

Administrative Policy No. 19.50.01.B

Subject: Compliance for Positions Charged to Multiple Federal Awards

Information Contact: Office of Accounting Services
Grants Management, (360) 664-5752

Authorizing Sources: [2 CFR Part 200](#) - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
State Administrative and Accounting Manual (SAAM)
[50.20.80](#), Responsibilities of agencies

Effective Date: July 1, 2006

Revised Date: May 22, 2019

Approved By: **Original signed by Judy Fitzgerald**
Assistant Secretary / Chief Financial Officer

Purpose

This policy describes the minimum requirements for documenting time distribution to support salaries and wages charged to multiple federal awards.

This policy defines the requirements, the retention schedule, how frequently the documentation is updated, and the impact on the cost allocation plan.

Scope

This policy applies to all DSHS programs that have staff coded to multiple federal awards.

Additional Guidance

[DSHS Forms Picker](#)

Form 03-424, Position Action Request

Form 03-437, DSHS Personnel Activity Report

State Government General Records Retention Schedule (SGRRS) Version 5.1

[3.3 Fiscal and Accounting Records](#)

[3.4 Grants Management](#)

Definitions

Cost objective means a five-digit code assigned by DSHS that identifies the federal grant or a portion of federal grant or a state funded program for which costs are to be accumulated.

Department refers to the Department of Social and Health Services.

Leave tracker is a system used to track the time and attendance of DSHS staff, including those coded to multiple activities. Leave tracker is used to create the time record.

Program means an administration, division, or program within DSHS.

Personnel activity report means the document used to track time spent on each activity performed for individuals that are not handled by a substitute system. Examples include leave tracker or the DSHS personal activity report (form 03-437) for this purpose.

Public assistance cost allocation plan (PACAP) means the narrative description of procedures used to identify, measure, and allocate all administrative costs to the programs administered or supervised by the state's public assistance agency.

Substitute system means a cost allocation methodology approved by the Department of Health and Human Services (HHS). Refer to tab E of the DSHS PACAP for a complete listing of those cost allocation methodologies that can be considered.

Policy

A. Multiple activity positions

1. When individuals work on multiple federal awards the distribution of their salaries and wages must be supported by:
 - a. Personnel activity reports or equivalent documentation to support time, or
 - b. Support for using a substitute system (refer to 2 CFR Part 200, Subpart E § 200.430 (5)(i)) to support wages and salaries.
 - c. Methodologies used for allocation of staff time or salaries and wages for multiple federal awards must be included in the PACAP and approved by the granting federal authority.
 - d. The program is responsible for maintaining and updating the documentation.
2. The following is an example of a situation where time must be tracked based on personnel activity reports or equivalent documentation:

A registered nurse (RN)/case manager splits his or her time between case management and nursing services. Since there is an enhanced federal match for the nursing services, the RN/case manager must keep track of time spent on both activities.

3. The following is an example of a situation where it is appropriate to allocate salaries and wages using a substitute system methodology (if this allocation methodology is approved in the DSHS PACAP):

Mail is delivered to several programs and the driver's payroll is coded to multiple programs. **Pieces mailed** is used to allocate wages and benefits to the benefiting programs. Tracking logs, reporting the pieces mailed, must support actual distribution and the payroll coding allocation must be updated at least quarterly.

B. Personnel activity reports

1. Staff time supported by personnel activity reports or equivalent support must meet the standards outlined in [2 CFR Part 200, Subpart E § 200.430 \(i\)](#), *Standards for Documentation of Personnel Expenses*, including, but not limited to:
 - a. The personnel activity reports must:
 - i. Show the distribution of the actual activity time.
 - ii. Account for the total activity for which the employee is compensated.
 - iii. Coincide with one or more pay periods.
 - iv. Be completed at least monthly.
 - b. The employee and their supervisor must sign the personnel activity reports. Electronic approval may be used as authorized by the federal granting authority. In some cases, the business manager or fiscal program manager may gather and keep supporting documentation, if this individual has first-hand knowledge of the work being done. In such cases, the responsible manager may sign the personnel activity report.
2. The information from the time sheet must be used to update the employee's payroll coding, update the employee's payroll expenditures by journal voucher or be used as data for a cost allocation base.
3. The program must complete and maintain documentation.

C. Substitute system methodology

1. Staff salary and wages supported by a substitute methodology must meet the following standards:
 - a. The substitute system must reflect a distribution of the actual data or activity.
 - b. The substitute system documentation is the basis used to allocate the employee's salaries and wages by updating the payroll coding.
 - c. The allocation methodology must be in the DSHS PACAP and approved by the federal Health and Human Services, Division of Cost Allocation (HHS/DCA).

2. The fiscal program manager must:
 - a. Describe the method used in the DSHS PACAP.
 - b. Keep the appropriate supporting documentation in accordance with the applicable retention schedule.

3. To update the payroll coding program staff must:
 - a. At least quarterly, compare the actual costs to the estimates by comparing payroll coding or the approved allocation methodology data, to actual staff activity.
 - b. Use the actual staff activity to update payroll coding. Estimates should be revised to reflect any changed circumstances.
 - c. Keep all required documentation in accordance with the applicable retention schedule.

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