

What Is Time and Effort Tracking?

Time and effort tracking refers to the attentive, accurate, and effective recording and approval of work performed on an award to ensure proper compensation and benefits of employees.

Grant Financial Management Requirement

Compensation for personal services and fringe benefits is allowed but must comply with the regulations under [2 CFR 200.430](#) and [2 CFR 200.431](#).

Important Information to Know

In general, compensation paid for work performed on an OJP grant program must be reasonable or comparable to what is paid for similar work performed by others inside the organization, not working on the award. If such comparison cannot be made, the compensation must be aligned with that of the labor market in which such employees would be competed for.

Records must accurately reflect work performed under each individual award and must comply with established organizational policies.

The compensation must be for work performed during the award period. No retroactive payments for previous periods are allowed.

Limitations

OJP awards of \$250,000 or more do not allow for compensation using grant funds at a rate exceeding 110% of the federal government's Senior Executive Service (SES) maximum annual salary. Any compensation in excess of this rate would have to come out of the organization's funds and not from the award's federal funds. If only a portion of an

employee's work is charged to an award, it must correspond to the percentage of time worked times the maximum SES 110% salary.

Overtime

Overtime compensation is allowable if it is in accordance with organizational policies, is considered reasonable and allocable, and has been authorized. Executives cannot be reimbursed for overtime under grants and cooperative agreements.

If overtime arises from work performed in excess of established maximum workweek hours, the premium must be distributed among all jobs and activities and not exclusively to the federal award, unless otherwise specified.

How This Applies to Your Grant

Payroll

Salaries and wages must only be expensed for work performed on program projects and must be based on records and documentation that accurately depict the jobs or activities performed.

- ▶ Distribution—the base for allocation must be detailed and documented in writing when an employee's work is:
 - ◆ Assigned to more than one federal award
 - ◆ Distributed to both federal and non-federal awards
 - ◆ Considered an indirect cost as opposed to a direct cost
 - ◆ Charged at different indirect cost bases dependent on the activity

- ▶ Documentation—work can be recorded using timesheets, activity reports, or time and effort reports, but all must be certified by the employee and authorized by the supervisor. They must be:
 - ◆ Signed in ink or electronically by employee
 - ◆ Countersigned in ink or electronically by supervisor
 - ◆ Prepared at least monthly
 - ◆ Coincide with one or more pay periods
 - ◆ Record the actual hours worked divided by job or activity

Fringe

As with salaries and wages, fringe benefits must only be expensed for work performed on program projects. They must be reasonable and required by organizational policy or by law and must have been approved in the program budget. They must be charged as direct or indirect, following the same method as salaries and wages. They include:

- ▶ Social Security
- ▶ Leave such as vacation, sick, and holidays
- ▶ Insurance such as life and health
- ▶ Retirement contributions
- ▶ Pensions

Resources

United States Department of Justice. (2017). *DOJ Financial Guide*. https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/DOJ_FinancialGuide_1.pdf

[2 CFR 200.430 Compensation—personal services](#)

[2 CFR 200.431 Compensation—fringe benefits](#)

About the OJP Territories Financial Support Center

The Office of Justice Programs Territories Financial Support Center (OJP TFSC) offers free resources, training, and technical assistance for grantees in the U.S. territories. OJP TFSC services focus on building financial management capacity and can be accessed by emailing OJPTFSC@usdoj.gov via our Virtual Support Center.



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