Disabilities Services Unit							
Price, Thomas	Disabilities Coordinator						
Raker, Shelly	Disabilities Specialist						
Matal, Dana	Disabilities Specialist						
Wattle, Karen	Disabilities Specialist						
Hatman, Nancy	Special Educ. Teacher						
Bells, Shanal	Psychologist						
Sub-Total for Disabilities Services Unit		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tuxford Office							
Dawn, Summer	Office Manager	\$1,568.75	\$37.50	\$193.75	\$25.00	\$150.00	\$25.00
Vacant	Customer Service Mgr						
White, William	Sr. Counselor						
Lassie, Tracy	Sr. Counselor						
Vacant	Sr. Counselor						
Alex, Glenda	Sr. Counselor						
Vacant	Sr. Counselor						
Bracker, Tuesday	Counselor						
Cobber, Dallas	Counselor						
Vacant	Counselor						
Farin, Mary	Counselor						
Gray, Charles	Counselor						
Drummond, Samuel	Counselor						
Great, Rosmary	Counselor						
Green, Veronica	Counselor						
Hewitt, Becky	Counselor						
Holly, Jack	Counselor						
Taylor, Robert	Counselor						
Lake, Patricia	Counselor						
Green, Marge	Counselor						
Mettle, Shelly	Counselor						
Major, Sharon	Counselor						
Hoffer, Eric	Counselor						
Vacant	Counselor						

Sub-totals are provided for each program area and the grand total is calculated at the bottom of the spreadsheet. This provides the agency a program and fiscal tool for executive management, supervisors, and program coordinators to manage workloads to ensure that programs receive the attention (and staff support) that is required by the funds that have been provide to the agency by the respective federal grants. When management determines that certain grants are being overserved or underserved by the outcomes of this report, adjustments in staff assignments can be implemented.

Program Function & Name of Employee	Job Title	Vocational Rehabilitation Program	Vocational Rehabilitation Administration	Independent Living Program	Independent Living Administration	Older Blind Program	Older Blind Administration
Tuxford Office (cont.)							
Praeter, Sandra	Support Services Coord						
Vacant	Customer Service Mgr						
Vacant	Sr. Counselor						
Satterman, Terri	Sr. Counselor						
Vacant	Counselor						
Vacant	Counselor						
Vacant	Counselor						
White, Jackie	Counselor						
Williams, Esther	Counselor						
Vacant	Counselor						
Bullock, Sandra	Counselor						
Sub-Total for Tuxford Office		\$1,568.75	\$37.50	\$193.75	\$25.00	\$150.00	\$25.00
Grand Total ABC, Inc. Wages & Fringe		\$1,568.75	\$37.50	\$193.75	\$25.00	\$150.00	\$25.00

CAN A PAYROLL SHEET BE A PAR?

Summer Dawn Soc Sec. # 111-22-3333			Pay Period: August 22, 2011 to August 26, 2011			Office Use Only:	
Payroll Date	Non-RSA Grant	VR	VR Admin	IL-B	IL-B Admin.	OIB	OIB Admin.
Monday Aug. 22	.5	2.5	0.5	1	0	4	0
Tuesday Aug. 23	0	5	0	1	0	2	0
Wed. Aug. 24	.5	7.5	0	0	0	0	0
Thursday Aug. 25	0	4	0	4	0	0	0
Friday Aug. 26	0	8	0	0	0	0	0
Total Hours	1	27	0	6	0	6	0
Certification: This certifies that the aforementioned hours represent a true reporting of the hours of the subject employee, for the listed payroll period, under penalty of perjury.							
Employee Signature & Date				Supervisor Signature & Date			

- VR funds are not used solely for VR services or for the administration of the VR program
- Agencies do not maintain personnel activity reports or equivalent documentation on employees working on multiple cost objectives that reflect an after-the-fact distribution of the actual activity of each employee

WHAT FINDINGS HAS RSA IDENTIFIED RELATED TO PERSONNEL COST ALLOCATION?

SURVIVAL KIT

Education Department General Administrative Regulations
(EDGAR) -

<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>

OMB Circulars - <http://www.whitehouse.gov/omb/circulars>



QUESTIONS & DISCUSSION

