Final Transcript

HUD – DEPT OF HOUSING & URBAN DEVELOPMENT: Time Keeping and Personnel Reporting

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SPEAKERS

Petergay Bryan

PRESENTATION

Moderator Ladies and gentlemen, thank you for standing by, and welcome to the Time Keeping and Personnel Reporting conference call. At this time, all participants are in a listen-only mode. Later we will conduct a question and answer session. Instructions will be given that time. [Operator instructions]. As a reminder, today's conference is being recorded.

I would now like to turn the conference over to your host, Ms. Petergay Bryan. Please go ahead.

Petergay Hello, everyone. I am Petergay Bryan. I am a project manager with Booth Management Consulting, and today we're going to be doing a training on time keeping and personnel activity reporting. As the moderator already told you, the audio will be recorded, and the presentation and handouts and transcript will be available to you on the SharePoint under training documents.

During the presentation, you will be muted, however, if you look on the control panel, you will see a section that says handouts, and you'll be able to actually download a copy of today's presentation, so you can keep that handy for notes purposes as we're going through the presentation.

Within 24 to 48 hours after today's training, you will receive an email. It's going to be a thank you email, and you'll use that as your certificate of training. Please note that there will be no attachments or anything other than thank you for attending the training, and that's what you will use for your certificate.

As for questions, at the end of today's session, I will give you instructions on how you can ask your questions live, however, if you have questions that you need an immediate response to while we're going through the presentation, if you look in the control panel, there's a question section, and it looks just like you see on the screen here. You can type your questions there, and we do have staff from BMC who will answer your questions for you.

Again, please keep your lines muted or your phones muted during the call so as not to have any disruptions during today's training. We will now go ahead and get started.

Again, I'm the project manager here at Booth Management Consulting for the HUD contract. Under the contract, we do provide a wide range of services to HUD housing counselors, HUD points of contact, as well as agencies who receive funding from HUD.

Today's training topics are the first thing we'll talk about is the importance of time keeping and personnel activity reporting. We'll also talk about proper time keeping systems, proper personnel activity reporting, standards for documenting personnel expenses, and how to implement practices that will be in compliance with the Uniform Guidance Requirements, and then we'll talk about a few frequently asked questions that we hear time and time again from agencies as well as HUD POCs as they relate time keeping or how to record or report personnel activity.

First topic, the importance of time keeping and personnel activity reporting. We'll refer to the Uniform Guidance, which is where agencies would go to find out regulatory compliance information on how the can apply those requirements to federal grants that they receive from federal agencies.

Subpart 200.430 is specific to compensation for personnel services, and basically any time that agencies charge to federal awards, they have to be determined to be allowable, reasonable, and allocable to the grant. What that means pretty much for it to be allowable, the activities have be based on the terms and conditions of the award for it to be allowable as a reimbursable expense under the grant.

Where reasonableness is concerned you want to make sure that the costs that are incurred are costs that a prudent person in a similar position would incur for that specific activity. In the determining whether a cost is allocable to the grant, you want to think about can I charge this expense to the grant. Was the work performed chargeable to the grant? Is it covered under the NOFA requirements? Was the type of activity approved in my budget? Things like that would you help you to determine whether or not it's allocable to the HUD grant award.

In order for your agencies or your reviewer, whether it be your HUD POC or a contractor like ourselves to determine whether or not the direct service cost that you submit for reimbursement to HUD, in order for us to determine whether or not those are reasonableness, allowable, allocable, we really take a look at your time keeping and your personnel activity reporting because those are the documents that would support the time that you charge to federal awards.

You want to also be mindful that the new Uniform Guidance became effective in 2014, and with that came some changes as far as the reporting requirements. So, today, we're going to be talking about those specific changes and how you can make sure that your agency maintains compliance with what is required of you.

Another important thing to note is that anyone who's going to be charging their time to the HUD grant would need to complete a time sheet and would also need to document the activities that they worked on that they're therefore billing to the grant, and that would be their form of personnel activity reporting.

Before I go any further, I want to specify that agencies are no longer required to maintain a separate personnel activity report, however, the specific documentation of activity and services provided under the grant, you're still responsible for recording that information. As we go through the training today, you'll be able to see or be clearer about what I mean by that statement.

As for time keeping, this is the process of recording the time, so employees once they come in and they work, they'll document the hours worked, and that's pretty much your time keeping. Time keeping, whether you use a timesheet, a manual or an electronic timesheet, you want to make sure that employees are signing off on that timesheet to certify that they did work that time. You also want to make sure that a supervisor is authorizing the time that is being submitted by the employee.

Section 18 of US Code 1001 talks about penalties for falsifying or completing another person's timesheet. This is a criminal offense, so you want to make sure that your employees at your agencies know that proper and accurate time keeping is very important, and it's really a part of their job description to make sure that they're documenting time properly.

As for personnel activity reporting, this is the process of documenting what activities were performed by the employee. So, it's not only to document the hours that were worked. You want to make sure that you're documenting the specific activities that were performed. In order for perhaps your HUD POC or reviewer or even someone at your agency to be able to determine whether or not the activities that you perform whether or not they are allocable to a specific award because someone can come in and work 8, 12 hour per days, but that doesn't necessary mean that the activities that they perform are billable to the HUD grant.

So, you want to make sure that employees know and are properly documenting activities that are performed to be able to then determine whether or not we could charge it to a specific award. Another attribute of the personnel activity reporting is being able to use that information to confirm the distribution of activities that is worked by employees in your agency.

We'll next talk about a time keeping system. So, these are pointers for your time keeping system. You want to make sure that employees or your system is able to track time so that you can further allocate the labor hours towards various projects.

So, it should show hours that are worked by the various labor categories, or if you have specific or several federal awards, if you have specific charge codes for the various federal awards, that further makes the information—you're better able to determine what the hours were spent on throughout the day.

Best practice, you want to make sure that you're ensuring that it's the nature of the work that was performed that determines the proper distribution of time, and not necessarily the availability of funding. So, an employee perhaps works on several projects during the day, and when they're documenting their time, you want to make sure that they're not just charging time to a specific grant because they know they money available on that grant.

You want to make sure that when they're documenting their time it's really based on the work that was performed under that grant. As an agency, you want to make sure that you're enforcing accurate and complete preparation of timesheets like I said a bit earlier.

There are really two methods for documenting time or for doing time keeping. The first one is a contemporaneous method, and that is pretty much where employees are entering their time daily whether it's manual or electronic. So, as you go throughout the day, you're jotting down or you're documenting the hours that you spent working.

Of course, if you use this method, it's a more accurate method because the information is fresh in your mind, like I can think about today and all of the activities that I do today versus a week or so from now where I would have to use another method to document my time. So, because of this reason, this would be the preferred method for how agencies document their timesheets.

The other alternative is to do a reconstructive time keeping, and that's where you're not documenting your time daily. Perhaps, you're doing it weekly or biweekly, and in order to do that you would have to rely on your notes. You'd have to rely on the client management system, your emails, your calendars, and all of that in order to really reconstruct the time.

This method is allowable for you to use this method. It's not the preferred one because even for me, myself, if I was to think about the things that I did a week or two ago, looking at emails, my calendar, and things of that nature, it would definitely be difficult if I'm working on multiple projects to be able to really allocate the time that I spent on each project from two weeks or a week ago.

So, some best practices for using the reconstructive method. You want to make sure that you're keeping proper logs as you're going through so that you can compile information from your case notes, your call logs, your workshop logs or any other documentation that you can find to help you to really estimate the time spent on your various projects.

You also want to be mindful of doing these functions in front of your clients because you don't want to be presenting the image of being more focused on your time keeping versus providing services to your clients.

Here we have an example of a very basic timesheet. As you can see by looking at the columns that are available, you're really just documenting the hours worked during the period. So, you would document the date, if you had any breaks or worked overtime, and things like that. That's what would be documented. Of course, the employee, as well as their manager, would then sign off on it to certify that the employee did work that day or for that specific time period.

The next phase we'll talk about is personnel activity reporting. With personnel activity reporting, you want to make sure that you're tracking the distribution of activities. What that means is you're capturing 100% of the activities performed. So, if someone worked on various projects, whatever documentation you're able to choose is or whatever methodology your agency chooses to do personnel activity reporting, you want to make sure that it's capturing 100% of the activities performed by the employees.

The method that you choose it should be detailed enough so that one can look at the activities and determine whether or not therefore direct service is provided to a specific grant or if it's really for administrative services that provide a shared benefit to the whole agency on the whole versus to housing counseling activities. It should be detailed enough so that a reviewer can determine whether or not the cost was allowable or allocable to various federal awards.

Some basic elements of personnel activity reporting, again, you want to make sure that you're accounting for all of the activities worked by the employee. You should have the employee as well as their supervisor sign off on whatever documentation you have just so that they're able to certify that they actually completed the work and that the work performed is, to the best of their knowledge, the activities performed can be allocated to a specific grant.

The reporting that you choose should reflect an accurate determination of the actual activities of each employee. So, again, it shouldn't be based on the availability of funding. When the person's completing their personnel activity reporting document or using whatever methodology your agency chooses for personnel activity reporting, you want to make sure that they're not only looking at I have some funds available on a grant, so I'm going to document some activities that could be chargeable to the grant. It should really reflect what the person worked on for the specific time period.

You want to make sure that the person who worked on the activities they're signing off on it and certifying that they did those activities and that their supervisors are certifying that information as well. Your methodology should make sure that you're accounting for 100% of activities worked on by the employee.

For proper personnel activity reporting, you also want to make sure that you have policies and procedures in place so that employees in your agency know what the policy is at your agency for documenting personnel activity so you can do so consistently. You also want to make sure that everyone is carrying out the procedures in the way that it was designed to be carried out. You want to make sure that they're doing it on the same frequency whether it be biweekly or monthly.

Also, you want to make sure that they're maintaining the documentation or the backup documentation for their personnel reporting, and again, we want to emphasis that they don't have to maintain a separate monthly report like what was required under the old OMB circulars. Personnel activity reporting can be done using several methods. We're going to go over some of the methods that we usually recommend based on what we've seen agencies do, and in them doing so, they were compliant with the requirements.

Here we have a sample of a personnel activity report, the policies and procedure. So, basically, as you may know, whenever you have any policies that you share with your agency, you want to have an effective date of that policy and the date that it was last revised, and you want to make sure that all of your policies and procedures at your agency, make sure that they're done at least once every five years, but if there are any changes between that time, you want to make sure that it's updated to reflect any changes in your policies or the procedures that you share with your agency.

So, in our sample here, we talk about the specific requirements from the Uniform Guidance, and the requirement for agencies to document their personnel activity. The thing that we really emphasize is that you want to make sure that charges are based on documented payrolls. So, basically, the employee must have worked during the timeframe that they're documenting that they performed certain activities.

It should also reflect the after the fact determination of the activities that they performed and not be based on budget estimates. It should be signed by the employees and their supervisors just so that they're certifying that they actually did the work. You choose the frequency. It could be monthly, biweekly, whatever your policy is. Usually, we recommend that it coincides with your time keeping policy just to make it easier for employees. Also, anyone who's going to be charging time to the federal award needs to complete it.

In this section, we talk about some recommended options for how you want to document personnel activity, and this is based on several reviews that we have conducted with agencies. These methods, they usually work and help the agencies to be compliant and also reduce the burden for these agencies in using these formats.

The first option is for agencies that have been using a separate personnel activity report. So, agencies who have been using a separate personnel activity report that they're making sure to capture the activities for their employees, and it's been reviewed, and it was compliant with the reporting requirements. If you fall in that category, you should continue to maintain a separate personnel activity report, and you'll be just fine.

The second option is for agencies who have not been maintaining documentation of personnel activity, but they have been using perhaps their timesheets. What we recommend is that these agencies add activity codes. So, the activity codes would be based on the major types of activities that are performed by employees who provide housing counseling services, and I'll show you an example in a minute. You add that to your timesheet, so that employee only really has one document to prepare. They don't have to do a time sheet in addition to a personnel activity report.

The third option has to do with using information recorded in the client management system to supplement other documentation that you may have in place. We'll talk about that further in a few minutes.

The fourth option is to use a manual system for an agency that does not have an electronic system and has not really maintained any form of personnel activity reporting, and we'll show you an example in a few minutes.

So, again, for option one, if you already had a separate personnel activity report that you use that is compliant, please go ahead, and continue to use that. Here on the screen, we have an example of a manual timesheet that we've added activity codes to.

At the top of the page, we have the description of the employee and their employee number, and the three left columns, we talk about the first column is the fund code. The second column is a description of the activity or the work performed. The third column is the specific activity code, and that would be determined by your agency. In the fourth column, we talk about the total hours that were worked.

That fourth column is really summation of all of the other columns on the right. We're summing the hours documented during the days for this specific month. If you look down towards the bottom of the page, you'll see a legend, and that is where your agency would pretty much develop different activity codes based on the types of activities that you perform at your agency.

So, for example, if you provide one-on-one counseling, that could be one activity code for any type of one-on-one counseling that you perform at your agency. The second would be group counseling, so any type of group counseling sessions or workshops that you put together could be in that second activity code. The third one we have is training, so if you attended a training event, or if you're traveling for training, you could charge time to that activity code.

If you did any marketing and outreach, that's the fourth activity code. Travel, we have separate activity code for that, and then the final one we have is administrative. So, if you did like you were preparing the quarterly report, or you did any additional administrative work, you would document it in that section.

Also, because you are required to show 100% of activity, if you were working on additional projects, you could go ahead and document any other additional projects you had in the legend section below and just put a description of what that project is, and then use those activity codes to document the top half of your timesheet with activity code. That would capture not only the time that you spent working, it would also capture the various activities that you performed.

So, when this information gets to your accounting department, they will be able to determine whether or not it's allocable to a specific grant. Also, if you got selected for a performance review or a financial an administrative review, the reviewer would be able to easily look at this information and say okay, they did some pre-purchase counseling, they did some group counseling, some workshops and things of that nature, and we could reasonably determine whether or not the activities that you performed during the period is allocable to the HUD grant.

Other things that are documented here, there's a certification statement where the employee is certifying that the information that they documented is accurate and complete. Also, their supervisor would sign and date and certify that they reviewed the information and to the best of their knowledge, the information is accurate and complete as well.

On this screen, we have another example of option two. This is an electronic timesheet, so it has all of the same information, but this agency is able to, if you look over on the left side, they're able to select a project. They select that project feature, they can document the different types of activities that they worked on for a specific project, and then because it's electronic, it's usually tied with your accounting system to say okay, they worked on this project on these specific activities. It can be billable to the HUD grant.

The third example, which is not on the screen because it's the client management system using records from the client management system data, what agencies usually do for this method or for this option is they would usually print out from their client management system all of their case files that they would be billing to HUD to really determine what they worked on for the period that they could then possibly bill to the HUD grant.

Because a lot of agencies don't only work on the HUD grant or providing strictly housing counseling services, if they work on additional projects, of course that agency would have to make sure that they're policy for personnel activity reporting is capturing whatever other projects that they worked on so that they can therefore reflect 100% of the activities performed during the period.

So, using the information for the client management system, if that individual worked on multiple projects, the client management system data would only support what was worked on for HUD activities, but anything that they worked on that was not captured in there, the agency would have to then develop a methodology for how they would make sure that that time that they worked and those activities that they performed are captured somewhere.

This option four, an agency that wants to use a manual system, we just created this template. It's for a specific week, and the agency would then use information also from their system to see okay, what activities that they performed during the specific period and document that information here. This is for an agency that can strictly only provide housing counseling services.

Of course, if there were additional services provided they would have to insert more rows and document other activities that they worked on and services that they provided during the period. Of course, they would sign off and date it as well as their supervisor would sign and date the statement.

In the next section, we talk about the standards for documenting personnel expenses. The first thing that we wanted to make mention of, you want to make sure that when you're documenting personnel expenses, you have a system of internal control in place. So, we're talking about the approval process. You'll want to make sure that first of all, your employees know what they need to do to document their time as well as document personnel activities.

You'll want to make sure that they're doing it on a consistent basis, so whatever is your policy at your company, whether it's weekly, biweekly, or whether you're going to be using reconstructed time keeping or contemporaneous, all of that information should be communicated to employees.

They should also know what the process is for getting time approved, and they should also know what the policy is for making sure that the charges that are going to be submitted for reimbursement are allowable under the award. So, it being included in the official records of your agency, in your policies and your procedures, it should be documented and communicated to employees that way.

Personnel expenses, time keeping, personnel activity reporting should reasonably reflect the total activity for what the employee is getting paid for. You want to make sure that employees are completing their time, it's complete, and it's accurate, and that is including all of the activities that you're paying them for.

Any charges to federal awards should be based on records that accurately reflect the work that was performed. So, it should support the distribution of their salaries. Also, if for any non-exempt employees, you want to make sure that they, too, are documenting hours worked and activities performed that are going to be charged and submitted for reimbursement to the HUD for the federal award.

Some frequently asked questions as it relates to personnel activity reporting. The first one. If an employee is documenting personnel activity, but they're not sure what grant fund code to charge it to, what should they do?

Here we give you an example. Sometimes, agencies receive multiple housing counseling funds, and when counselors do their work, they may not be sure which one of them the time will be charged to. So, here you want to make sure that housing counseling department is talking to your accounting or fiscal department because they're the ones that will make the decision and let you know based on the activities that you're providing, it's billable under both grants, but this is the grant that we're going to charge this activity to, and this is the grant we'll charge the other one to.

The second question, is personnel activity reporting only required for HUD grants? Is a timesheet required to be your documentation of personnel activity? So, for the first question, no, it's not only required for the HUD grant. It's really for any agency that received federal awards or federal grants that are required to complete personnel activity reporting.

Then, the second question, is a timesheet required to be your documentation of personnel activity. The answer there is no as well. You do have various methods. You have the flexibility of using whatever method is most suitable for your agency, but you just want to make sure that certain elements are being captured such as 100% of activities performed. You want to make sure that you're detailed enough so that someone else can look at it and determine whether or not it's allocable to the grant.

Does personnel activity reporting only need to show hours worked under HUD housing counseling? No. Again, it should reflect 100% of the employee's time and not only what they worked on providing HUD housing counseling specific services.

The fourth question. Can admin and/or management's personnel costs be charged as a direct cost to the grant? Usually personnel costs for admin employees or management employees are treated as indirect costs. There are only specific situations where it would not be, and it's listed here below. If their services are an integral part for the HUD project, then it could be documented as direct. If what they've provided can be specifically identified with the project, so if they provided a direct service under the grant, then that could be submitted as a direct cost.

Also, you want to make sure that if that is the case, and you're going to be charging it as a direct cost, it should not be also recovered as an indirect cost, so that should not also be included in an indirect cost pool if you're submitting indirect costs for reimbursement.

Alright. I am going to pause for questions, so if anyone wanted to ask a question live. Moderator.

Moderator [Operator instructions]. There are no questions from the phones.

Petergay Okay. Thank you. So, there were no questions on the phone. If you do think of any additional questions, please mail your questions to housing.counseling@hud.gov, and in the subject line please document time keeping and personnel activity reporting. That way, we can really get the question to the right personnel so we can respond to you quicker.

I want to thank you so much for your time, and again, if you have questions, please send them to housing.counseling@hud.gov. Have a good one.

Moderator Thank you. Ladies and gentlemen, that does concludes your conference for today. Thank you for your participation and for using the AT&T Executive TeleConference service. You may now disconnect.