Final Transcript

HUD-US HOUSING & URBAN DEVELOPMENT: Timekeeping and Personnel Reporting

February 7, 2019/2:00 p.m. EST

SPEAKERS

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PRESENTATION

Moderator

Ladies and gentlemen, thank you for standing by, and welcome to the Timekeeping and Personal Reporting conference call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session. [Operator instructions]. As a reminder, this conference call is being recorded.

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

Petergay Hello, everyone. Welcome to HUD Office of Housing Counseling training on timekeeping and personal activity reporting. This training is specifically for participants in the Office of Housing Counseling Program, so if you do receive another HUD grant but you're not an OHC program participant, then this may not apply to you.

The audio will be recorded during today's training, and the playback number along with the PowerPoint and the transcript will be available to you on HUD Exchange at the link that's shown on the screen right now. The training digest is also going to be updated on the HUD Exchange once the webinar is posted.

If you registered for today's training, you should have received an email either yesterday or today with a copy of the PowerPoint presentation attached. However, if you did not receive that email or you can't find it right now, just expand your control panel. There's a section that says handouts. If you click that, you'll see a copy of the document attached, and you can just click it and download it and take notes as we go along today's training.

I'm not going to pause for live questions due to the number of participants that have signed up. However, we will be taking questions online. So, if you think of any questions while we're going through today's session, just expand your control panel, click the questions box, type in your question there, and we do have personnel who will respond to you immediately.

If you think of any additional questions after today's session, you can send those questions to the email address that's provided here, and that is housing.counseling@hud.gov. In that email, you want to put in the subject line the title of today's training which is Timekeeping and Personal Activity Reporting so that the email will get distributed to the right person.

During today's call, something may happen and all of the phone lines may become unmuted, so as to not disrupt the training, please go ahead and mute your phone just in case that happens so that you won't disrupt today's training.

If you logged into the session from your computer, then you will receive and email with the next 48 hours. That will be a thank you email which is basically saying thank you for attending today's webinar. This is going to serve as your certificate of training. There won't be any attachments or anything like that, but you definitely want to go ahead and save that email in your records for proof that you have participated in today's training.

If you wanted to get credit, you can go to the HUD Exchange in the webinar archives. The website for the webinar archives is listed here, and you can always search by date or by topic while sifting through the archives. To obtain credit, you want to select the webinar and click Get Credit, and it will provide you with instructions on how to get the credits for today's training.

I'm Petergay Bryan, project manager with Booth Management Consulting. Booth Management Consulting is the current contractor that works with the Office of Housing Counseling and helps the agency as well as their grantees with financial and administrative aspects of the grant. We conduct a variety of services from these trainings to providing technical assistance whether it be one-one-one or in a group setting where we conduct on-site reviews.

We conduct action plan assessments and financial analysis, etc. Anything from a financial management perspective as it relates to the grant, we usually get involved with that.

Today we’re going to focus on timekeeping and personal activity reporting, so our training topics are listed here. We’ll talk about why it is important for you to have proper timekeeping and personal activity systems in place at your agency. We’ll look at what a timekeeping system looks like as well as how does one go about documenting personal activity.

We’ll also look at the standard documentations that you’re required to keep for personal expenses that you submit to the grant for reimbursement. We’ll also look at some best practices that you could implement in order to maintain compliance with the personal cost requirement of the uniform guidance.

We’ll also talk about some frequently asked questions. A lot of times we get questions after a webinar has occurred or once an agency is doing their quarterly financial report, they may think of something, and they will send us a question. So, we've composed a listing of frequently asked questions that we will share with you and discuss today.

And then we'll talk about assistance that's available to you as participants in the Office of Housing Counseling grant program. Of course, the assistance is not an additional cost. It's just available to you in case you need it, and we'll let you know how you can go ahead and request the assistance if it's something that you're interested in.

When you talk about the importance of timekeeping and personal activity reporting, the first thing is you want to think about what are the requirements from the Uniform Guidance perspective? And part 200.30 of the Uniform Guidance talks about federal agencies providing compensation for personal services. So, in accordance with the guidance, you want to make sure that compensation for personal costs under any federal award are determined to be reasonable, allowable, and allocable.

When you start thinking about how do I determine whether or not a cost is reasonable, allowable, or allocable, the guidance further goes into detail and discusses what does that mean for you. So, a cost is considered reasonable if the amount that you would pay for that cost or to incur for that cost, it doesn't exceed what a prudent person would incur at the time that you incurred the cost. When you talk about allocability, you're thinking about whether or not the goods or services involved are assignable to the grant based on the terms and conditions of the grant as well as the terms and conditions of the Uniform Guidance itself.

When you talk about allowability, you want to think about whether or not the cost is necessary for the performance of the award. Do I need to incur these costs in order to perform under this grant? So, those are the things that you want to think about when you're thinking about any personal costs that you're going to submitting for reimbursement to the award.

Timekeeping and personal activity reporting helps agencies to support the personal cost that they submit for reimbursement. So, any salary and fringe benefits that you will be submitted for reimbursement, you want to make sure that you have a system in place to account for the time spent as well as the activities performed under the grant. It's required for employees who are going to be charging time to the federal award.

Because think about it. You signed up for a cost reimbursement type of grant, so the cost that you submit for reimbursement have to be costs that you actually incurred. The only way for HUD to determine whether or not the personal cost that you incurred were really based on the Housing Counseling grant program that you have, you want to make sure that you have supporting documents such as your timekeeping documents and your personnel activity reporting documents and make sure that it's in enough detail for a reviewer to look at it and be able to determine that the work that you did perform it is allocable, reasonable, and allowable under the Housing Counseling grant program.

Timekeeping by definition is just a process of recording time, so it's your time in and out. You come in to work at 8:00 a.m., and you leave at 5:00 p.m. or whatever time structure you have at your agency. There are actually federal penalties for falsifying someone's time or completing another person's time especially when you're charging time to a federal award. So, that's why it's so important to make sure that your timesheets are being signed by the employee who performed the work as well as a supervisor who's knowledgeable of the work that was performed.

You want to make sure that you're communicating this to anyone who's going to be charging time to a federal award. Make sure that it's in your policy that employees are signing timesheets and that a supervisor is signing off on it because this is then what gets submitted to the federal government for reimbursement, so you want to make sure that someone is certifying and attesting to the fact that they did perform these services.

The personnel activity report, it goes a step deeper. It's not just documenting the time that you work, but it's documenting the activities that are performed. If I look at a basic timesheet, I will see that someone came into work on a specific date, but I won't know what they worked on. The personnel activity reporting, it takes it a step further to describe the services that are provided by the employee on that specific date for me to then be able to say the work that was performed, we can allocate that to the HUD award. And so the cost that the agency submitted for that person, it should be reimbursed.

The personnel activity report, it should also be used to confirm the distribution of activities. So, whatever your reporting format looks like, you want to make sure that you're capturing the distribution of activities and not just what I worked on for the HUD grant, but what I worked on or the other projects that I've worked on. We'll get into that in further detail in a couple of slides to follow.

So, a timekeeping system as I've mentioned before is where you're recording your time. Some timekeeping systems, they track the time that employees work, so that you can allocate the labor hours to various projects. Typically, agencies in the OHC grant program, they have multiple projects that they work on. It's not just HUD specific activities, so you want to make sure that you have a system in place to track the time that you work on these various projects. It shows work that is performed by the different labor categories, and more sophisticated systems show work that's charged to different federal awards.

You want to make sure that the nature of the work that is being performed is showing the proper distribution of time. So, if you're a 40-hour week employee or agency, it should show that information on your timesheet.

We do always encourage agencies to make sure that they're enforcing the accurate completion of timesheets because it's so important, especially for any cost reimbursement grants that you may have. You want to make sure that it's being completed timely so that you can process your payroll and also so that you can do your financial reporting for the grants that you have.

There are several methods for timekeeping that we'll address. The first is a more contemporaneous method, and that is where the employee usually enters time daily. As I'm going through the day, I'm entering the time that I spend on the various projects that I work on, and I'm also documenting the activities that I've performed during the day.

You can use a time entry software that your company has or you can use a manual system. It really doesn't matter. It's just a matter of making sure that this information is being captured.

This option of course is the preferred method because it's more accurate. Because if I'm entering my time today, I know exactly what I worked on. I don't really have to think about it too long to say, okay, what are the different projects or activities that I've performed today.

But if I try to think back to two weeks ago, then it becomes difficult, and it may not be as accurate. So, the second option if you're not using the contemporaneous method, then you can do reconstructive timekeeping. This is allowed of course, but it's not the preferred method because here you're going to have to make sure that you're relying on your notes.

You have to check your calendar to see what meetings you may have had. You want to look at your call logs. You want to look at notes that you took during the day each week. You want to look at your client management system to see what types of counseling sessions did I perform, and then you go ahead and reconstruct your time after the fact.

So, in doing the reconstructive timekeeping, we do encourage if this the method that you chose to use at your agency or for your employees to use, you want to implement certain best practices and communicate to your employees and encourage them to make sure that they do it properly. So, some of the things that we recommend is you want to make sure that you're keeping up-to-date case notes. That you have call logs available or any workshop logs. They're looking in the client management system, and any other the document that they could use to properly and accurately reconstruct the time. You also want to encourage them to do it more frequently so that the information is still fresh and that they can be able to accurately account for the time spent.

Some of the things that we try to discourage, you don't want to use this method only because while I'm doing the contemporaneous timekeeping method, I forgot what I did. You don't want to use it in that sense to try to account for any unaccounted time that you may have, and of course, you don't want to be doing this in front of your clients so that you're not leaving a bad impression with your clientele.

Here we have an example of a timesheet, and as you can see here, this is a basic manual timesheet that we have here. So, this employee would come in, and they would date the timesheet, so the period that they're reporting on. And then they would put the dates that they worked during that period and then what times they came in and out, any breaks they took, any overtime they worked, and things like that. So, the timesheet is really just capturing hours, and you have the employee who is signing off and certifying to that. And then you have the manager who then approves what was submitted.

So, this is what a basic timesheet looks like. A lot of agencies have something a little bit more sophisticated, but I wanted to bring this to your attention while we're going through. And then we'll of course talk about the personnel activity report as far as how you can further substantiate any personal cost that you submit to HUD for reimbursement.

So, with the personnel activity reporting, like I said earlier, this takes it to another level where you're being a lot more detailed in activities performed. So, you want to make sure that any personnel activity reporting system that your agency has, you're tracking the distribution of activities worked. So, if I came in for 40 hours last week, I'm documenting the full 40 hours of the activities performed during that timeframe in my personnel activity reporting system.

You want to make sure that it's detailed enough so that one can determine whether or not the activities are for direct services performed or administrative services performed and then so that someone can go back and look to see whether or not it can be allocated to the HUD grant or another grant based on the activities that are performed. So, this really just helps you as an agency to be able to track personnel cost properly.

I know especially with the HUD grant, the award gets issues perhaps in the middle of your fiscal year or in the middle of the period of performance, and because it's a retroactive basis type of grant, you have to go back to see what costs that I incurred several months ago would I be able to charge to the HUD grant? So, having detailed personnel activity reporting systems helps you to do that because everything is already documented. Now, it's just a matter of doing the reclassifications in your accounting system.

So, personnel activity reporting, you want to make sure that you're reflecting 100% of the activities that are performed because that's the only way that you'd be able to tell what you're going to be charging to where, and it should be detailed enough to determine the allowability of the activities and make sure that the activities are consistent with the terms and conditions of the award and as well as the federal requirements. So, we noted here that personnel cost on average they account for up to 90% of the total cost that agencies submit for reimbursement, and so that's why it's so important that agencies know how to substantiate these costs.

Because if you do get selected for a financial and administrative review, this is something that we pay particular attention to. We want to make sure that you have systems in place to show how these salary and fringe expenses that you got reimbursed for, we want to make sure that the cost that you incurred, it was specific for the HUD grant.

The personnel activity reporting, whatever method your agency choses to implement, you want to make sure that it's accounting for all of the activities being worked on. It should be signed by the individual employee, so any employee that you're going to be submitting their time for reimbursement, if you have a specific personal activity report, you want to make sure that they're signing off on that and that their supervisor is approving that as well. Because this is something that you're going to be submitting to the federal government for reimbursement, so you want to make sure that they're certifying to the fact that they did the work.

It should reflect an after-the-fact determination of activities performed. You don't want to charge time on your personnel activity report based on the fact that you have funds available on the grant. You want to make sure it's based on actual work that you performed providing the services.

For internal controls, you want to make sure that you have policies and procedures in place at your company. This is the only way that you make sure that everyone involved in the process knows exactly what is required of them, so having your standard policies for your company and the specific procedures that need to be performed each reporting period, in that way you cover yourselves by making sure that everyone knows what to do.

You want to make sure that you're keeping documentation for personnel activity reporting. The Uniform Guidance has become a lot more flexible in what they accept as personnel activity reporting, but you just want to make sure that you're still at least considering the best practices and that you're maintaining supporting documents. Because if it's not documented, then from an auditor's perspective then we can't substantiate that it happened.

So, as I mentioned before, the Uniform Guidance is a lot more flexible in what you have as a personnel activity reporting. You don't have to have a specific type of report where you have to do it monthly. In the past grant years, you had to have a separate personnel activity report that was labeled as such, and you had to sign off on it. You had to do it at least monthly. But there are other ways that you can do personal activity reporting. You just want to make sure that whatever method your agency choses, it's capturing the basic elements of the personnel activity report.

Here we have a copy, just a snapshot of an example of policies and procedures for personnel activity reporting. This is something that we help agencies to develop. Personal activity reporting policies and procedures are going to be different for each agency because we don't want you to reinvent the wheel. If you have something in place, if it's not fully compliant, then you just want to edit that or enhance that to make sure that you are in compliance.

We have an example of a personnel activity policy and the procedures there. So, you want to make sure that you're sharing with your employees what the policies are at your company for personal activity reporting and what the procedures are and how they complete those procedures. As I have said, that is something that we provide assistance with which we'll talk about later.

As for personnel activity reporting, there are agencies who for the longest time have had separate personnel activity reports that they maintain monthly or at least monthly that they complete. They make sure that their activities are documented, the time spent are documented. They're making sure that it's signed off by the employee as well as their authorized supervisor and things like that. So, if you have something in place although you're no longer required to have a separate personnel activity report, we just encourage you to continue to do that because then you don't have to worry about making changes and you're already fully compliant. But if you don't have a system in place where you're capturing personnel activity at your company, then we have a couple of recommendations for you.

So, the second option has to do with an entity that has a timesheet. So, remember a few slides back we looks at a standard timesheet where you're clocking the hours each day. You could add to that somewhere that you can document personnel activity codes or you can have personnel activity descriptions where you're documenting what was performed within those hours. But you're making it not too detailed where a phone call with a certain type of an agency or a client, but you can make it broad enough to capture different activities within a certain category. I'll show you an example in a second.

The third method is to use information from your client management system, but I cautious agencies who chose option three. Because if you do use the data from your client management system, remember, personnel activity reporting has to be comprehensive.

You have to make sure that you're accounting for 100% of your employee's time. So, any time or any activities that are performed and it's not captured in your client management system, you then have to supplement that with another form of documentation to say what did I do with the other several hours, and I'll go further.

Say for example, we have housing counselor A. Last week that person, they documented 20 hours of providing services to clients in the client management system, but they worked a 40-hour week. There should be documentation somewhere to account for the additional 20 hours that wasn't captured in the client management system, and you want to make sure that all of that information is available for review should you get selected for a financial and administrative review.

The fourth option is to use a manual system. So, a lot of the smaller agencies, they don't have an electronic system where they can just go in and put an activity code in their accounting system or a project code, a fund code. They don't have that, but what you can do with your manual system is just enhance what you have and make sure that you're documenting the activities performed. And then you're also documenting the project that you will be charging those activities to in your manual system.

So, here we have an example. Of course, we wouldn't do an example of option one because option one is something that your agency already had. As long as it's compliant, we say go ahead and keep it. Don't even worry about making any changes unless it's not fully compliant.

For agencies that have a timesheet, just a timesheet, they don't have any personnel activity reporting on there, and this is for a manual system, we would recommend that you use your timesheet and update it to capture activities. So, here, first, we will refer you to the bottom. At the top, you have the generic information for the employee and the employee ID information.

At the very bottom, you want to make sure that the employee as well as their supervisor, they're both certifying to the fact that the hours worked and the activities performed, they're true, and they're complete and accurate. And then a third of the way down the spreadsheet you look at the legend, and we break down the different activity codes by the typical types of services, so one-on-one counseling, group counseling session, training sessions, marketing and outreach or travel or any administrative work. You break down into those categories, and the right most column gives a description of what's included in those categories.

In completing the timesheet, you will see where the employee is able to document what grant they're going to charge the time to and then the activities that they performed, and document the activity code, and then the hours that they worked. Now, if they have additional grants, so in this example there was a HUD Special Need grant. If you look at the bottom again in the legend, they had a special needs grant that they are charging time to. So, you can manipulate this manual timesheet to include activities performed under various grants and capture the time worked.

Here, you can see the employee documents their leave or any holidays, so everything, 100% of this employee's time is being captured in this manual timesheet that includes the activity codes. So, if this agency got selected for a review, I could come in and take a look at this and say, okay I can see what activities were performed during the period and where that activity was charged to. So, say I was reviewing their FY13 grant, I could see that they worked for 40 hours on the FY13 grant, and I can reconcile that information in conducting my review.

Here, we have an example of an electronic timesheet system. So, if you have an electronic timesheet system, some systems are sophisticated enough for you to actually go in and document the various projects that an employee is allowed to charge time to. So, you would talk to your accounting department. The program and the accounting department should work together to make sure that the different projects that the employee would be working on, they're able to charge time to that in the accounting system.

Or some will go further to allow you to put a description of the work that you performed, so you would create different activity codes or accounting codes that would reflect the activities that are performed by the employee. And them in doing that, then accounting could just run the report from the accounting system and see how many hours for the period did this employee work providing HUD Housing Counseling services, or services that are allocable to the HUD grant, based on the description that you allow that employee to document or charge time to in your accounting system.

The next option, the manual system. Another example of a manual system would be to get your client's information from your CMS and document the various activities, any pre-purchase or post-purchase. You want to document the client information as well as the number of hours that they work. If you had additional grants that you worked on, you would just include that information here by expanding the spreadsheet or if you use a Word document, just expand that information and make sure that everything is being captured.

Those were just a couple of examples of how you could implement personnel activity reporting at your agency. Now, we'll talk about the standard of documenting personal expenses because of course, as I've said before, you have to document this information. If you submit a specific cost to the federal government for reimbursement on a cost reimbursement-type grant, you have to maintain supporting documents for those costs.

Some of the things that you want to make sure that you have in place or just to think about is you have to make sure that it's based on records that accurately reflect the work that was performed by the employees. So, you want to make sure that you have internal controls in place to provide assurance that the charges that you submitted for reimbursement, they're reasonable and that they were accurate and that they were allowable and allocable to the HUD Housing Counseling grant.

You want to make sure that this information is included in your official records, so if you get selected for a review, we're looking at your general ledgers for the grant year that we're reviewing. We're making sure that it's recorded in your accounting system properly. Because you charge it to the HUD grant, it should show up as such in your accounting system.

Your documentation should reflect the total activity for the employee who's going to be charging their time to the grant. I've said that before. Whether in your timekeeping or your timekeeping and personnel activity reporting system, you want to make sure that all of the hours that were worked by the employee is being captured. You also want to make sure that you're complying with the accounting policies and practices of your company. So, take a look at your current policies and procedures, and if you need to make any updates, you want to make sure that you update them. And then you want to share them with your employees so that they know what to do.

Your records must support the distribution of your salary, so when we look at your salary and wages, we should be able to do a reconciliation of the hourly rates that you charge to the grant. For nonexempt employees, you want to make sure that the time charge is supported by records indicating the total number of hours worked, so they too need to be documenting this information.

Some frequently asked questions that we often get, one of the more frequent ones, question one here, “If an employee is documenting personnel activity and isn’t sure what grant, fund or code to charge, what would they do in that instance?” Personnel activity reporting, it should be prepared using descriptions of the jobs performed so that you could then determine where to allocate those activities to.

So, we always give the example with a Housing Counseling grant, your grant may be executed in the middle of the period of performance, and you have to retroactively go back several months to see what time that happened several months ago would I be charging to the grant. Now, if your employees, just as standard procedure at your agency, if they’re already documenting the types of activities performed, then you could easily determine what could be reclassified and allocated to the Housing Counseling grant with HUD.

You want to make sure that your employees are documenting 100% of their time and the activities that are being performed because you don’t want to double dip. If an activity was already reimbursed by a federal grant program, you can't then submit that to HUD for reimbursement, so your accounting system should be sophisticated enough to make sure that the activities that you already submitted to federal program A is not being submitted to HUD for reimbursement as well.

The second question, "Is personnel activity reporting only required for a HUD Housing Counseling grant, and is a timesheet required to be a documentation of personal activity?" So, I'll answer the last question first. No, the timesheet is not required to be a documentation of personnel activity. Remember, you do have flexibility in how you document and show personnel activities, so you're not required to put it on a timesheet. If it makes it easier if your agency, then go ahead and just update your timesheet to capture the activities performed.

"Is personnel activity reporting only required for the HUD grant?" No, the Uniform Guidance, it talks about this, and it says that any recipient of a federal grant or federal funds, if you're going to be charging personnel cost, so that's salary and fringe to the federal government for reimbursement, you have to make sure that you have personnel activity reporting in place to account for the activities that you're submitting to the federal government for reimbursement.

"Does the personnel activity reporting only need to show hours worked under the HUD Housing Counseling grant program?" No, you want to make sure that you're capturing 100% of the individual's time. I've said that a couple of times, but we want to reiterate that. You want to make sure that you're capturing 100% of the time so that you can properly allocate time to various grants that the person may have worked on.

"Can admin and/or management personnel cost be charged as a direct cost to the grant?" The Uniform Guidance addresses this, and it says that salaries for clerical staff or management, they're usually treated as indirect costs because they usually work on various projects.

The work that they perform usually benefits various programs, so it's usually included in [indiscernible] costs. However, if they specifically provided services that are integral to a certain project or an activity or if the individual can be specifically identified with a project, then you can therefore go ahead and submit some of their salary to the grant for reimbursement.

So, say for example, someone on the management team, they participated in this training or if that person prepares the quarterly financial reports that you submit to HUD each period, then you can identify those activities. And so you can go ahead and submit those for reimbursement, but the catch is you want to make sure that all of that was documented in the grant execution package in your budget where you let HUD know we're going to be charging some of our management's time to the grant for these specific activities.

Assistance that's available to you as participants in the Housing Counseling program, we work with agencies one-on-one to help them to develop or modify their policies and procedures for timekeeping or personnel activity reporting. So, if you have a policy in place and it needs to be tweaked a little bit, we help agencies with that or if you don't have any in place, we can help you to develop one that's specific to your agency.

We also help with preparing reporting templates, so we can help you with preparing personnel activity reporting templates if that's the route that you want to take and then also help your agency to carry that information over to your quarterly financial reporting. We also provide training, so we can train your staff. Or if you have branches and subgrantees, we provide training on timekeeping and personnel activity reporting as well as how to make sure that you're maintaining your supporting documents.

Agencies that have subrecipients, we help with reviewing submissions from your subrecipients or we can review them ourselves at your request. Or we can provide training to your staff on how to review it, what are things that you should be looking for. Any of these can be done remotely or on site, whatever works best for you.

So, if you are interested, what you would do is you would contact your HUD POC, let them know the assistance that you need, and also let them know who would be the correct person for us to work with in case the request was approved. If your HUD POC approved, then they would initiate the request with our HUD GTM [ph].

Once that was approved from our HUD GTM's level, then they would let us know. We would initiate the assistance with you. So, just bear in mind, if you wanted to request assistance, start with your HUD POC, and then it moves up the chain.

If you have any questions, please submit them to housing.counseling@HUD.gov. Be sure to include today's topic in the subject so that we could properly distribute the questions. I'm looking to see if there are any questions here. I don't see any questions that haven't been answered, so I do want to thank you all for having participated today.

Again, if you have additional questions, please send them to housing.counseling@HUD.gov. We hope that this information was helpful, and we look forward to the next training with you all which is next Monday on financial analysis. Thank you, and have a good day.

Moderator Ladies and gentlemen, that does conclude our conference for today. We do thank you for your participating and using AT&T Executive TeleConference Services. You may now disconnect.

Host and speakers, you may stand by for debrief.