



FACT SHEET

UNIFORM GUIDANCE: COMPENSATION-PERSONNEL SERVICES

This Fact Sheet focuses on frequent areas of concern, related to compensation charges to NIFA awards, including documentation of personnel expenses and after-the-fact reviews of budget estimates. This is commonly called time and effort reporting. Also addressed are allowances for Institutions of Higher Education, expectations for institutions regarding written policies and procedures, NIFA's common monitoring findings, and NIFA recommended corrective actions. As a recipient of a federal grant award (capacity and/or competitive), NIFA grant recipients who direct charge faculty or staff salaries (including students and post docs) to NIFA awards, or use faculty or staff salaries to meet matching requirements, must follow the requirements for Compensation - Personnel Services under the Uniform Guidance ([2 CFR 200.430](#)), including internal controls, cost allocation, and documentation. When conducting reviews, NIFA will examine institutional records (policies, procedures, General Ledger, supporting documentation, etc.) and interview personnel to ensure compliance with Uniform Guidance requirements.

Monitoring Review Standards for Documentation of Personnel Expenses (2 CFR 200.430(h)-(i))

The Uniform Guidance requires a grantee's (non-federal entity) records to ensure that the institution's system of internal controls is adequate to:

1. Ensure that matching funds follow the same policies and procedures as federal funds.
2. Provide reasonable assurance that payroll costs are properly allocated and accurately charged.
3. Determine whether there is documentation to support the distribution of an employee's salary among different funding sources, federal awards, or other activities.
4. Provide a system for establishing budget estimates are reasonable approximations of activity performed.
5. Support the process to review interim charges after-the-fact and make needed adjustments.

Allowances for Institutions of Higher Education in the Uniform Guidance (2 CFR 200.430(i)(1)(x))

1. Teaching, research, service, and administration are often inextricably intermingled in an academic setting.
2. When recording salaries, a precise estimate of factors that contribute to costs is not always feasible, nor is it expected.
3. However, these allowances do not change the requirement to ensure accurate and allocable charging of salaries, institutions must have documented support for the distribution of an employee's salary among specific activities or cost objectives if the employee works on more than one federal award. (2 CFR 200.430.i.1.vii)

NIFA Contact: Maggie Ewell
Margaret.ewell@nifa.usda.gov

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NOTE: This Fact Sheet is intended as an informational resource to assist NIFA recipients in meeting the requirements of personnel services compensation documentation in 2 CFR 200.430. This document conveys requirements consistent with 2 CFR 200.

Written Policy and Procedure Expectations for Institutions

To provide reasonable assurance that the payroll costs charged to NIFA awards are accurate, allowable, and properly allocated across multiple awards or activities, institutions will have:

1. Written policies and procedures for grant-funded personnel that:
 - Contain documentation requirements (source documentation), including prescribed measurement and tracking methods, for staff effort and the sources of funds from which they are being paid. The measurement method should be consistent across staff classifications. Tracking methods should tie back to and support institutional systems (e.g. effort reports).
 - Identify who will certify effort reports (e.g. faculty and staff vs. students and post docs) if applicable.
 - Identify who has oversight over reviewing, approving, tracking, and allocations.
 - Contain clear procedures to adjust effort levels when appointments change.
2. Written policies and procedures for accounting staff regarding the after-the-fact review of interim charges based on budgeted estimates.
 - Under the Uniform Guidance, estimates determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim charges. (2 CFR 200.430(i)(1)(viii)).
 - There must be a process to review after-the-fact interim charges made to federal awards based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Common NIFA Monitoring Findings

1. NIFA is unable to conclude if payroll allocations for split appointments (individuals who work on more than one Federal award or activity) are accurately charged to NIFA grants.
2. NIFA is unable to validate whether systems of internal controls include an after-the fact review process to ensure interim grant charges are adjusted based on actual effort rather than budgeted estimates.
3. NIFA is unable to conclude sufficient internal controls are present to reasonably assure that the amounts charged to federal awards are accurate, allowable, and properly allocated.

Recommended Corrective Actions

Develop internal personnel and accounting policies and procedures for:

1. Measuring, documenting, and reporting the percentage of effort expended on federal awards.
2. Designating appropriate staff to review and certify effort reporting documents (if used).
 - Staff that are accountable for the review and overall certification of time and effort reports, as well as supporting documentation, must have sufficient knowledge to do so (e.g. Project Directors or Principal Investigators).
3. Reviewing and certifying effort reporting documents timely.
4. Reviewing, after-the-fact, interim charges and adjusting to ensure charges are accurate, allowable, and properly allocated.
5. Implementing the above policies and procedures, such as staff training, employee manuals, or other means.