



Iowa Homeland Security and Emergency Management Department

PERSONNEL ACTIVITY REPORT (PAR)

One of the more serious audit findings is the proper support and charging of compensation for personnel services. The lack of time and effort reporting is the single largest audit finding by the US Office of Inspector General (OIG). Costs that do not have adequate documentation are considered “unallowable” and subject to repayment. In recent years, there has been increased scrutiny by auditors of the time and effort reports prepared for federally-funded programs. Common audit findings related to salary include:

- No documentation, or documentation that doesn’t meet Federal standards.
- Employees charging salary as budgeted rather than as actually worked.
- Time worked on multiple grants/projects not recorded separately.

The subrecipient must ensure that complete and correct PARs are a part of the local official files.

Any employee whose wage, salary, and/or fringe is funded in whole or in part by Federal grant funds or Federal contract must complete a time and effort report to ensure the budgeted time and effort is equivalent to the actual time and effort worked on a program. Time and effort reporting or personnel activity reporting (PAR) provide written support that salaries and wages charged to a federal grant benefit the grant and are a required component of the receipt of federal funds.

STANDARD FOR PERSONNEL ACTIVITY REPORT (PAR)

Federal regulations require that when subrecipients work on multiple activities or multiple cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation.

PARs must meet the following standards:

1. The reports must reflect an **after-the-fact** determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.
2. Each report must account for the **total activity** for which employees are compensated and which is required in fulfillment of their obligations to the organization.
3. If budget estimates or other distribution percentages are determined before the services are performed these must be promptly adjusted if significant differences are indicated by the activity records.
4. The reports must be **signed by the individual employee**, or by a responsible supervisory official having first-hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.
5. The reports must be **prepared at least monthly** and must coincide with one or more pay periods.

Recording and reporting time on a PAR can be accomplished through several methods ranging from paper-based time sheets to computer software designed for time reporting to sophisticated software integrated

with accounting, project management, or payroll systems. The most important aspect of implementing a time reporting process is to establish a set of policies and procedures that can be consistently used throughout a project or program.

Each subrecipient employee who charges time to the grant is required to sign and date a PAR. The signature affirms that the report coincides with one or more pay periods and has been prepared at least monthly. The employee must affirm with his/her signature that the report is an after-the-fact determination of actual activity for the referenced pay period. Whether the affirmations are stated in writing located at the signature line or are found elsewhere on the PAR, it is advisable that the PAR contain some variation of acknowledgement affirming that the PAR entries are accurate.

The PAR documentation must be kept up-to-date and maintained in the subrecipient's official files. The PAR and all documentation must be made available to any federal/state agency or the Comptroller General, through any authorized representative for audit and examination purposes, provided that these documents are related to the receipt or use of EMPG assistance or in fact any other Federal assistance.

PERSONNEL ACTIVITY AND MONITORING

With today's environment of increasing accountability, it is no longer enough for the subrecipient to charge time through a payroll system to a specific program or grant. It should be noted that during on-site monitoring visits and desk reviews, EMPG and HSGP personnel activity reports will be reviewed by HSEMD's Monitoring and Compliance Officer.

While HSEMD requires only a summary of charged time for submitted claims, additional documentation may be required during a desk review or on-site monitoring visit to verify grant program compliance and to demonstrate accomplishment of grant program deliverables.

Activity detail does not need to be extensive. The detail should be reasonable to the extent that if evaluated through an audit or monitoring review, the time and effort reporting presents a plausible synopsis of grant funded hours claimed. There may be situations where a single activity performed over a period of time may require additional detail to establish that the activity is reasonable for the time claimed.

It is the subrecipient's responsibility to ensure grant personnel costs can be substantiated.