Final Transcript

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

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SPEAKERS

Petergay Bryan

PRESENTATION

Moderator: Ladies and gentlemen, thank you for standing by. Welcome to the Timekeeping and Personnel Reporting conference call. At this time, all participants are in a listen-only mode. [Operator instructions]. As a reminder, this conference 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's training on timekeeping and personnel activity reporting. This training is specifically for participants in the Office of Housing Counseling Grant Program. Audio will be recorded and the playback number and the PowerPoint and the transcript will be available to you on the HUD Exchange. The link for where it will be posted is shown here on your screen. The training digest will also be updated on HUD Exchange once the webinar is posted.

Had you registered for today’s conference webinar, you would have received an email with a copy of the PowerPoint attached. However, if you didn’t receive that email, you could just expand your control panel. There’s a section that says Handouts there. Just double click on the document and you can actually follow along with the slides that we’re going to be reviewing and take notes for your records.

I won’t be pausing for live questions today. However, if you do have questions, we have personnel online who will be taking your questions and responding to you promptly. Just expand your control panel there’s a section that says Questions there. Click that and type your questions there and we do have staff who will respond immediately.

If you think of any additional questions today, please send them to Housing.Counseling@HUD.gov, with the webinar topic in the subject line so we could route your questions to the correct personnel.

If for some reason all of your lines become unmuted, please go ahead and just mute your lines now so as to not disrupt the webinar session.

And, if you log in to today's webinar from your own computer, within the next 48 hours, you will receive an email that says, "Thank you for attending." That will serve as your certificate for having participated today. So, there won't be any additional attachments or anything like that. We do ask that you print that and save it for your records as proof that you participated in today's training.

If you wish to receive credit, you can go to the HUD Exchange, once the information is posted, and search for the training by date or topic. Select the webinar and click on Get Credit. And then, that will give you instructions for how you can actually get credits for participating today.

I'm Petergay Bryan, Audit Manager with Booth Management Consulting. Booth Management Consulting is the contractor that works with HUD's

Office of Housing Counseling and work directly with grantees and sub-grantees as it relates to any financial and administrative requirements of the grant that you have with HUD.

Today we're going to talk about the importance of timekeeping as well as the importance of personnel activity reporting. We'll look at different timekeeping systems and what's required for having a sound timekeeping system.

We'll talk about personnel activity reporting, like what is personnel activity reporting, how do I make sure that I'm reporting activities properly, and in compliance with the regulatory requirements. We'll also look at the documentation that you should maintain on file for evidence of personnel expenses that you submit for reimbursement.

We'll talk about some best practices for maintaining compliance with the Uniform Grant Guidance. As you may know, the Uniform Grant Guidance is the regulatory requirements that you want make sure that you're in compliance with for federal awards.

We'll also look at some frequently asked questions. Based on our history of providing services under this contract, we have some typical questions that agencies may pose as it relates to timekeeping and personnel activity reporting. So, we'll go through that.

And then we'll talk about assistance that's available to you as participants in the Housing Counseling Grant Program. Of course the assistance is at no additional cost and we'll talk about how you can request the assistance and what to expect after making such requests.

The first thing I wanted to speak to is the importance of timekeeping and personnel activity reporting. The Uniform Grant Guidance Part 200.430 talks about personnel services and compensation for personnel services. It says that in order for personnel costs to be submitted to federal awards for reimbursement, those costs must be deemed to be allowable, reasonable, and allocable to the grant. So, the activities that have been performed have to be activities that are eligible for reimbursement under the grant and the value of those activities should be reasonable, so it should be in line with what a prudent person would spend for having incurred those costs, depending on your location or the types of services, etc. It should be allocable to the grant so it should meet the eligibility requirements of your grant agreement.

In order for HUD to determine whether or not personnel costs that you submit for reimbursement meet these requirements, you have to have systems in place to track the personnel costs. The systems that you would have in place would speak to your timekeeping system as well as your personnel activity reporting system. These are the systems that will provide the evidence to the federal government, letting them know that, hey, you know what, we did provide services under this grant. Here are the activities that we worked on, we do meet the eligibility requirements. The costs are allowable, reasonable and allocable to the grant.

This is required for anyone who's going to be charging time to the award. So, when you look at your entity, you want to make sure that you're looking at those employees whose time you're going to be charging to the award. Once that has been determined, you want to make sure that you have systems in place to track the time spent performing services under the grant, as well as activities performed so that you could therefore allocate those costs to the grant.

Timekeeping, in and of itself, is just the process of recording time. So, employees come in, they clock in, they may take breaks, and then they clock out, so the timekeeping by definition is just a process of recording the time or the hours that your employees work. Proper timekeeping policies require that employees sign their timesheets. This is where the employee is certifying to the fact that, hey, I did work these hours for the day or for the specified period.

An authorized supervisor should approve the time whereby certifying that, hey, yes, my employee actually did work these hours for the specified time. And, your policies should speak to the penalties for falsifying or completing someone else's time because this is a requirement under the US statutes.

Personnel activity reporting takes it up a notch where timekeeping is just recording the hours or the time spent providing services, personnel activity documentation is where you're actually documenting the activities that were performed. So, not only did you come into work and work seven hours on a specific day but these are the types of activities that were performed on that day. Then you would have documentation on file to show what the activities were.

Personnel activity reporting helps to confirm the distribution of activities that a person works so you can allocate your time. Say, okay, I spent five hours doing some pre-purchase counseling, I spent three hours doing some reporting. So, those are the different types of activities that would be documented in your system for personnel activity reporting.

We'll talk first about timekeeping systems and then we'll go into personnel activity reporting systems. So, for a typical timekeeping system, it's always a best practice to make sure that the system that you have in place is able to track the time for each of their employees, you're able to track the time that's worked by your employees. And, also, you can allocate the hours that's worked to different projects that your employees work on.

So, some timekeeping systems you can break them down by labor category or by the different federal awards that employees may charge time to. Some timekeeping systems may not be that sophisticated, perhaps it's like a manual system where you have to actually just go ahead and document that information on your timesheets instead. So, your timesheet keeping systems should help you to make sure that the nature of the work that's being performed is being determined by the time that's spent performing those services and not the availability of funding or the types of rent that you have.

It's always a best practice to make sure that you're enforcing the accurate completion of timesheets and the accurate preparation of timesheets. You want to make sure that your employees are completing their timesheets timely and they're being approved timely and that also that they're completing them accurately. So, you should have policies and procedures in place to make sure that your employees are aware of how they would go about completing their timesheets properly.

There are two methods for timekeeping. The first one is the preferred method and it's the contemporaneous method for timekeeping. That's where your employees enter their time daily. So, as they come in during the day throughout their day, they're entering their time and making sure that, okay, I'm capturing all of the hours that I've used to provide services under the various projects that the employees work on.

It can be done via a software or it can be a manual system, either way is fine. But, this method is more accurate because you can provide a more detailed account of the time that you have spent because the information is fresh in your head. You can remember specifically what you did. At the end of the day today you can remember specifically what you did and how much time you spent doing whatever you did today.

The second method is a reconstructive method where after the time has passed and perhaps you're doing it weekly or bi-weekly or bi-monthly, you're going back and trying to reconstruct your time. So, this is not the preferred method, however, it is of course acceptable. We do encourage that if this is your agency's method for preparing timesheets, then you want to make sure that you're relying on your notes, your calendar information, specific call logs, your client management system, going back to your emails, whatever documentation you may have to actually reconstruct the time that you spent providing services for your agency.

We have a few best practices for reconstructive timekeeping. Really we just want to encourage you, use as much information as possible to rebuild or reconstruct the time that you worked on your various projects. So, use any notes, various call logs, workshop logs, or any other documentation that you can find to actually reconstruct the time and see how best or how close you'd be able to come to the actual time that you spent providing the services.

Here we have an example of a timesheet. This would be a manual system. The employee comes in, they have the name, the date, the department they work in, the manager, who would be approving their timesheet. If you look at the table, you will see where this employee for this system they're just documenting the date that they work, the times they came in and out, any breaks they took, and the hours that they have worked. So this is just strictly timekeeping without any activity reporting. In the next few slides we'll look at actual activity reporting.

The next section we talk about personnel activity reporting, which is taking it a step further to evidence personnel costs. The timekeeping system that you have helps us to determine the number of hours that your employees work for a specified period but we don't know what they do, just relying on a timekeeping system, unless it also allows for personnel activity reporting.

So, the personnel activity reporting, with that you're able to track the distribution of activities that is performed by hours. You can also track by the different funding, so different projects that your employees are working on can be documented using a personnel activity system. You want to make sure that it's detailed enough so that you can determine the activities that have been performed for a period, and you'll be able to distinguish between any direct services provided or administrative services provided.

Your system for personnel activity reporting should reflect 100% of activities performed for specified periods and be detailed enough to help determine allow-ability. So, what happens especially with the HUD grant is that the HUD grant may be awarded in the middle of the period of performance, and agencies have to know—because you are allowed to do retroactive reporting, you have to go back to the beginning of your period of performance and try to figure out whose time you're going to be charging to the grant and what amounts and things like that.

If you have a system of personnel activity reporting in place it will be a lot easier for you because you can look at that to see what activities were performed that are eligible for reimbursement under the grant. If you only rely on a timekeeping system where someone is clocking in and clocking out, if they're not documenting the activities, then you really don't know what activities were performed and you don't know where to charge that time to. Then, you would put yourself in a position where you'd probably do some double billing where you're billing multiple grants for costs that were already reimbursed by other grant funds. So, you want to be very careful and that is why we really stress to agencies that you want to make sure that you're doing proper personnel activity reporting so that you could properly account for the grant funds.

I also wanted to note that over 90% of the costs that's charged to HUD OHC awards relates to personnel costs. So, this is a really critical area for agencies to pay attention to and to make sure that they're doing correctly.

The basic elements of personnel activity reporting, I wanted to highlight these for you. You want to make sure that it's reflecting 100% of the activities that are performed by the employees at your agency. So, whatever projects they're working on, whatever activities they're performing, your system for personnel activity reporting should capture that. The individual who is providing the service should sign off on that, and just to certify that they actually did the work, and their supervisor should also certify to that. Someone who has knowledge of the activities that are performed by the employee should sign off on it.

The personnel activity report should reflect an after the fact determination of activities performed. So, you don't want to do it based on, you know what, I have some funds available on grant A, so I'm just going to charge my time to that, and document it in such a way. You want to make sure that you're not doing that. It should be determined after you've actually provided the service and you're not using budgeted estimates. You're looking at actual hours and time spent and activities performed.

For proper internal controls, you have to have policies and procedures for how your agency will track personnel activity. With the Uniform Guidance implementation, prior to the implementation you were required to have a separate monthly personnel activity report that is maintained. With the Uniform Guidance, they now allow a lot more flexibility and how agencies can document personnel activities. So, you don't have to keep a separate monthly report but whatever the method that you choose you want to make sure that it meets the requirement of the Uniform Guidance where you're capturing 100% of activities performed and that when being reviewed, one can then be able to see 100% of the distribution of time. We can also see the activities that were performed and whether or not they're allocable to the grant.

Also, you have to maintain documentation for personnel activity reporting. So, this is what I've been speaking to and in the next few sections we'll look at some examples of what that would look like typically. Just bear in mind that your agency needs to have documented policies and procedures for personnel activity reporting. Even though you're not required to have a separate report done, whatever system you choose to do your personnel activity reporting you just want to make sure that you're maintaining the documentation for the document retention period of three years.

Here we have a sample of policies and procedures for personnel activity reporting. Basically we start off with the policy where we're indicating that we want to maintain compliance with the Office of Management and Budget, and that we speak to the procedures that would be performed by your employees, where typically agencies would let their employees know how frequently they should prepare their personnel activity reporting, what elements should be included, if it's a separate documentation that they're maintaining, wanting to also indicate that it's being signed by the employee as well as their supervisor, and also that it's required for anyone whose time will be charged to a federal award.

As I mentioned a few moments ago, there's a lot more flexibility when it comes to personnel activity reporting. So, for agencies that use to prepare personnel activity reports, separate personnel activity reports, as long as those reports were in compliance with the Uniform Guidance requirements we encourage you to continue to maintain them because that is of course it's allowed. You've already been following the requirements and you don't need to do anything new, perhaps a tweak or something, but you don't need to do anything new to continue to maintain those.

For agencies who have only been using timesheets, without documenting any activity anywhere, we have a second option for you all where you can add activity codes to the timesheets. We'll look at some examples in a few. In addition to just having the timesheets where you're saying I came in at a certain time and clocked out, you're actually documenting the activities that were performed to then be able to say, okay, can I allocate this to a specific award.

The third option is to use your client management system to support any other timekeeping system that you may have. So, you may use your CMS data to show—but bear in mind, that this will only show HUD activities performed. It will not show any of the additional activities that you performed at your agencies so it will be incomplete because as I said before, your system for personnel activity reporting should show 100% of what was performed. So, outside of the CMS data, you have to maintain documentation for whatever you worked on outside of providing the client face-to-face activities or whatever information you document in CMS.

The fourth option is just a manual system for agencies that don't have an electronic system, so we'll show you what that looks like. Here we edited a timesheet. So, if you look at the top of course you have the employee's name and ID information and this is for a month. At the bottom, you'll see where the employee and their supervisor would sign off certifying that the reporting is complete and accurate.

In the table at the bottom will show you the different activities and we have activity codes. So, for example, HC0001 would be for one-on-one counseling. You'll see that in the description box, and it has a description as far as what's included, what would meet the requirement for being included in that category, so any type of one-on-one activity performed.

So, if you look at the top table, you'll see where this employee they've documented the different activities that they worked on. They document the fund that they would be charging their time to, the activity is there, the code is there, the number of hours that they spent each day providing these services it's right there. If an agency had multiple funds or projects that they work on, some projects may be administrative work or something like that, it could be edited to include whatever categories would be suitable for your agency and you could document the time spent there. Also, it captures any holidays, any sick leave or anything like that; it captures anything that an employee at your agency would typically work on. Of course you would adjust this to meet your agency's needs.

Here we have an example of a timesheet with activity codes from an electronic perspective. So, the employee here they can document the time that they take off, any sick leave, any vacation time. But, they're also able to choose what project that they've worked on by activity. So this is just an electronic system that they would be able to use.

Here is a system where the agency would be using client management data. So, they'll probably pull the report from their client management system, document the different workshops that they worked on, the number of hours that they spend, or if it was like any type of one-on-one services, they could capture all of that information from their client management system, sign off on the report and have their supervisory sign off on it. But, just make sure that outside of the client management system you have documentation elsewhere to show what other activities were performed outside of the system.

In documenting personnel expenses, charges to federal awards have to be based on records that accurately reflect the work that has been performed by employees. So, you want to make sure that you have proper internal controls in place so as to provide reasonable assurance that the charges made are accurate, that they're allowable under the terms of the award, and the NOFA, and that they were properly allocated. They should be included in your company's official records and they should reasonably reflect the total activities performed by your employees.

You also want to make sure that you're complying with the established accounting principles and practices of your own agency. So, whatever practices that you have in place you want to make sure that you're complying with them.

Also, you want to make sure that it supports the distribution of your employee's salary. When we do our reviews, we do check and make sure that the hourly rates that you provide, they can be recalculated and that they're reasonable. If an employee provides direct service on an award, we want to make sure that they're not included in the indirect pool and things of that nature. Those are some of the things that we look at.

For any other non-exempt employees, you want to make sure that they're documenting this information as well so that their charges can be supported by records on file.

So, some frequently asked questions that we usually get, number one, if an employee is documenting personnel activity and they're not sure what grant fund to charge, what should they do? And this question comes up a lot because agencies typically for the past few years have received the HUD grant in the middle of the period of performance and they have to retroactively account for time, a personnel cost that are allocable to the grant.

So, we always encourage that agencies when during the course of the year, and before you get your award, that you prepare these personnel activity reports or you do some level of personnel activity reporting so that you can actually go back and look at the descriptions that you've put there for the different jobs that have been performed and then allocate them to the grant. So, even before you receive the award, we encourage that you just have a system for continuous personnel activity reporting so that you can actually go back and charge the grant based on the activities that have been performed because you already have that documented.

So, once you've been advised that you received the grant, then you can update it by if your personnel activity report also needs a fund code but you don't know what fund code to charge, you can actually go back and make those corrections on your personnel activity reporting system and initial and date them to say okay, you know what, we provided the services and now we know what fund we're going to be charging. Or if you charge it to perhaps a general fund you're going to be re-classing those entries. Then you just document that accordingly so that you're making sure that any activities that were performed and charged to a grant before you want to make sure that you don't charge them to the HUD grant. You want to make sure that you're segregating them in your accounting system properly.

The second question is personnel activity reporting only required for the HUD Housing Counseling Grant and is a timesheet required to be your documentation of personnel activity? So personnel activity reporting is required for all cost reimbursement-type grants for any federal agency. It's not just the Housing Counseling Grant. You can use the timesheet if your timesheet allows for activity reporting, but you're not required to use a timesheet. You can use, as I showed you in the previous screen, other methods for your personnel activity reporting. You do have flexibility. But whatever method you use, you want to make sure that you're maintaining the documentation for the document retention period of three years and that it meets all of the requirements specified in the Uniform Guidance, which we already reviewed.

Does personnel activity reporting only need to show hours worked under the HUD Housing Counseling Grant Program? No. It needs to reflect 100% of activities performed. So, if it doesn't—for example one of the methods that I showed you had to do with agencies using the client management system. If you're going to be using the client management system that typically doesn't capture 100% of activities performed, so you would need something outside of that to account for the remainder of time that an employee works.

Can admin and/or management personnel costs be charged as a direct cost of the grant? Typically admin and clerical staff time would be charged as an indirect cost to the grant. However, if you were to submit this to the HUD grant as a direct cost, it has to meet four conditions. The first one being that the admin and clerical services must be an integral part of the project for performing the grant. The second one, the individuals who are involved, they need to be specifically identified to the Housing Counseling Program or project at your agency.

The costs should be explicitly included in the budget. So in the budget that you submitted to HUD, you want to make sure that it's explicitly stated there and you provided justification in the budget or the grant execution process and you've received written approval for the federal awarding agency, which is from HUD, when they approved your budget. And, the costs cannot be also recovered as indirect costs. So, if you have indirect costs as well, those employee salaries cannot be included in the indirect cost pool.

So, it has to meet all four of these conditions in order to be submitted for reimbursement as a direct cost. Otherwise, any admin or clerical staff time would not be able to be charged to the HUD grant as a direct cost.

Now, there's assistance that's available to you as participants in the program. As I've said before, it's at no additional cost to you. Some of the assistance that we provide include technical assistance where we can help you to develop, modify and update your policies and procedures over timekeeping and personnel activity reporting, and we also provide you with templates. So, we can work with your agency specifically, see what your needs are, look at the different services that you provide and help you to develop personnel activity reports or develop timesheet templates. These would be manual templates.

And, we also help with developing quarterly financial reporting templates. These would be manual templates as well.

We also provide training where we can train your staff or if you're a parent agency we can also train your sub-grantees on timekeeping and personnel activity reporting, what supporting documents to maintain and review the submissions from your sub-recipients, the quarterly reporting submissions from your sub-recipients for accuracy.

All of the assistance that we provide we can do it remotely. If for any reason an agency would want us to come on site, we can actually come on site as well and facilitate the training.

In order to get the assistance, you would send a request to your HUD POC. Let them know the assistance required and the person at your agency who would be responsible for the assistance if it's approved. If your HUD POC approves it, then they would contact our SMEs, or our GTMs, and make the request. If that is approved by our HUD GTMs, then they would let BMC know and someone from our agency would then contact you and let you know that we're ready to initiate the process.

I don't see that there are any unanswered questions online. I don't see that there are any questions.

I do see a question from Kenneth. The question is, "How should we address a PAR system for a staff member that resigns or is terminated and they did not sign the timesheet that they submitted?"

In this case, if there is a supervisor who is knowledgeable of the work that's been performed by this person, the supervisor could sign off on the timesheet or approve the timesheet. I'm not sure the specifics so far as the length of time or anything like that, but you could email me directly and I'll email you—petergayb@BMC-LLC.net. We can talk a little bit more about the specifics for your area.

I do not see any additional questions online. So, if anyone has any questions, please send them to Housing.Counseling@HUD.gov, with timekeeping and personnel activity reporting in the subject line.

I want to thank you for participating today. If you have additional questions, please send them to the email specified. Have a great day, everyone.

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