



OFFICE OF  
HOUSING COUNSELING  
LET'S MAKE HOME HAPPEN

# U.S. Department of Housing and Urban Development Office of Housing Counseling



Facilitated by  
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## Personnel Activity Reporting and Timekeeping

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# Training Topics



- Why track Personnel Cost?
- Standard for Documentation of Personnel Expenses
- Implementing Practices in Compliance with the Uniform Grant Guidance
- Frequently Asked Questions



# Personnel Activity Reporting and Timekeeping

# Why Track Personnel Costs?



- Organizations must track the distribution of work activities, not just the hours charged, for each employee (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards. In addition, organizations must include work activities of employees who perform two or more functions or activities if a distribution of their compensation between the functions or activities is needed to determine the organization's indirect cost rate(s).
- Personnel costs on average account for over 90% of the costs charged to HUD/OHC awards.

# Standard for Documentation of Personnel Expenses



Charges to Federal awards for salaries and/or wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- Be included in the official records of the non-Federal entity.
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities.
- Include all activities paid by the non-Federal entity.
- Comply with the established accounting policies and practices of the non-Federal entity.

# Standard for Documentation of Personnel Expenses



Charges to Federal awards for salaries and/or wages must be based on records that accurately reflect the work performed. These records must:

- Support the distribution of employee salary or wages among specific activities by awards and/or funding sources, if the employee provides direct service on an award, or by indirect pool, if the employee provides indirect service.
- For nonexempt employees, in addition to the supporting documentation, the time charged must also be supported by records indicating the total number of hours worked each day.

# **Implementing Practices in Accordance with the Uniform Grant Guidance**



# Timekeeping Options



## Contemporaneous vs. Reconstructive Timekeeping

**Contemporaneous timekeeping** involves entering time spent on eligible activities as the activities are being completed throughout the day.

**Reconstructive timekeeping** is when counselors enter timekeeping records after providing services.

- For this approach counselors need to rely on notes, call logs, client management systems, and emails to reconstruct the required timekeeping records.

# Timekeeping Options



## Contemporaneous vs. Reconstructive Timekeeping

**Contemporaneous time** can be captured through time entry software or a log system. Although many counselors use the reconstructive method, or attempt to blend the two methods, contemporaneous timekeeping is always a more accurate detailed account of time than a reconstruction of activities. **Reconstructive timekeeping** can be used (while not the preferred method) as long as the agency employs the use of time capture software or technology that time stamps the activities of staff in a log format.

# Timekeeping Options



# Personnel Activity Reporting



## Option 1

- Continue to maintain Personnel Activity Reports

## Option 2

- Maintain a time tracking system that allows for a description of the activity performed

## Option 3

- Use the data recorded in the agency's Client Management System (CMS) to support the charges made to the HUD awards

# Personnel Activity Reporting



## Option 4

- Manual system for agencies that do not have electronic system

## Option 5

- Other methodology

# PAR — Option 1

## Example of Documentation



ABC, Inc.  
 Employee: John Doe  
 Employee ID: 1234567

Fund Code	Activity/Work Performed	Activity Code	Total Hours	Day of the Month																																	
				1	2	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			
HUD-OHC-FY13	Pre-purchase counseling	HC0001	40	4								4	8	8	8	8																					
HUD-OHC-FY14	Administrative	HC0006	28	4													8	8	8	8																	
HUD-OHC-FY14	Training	HC0003	40		8	8	8	8																			8										
HUD-OHC-FY14	Marketing	HC0004	16																															8			8
Special Needs	Administrative	SN0001	4									4																									
	Leave Without Pay		8																																		8
	Holiday		8																																		8
	Sick Leave		16																			8															8
	Annual (Vacation) Leave																																				
	Compensatory Leave																																				
	Budgeted Hours		160																																		
	Compensatory Leave Earned		8																																		
	Total Hours Worked and Leave Taken		160	8	8	8	8	8				8	8	8	8	8																					8

**Legend:**

HUD HC Activity Code	Description	What is included?
HC0001	One-on-One Counseling	Pre-purchase homebuyer counseling; resolving or preventing mortgage delinquency; helping with home maintenance or
HC0002	Group Counseling	Pre-purchase homebuyer education workshop; resolving/preventing mortgage delinquency workshop; post-purchase
HC0003	Training	workshops for home maintenance and financial management; rental workshops; financial literacy workshops; fair housing
HC0004	Marketing & Outreach	Training directly pertaining to the federal award
HC0005	Travel	Organize, attend, and/or participate in special events and promotions advocating housing counseling
HC0006	Administrative	Travel directly pertaining to the federal award
HUD Special Needs Act	Description	Daily administrative duties including but not limited to reviewing files of clients and completing client reports
SN0001	Administrative	Daily administrative duties including but not limited to reviewing files of clients and completing client reports

I certify and attest that the allocation of time reported is an accurate and truthful disclosure of the work performed for the sources of funding identified herein.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

# PAR — Option 2



## Example of Documentation

Textual Graphical You ▾ ⚙ ▾

HUD Grant Work 1h 22m FY17 Gr **Stop timer** ■

			DURATION	BETWEEN ⌵		
Wed 1st Nov	HUD Grant Work \$	FY17 Grant Work	1h 22m	09:22 am	10:44 am	■
< >	Administrative Duties \$	Grantee billing review and approval	37m 00s	08:45 am	09:22 am	▶
	HUD Grant Work \$	Grantee Phone calls/e-mails	1h 20m	07:25 am	08:45 am	▶
			TOTAL	3h 19m	07:25 am	10:44 am

[Add new time entry](#) [Copy over all rows from most recent timesheet](#)

Show more

**\*The staff using it is able to keep track of start and stop times by activity.**

# PAR — Option 3

## Example of Documentation



Housing Counseling	Monday 8/8/2016		Tuesday 8/9/2016		Wednesday 8/10/2016		Thursday 8/11/2016		Friday 8/12/2016	
	Client or Workshop #	# of Hours	Client or Workshop #	# of Hours	Client or Workshop #	# of Hours	Client or Workshop #	# of Hours	Client or Workshop #	# of Hours
	Group Education Workshops	546789	3.5							546791
Pre-Purchase Clients										
Post-Purchase Clients										
1st Time Home Buyer Education									546792	4
Predatory Lending Education			546790	4						
OTHER (HECM, NFMIC, etc. <b>Identify</b> ):										
One-on-One/Individual:										
134990	1.5				134996	2				
134991	2				134997	1				
134992	1				134998	2				
134992					134999	1				
Default-Delinquency										
Pre-Purchase Clients										
Post-Purchase Clients										
Rental			134993	1						
Homeless			134994	1						
OTHER (HECM, NFMIC, etc. <b>Identify</b> ):			134995	2						
Follow-up (all activity)							135000	2		
<b>Daily TOTAL</b>	<b>4</b>	<b>8</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>
Employee	<i>Jane Doe</i>					Date:	<i>8/12/2016</i>			
Supervisor	Anna Snow					Date:	8/15/2016			

**\*All client interaction should be maintained in the system.**



# PAR — Option 4



## Example of Documentation

2017	August			
Monday	Tuesday	Wednesday	Thursday	Friday
Group Workshop -> 4hrs -> HUD FY16  One-on-One -> 4hrs -> NFMCRD 9	Outreach -> 8hrs -> HUD FY16	One-on-One -> 2hrs -> NFMCRD 9  Administrative -> 6hrs -> NFMCRD 9	Travel -> 4hrs -> HUD FY16  Training -> 4hrs -> HUD FY16	PTO -> 8hrs

# Personnel Activity Reporting



**Must have policies and procedures**

**Other Considerations**

**Must maintain documentation  
for personal activity reporting**

**No longer required to have  
a separate monthly report**

# PAR — Policies & Procedures (Example)



## ABC Organization

### **POLICY:**

ABC follows the guidelines in Cost Principles for Non-Profit Organizations (OMB Omni Circular) as well as requirements in specific grants. Therefore, salaries and wages charged to Federal grants will be supported as follows:

- Activities will be based on documented payrolls approved by responsible officials of the Agency.
- Every staff member, whose compensation is charged, in whole or in part, directly or indirectly to Federal awards, will complete activity reports that account for the total activity for which the employee is compensated.
- The reports will reflect an after-the-fact determination of the actual activity of each employee. Budget estimates will not be used as support for charges to awards.
- The reports must be signed by the individual employee or by a responsible supervisor who has first-hand knowledge of the activities performed by the employee.
- The reports will be prepared on the same basis as the pay periods.
- Charges for non-exempt employees will also be supported by records required by the Fair Labor Standards Act.
- Salaries and wages of employees used in meeting cost sharing or matching (in-kind) are supported in the same manner as salaries and wages charged to Federal awards.
- Volunteer services used as non-federal share must be documented and supported to the extent feasible by the same methods used by employees

The Finance Department is responsible for the distribution, collection, and retention of all employee PARs. Individually reported data will be made available to authorized internal ABC staff and external funders per monitoring requirements.

ABC expects that employee and supervisor will complete Personnel Activity Reports completely and submit them to the Finance Department by 10 a.m. Monday following the close of a pay period. Failure to comply with this requirement may result in disciplinary action.

### **PROCEDURE:**

1. Personnel Activity Reports (PAR) are completed by the employee, are reviewed, and approved by his/her supervisor and submitted to the Finance Department on a bi-weekly basis for each pay period. |
2. Each employee and the employee's supervisor must sign and date the Personnel Activity Reports (PAR). By signing the PAR, the employee and supervisor affirm that the report is an after the fact determination of actual activity for the referenced pay period.
3. Supervisors are required to return appropriately completed and signed Personnel Activity Reports (PAR) the Finance Department by 10 a.m. Monday following the close of a pay date.
4. Random Audits will be conducted Bi-Weekly.
5. PARS sheets will be stored in accordance with record retention guidelines.
6. Each quarter finance staff will review the PARs, and if there is a significant variance, make adjustments to the fund allocation to represent the actual activity during the period.

# Frequently Asked Questions

# Frequently Asked Questions



**Q1** – What are the basic elements of a Personnel Activity Report (PAR) to comply with OMB requirements?

**A1** - Personnel Activity Reports (PARs) must at least:

- Account for activity worked on by the employee;
- Be prepared at least monthly and must coincide with one or more pay periods;
- Be signed by the individual employee or by a responsible supervisor who has first-hand knowledge of the activities performed by the employee; and
- Reflect an after-the-fact determination of the actual activity of each employee. It must not be based on budgeted hours or funding availability.

# Frequently Asked Questions



**Q2** - If an employee is filling out his/her PAR and is not sure what grant/fund code to charge, what should they do?

**A2** - PARs can be prepared using descriptions of the jobs performed. These descriptions should then match the tasks associated with the grant/fund code to be charged.

**For example:** an organization receives housing counseling funding from two different sources but the counselors are not aware of which source will be charged for the time spent for a particular counseling session. Once they are advised of the grant/fund to be charged, he/she should update their PARs, initialing and dating the change, to include the correct grant/fund code and re-send to the person who approves their timesheet. The person making the decision on what grant/fund to charge, preferably from the accounting/finance department, must ensure that activity and hours are charged to only one of the funding sources to avoid double dipping.

# Frequently Asked Questions



**Q3** - Are PARs only required for HUD HC grants? Is a timesheet required to be your PAR?

**A3** - Personnel Activity Reports are required from all organizations receiving grants from any Federal agency where salaries and wages are charged to the award. PAR activity is not required to be reported on a timesheet. However, as a best practice many agencies use activity codes on their timesheet to comply with the PAR requirement.



# Frequently Asked Questions



**Q4** - Does the PAR only need to show hours worked under the HUD Housing Counseling grant program?

**A4** - PARs must reflect 100% of the individual's time. It should not be based on a 40-hour week but include all the hours worked by the individual for the specific period of time included within the PAR. It is easier to report the time in a PAR using percentages but dollar amounts can also be used.

**For example:** Joe works 50 hours a week from which 25 belong to Project X and 25 to Project Z, Joe's PAR should show 50% of his time under Project x and the other 50% under Project Z. Mary works 30 hours a week from which 15 belong to Project X and 15 to Project Z, Mary's PAR should show 50% of his time under Project X and the other 50% under Project Z. As you can see, both PARs show the same breakdown of time. When matched with the timesheets, it will become evident that Joe worked more hours per week than Mary, which is not relevant at the time of completing the PAR.



# Frequently Asked Questions



**Q5** - What level of activity detail is required to be in compliance with PAR requirements (e.g. 10 minutes on a phone call with customer)?

**A5** - It is important to differentiate between the levels of detail needed in a timesheet verses a PAR. It is the organization's responsibility to determine the time increment (15 min, 30 min, hourly, etc.) that they want to use in their timesheets. This increment is normally very low; however, the time captured on a PAR could be monthly, even though some organizations have decided to do it more frequently (i.e., weekly). It is important to remember that the time captured in the timesheets is often used to complete the PARs— which is why many agencies use activity codes on their timesheets to report PAR activity. The Uniform OMB Circular no longer requires a separate report/form for reporting PAR.

# Frequently Asked Questions



**Q6** – Can administrative and/or management’s time be charged as a direct cost of the grant?

**A6** - §200.413, Direct costs, of the Uniform OMB Circular states ... “(c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.”

# Comments and Questions

Please forward any questions to:  
**[housing.counseling@hud.gov](mailto:housing.counseling@hud.gov)**

with

**“Personnel Activity Reporting &  
Timekeeping”  
in the Subject line**