

Payroll Reimbursement Information Sheet

Overview

Reimbursement for salaries, wages, and fringe benefits (payroll costs) to support funded services is an allowable cost under a MOVA grant award unless otherwise stated in the applicable procurement documents. This information sheet will outline the expectations for sub-recipients to appropriately prorate payroll costs for funded staff who are supported by funding in addition to a MOVA grant.

Approved Budget

On the approved MOVA funded budget, payroll costs must reflect the hours of service to be supported with MOVA funds for the entire performance period of the grant. Fringe benefits must be calculated against the portion of salary/wages supported by the MOVA grant award. If an employee is not fully funded by MOVA, fringe benefits should not be fully supported by the MOVA grant. Any changes to staffing levels must be requested in a budget amendment, and proration of costs should be updated to reflect current hours of service supported with MOVA funds. MOVA encourages you to review hours of service and associated proration calculations on a periodic basis.

Expenditure Reports

Grantees are allowed to include payroll costs in an expenditure report once the time has been worked by the employee (which means the payroll costs have been incurred by the grantee). Please note: if the employee has not been paid for those payroll costs by the time the sub-recipient receives reimbursement from MOVA, those costs must be paid out (expended) within 10 days of receiving the reimbursement from MOVA in order to avoid having “cash on hand.”

Grantees typically report MOVA funded time and request reimbursement in two ways. Some grantees report hours worked in an entire month (for example, January 1-January 31st), while others report hours and associated expenses incurred in a specific time period (for example, hours worked during pay period 12/23-01/05 and incurred on 01/08 are reported in the January expenditure report). The latter method is encouraged as it follows the pay schedule and facilitates monthly reconciliation. If this is the method used by your agency, ensure that at the end of the fiscal year, costs are prorated to reflect the end date of the grant. For example, if your grant award ends on June 30, but your pay period does not end until July 5, reimbursement for the first 5 days of July must NOT be included in the June expenditure report.

All requests for reimbursement for personnel by grantees, including, but not limited to, gross salaries, payroll taxes (both employer and employee), and other fringe benefits shall be based on payroll documents in accordance with the generally accepted practice of the grantee and be approved by a responsible official(s) of the grantee. Payroll records shall include time and attendance reports for all individuals reimbursed by MOVA, whether they are employed full-time or part-time on the grant.

If payroll costs for employees apply to two or more funding sources, proration of costs to each source must be made based on time and/or effort reports and billed accordingly. This applies to payroll costs which overlap fiscal years. Bonuses and leave, including but not limited to vacation, sick (including regular and extended sick leave), and parental leave, must also be prorated according to the percentage of time funded under the MOVA award. For example, and as with regular salary expenses, an employee’s salary supported at 20% by MOVA would have 20% of their bonus and leave charged to MOVA.

For a comprehensive review of fringe budgeting and reporting methods, please review [MOVA’s Fringe Supportive Document](#).

Expenditure Report Backup Documentation for Payroll Costs

As discussed in Section 3.9 of the [DOJ Financial Guide](#) and in [2 C.F.R. §200.430](#): *where grant recipients work on multiple grant programs or cost activities, documentation must support a reasonable allocation or distribution of costs among specific activities or cost objectives. The allocation or distribution of costs should be an after-the-fact accounting not based on estimates.*

Each person funded through the grant (including volunteers/interns) must accurately account for their time spent working on the program. If your program is funded by multiple grant programs as noted above, time records should reflect a reasonable allocation of payroll costs after work is performed and costs are incurred.

Examples of payroll records (electronic or paper) that support salaries and wages include, but are not limited to:

- Timesheets
- Time and effort reports
- Activity reports

Any of the above payroll records must reflect actual time spent on the activity or activities. Payroll records should reflect either after-the-fact distribution of actual activities or certifications of an employee's actual work performed. Any payroll records must clearly state the funding source (for example: VOCA, SAFEPLAN, etc.) utilized to support the employees' time or be easily identified by cost center or code that references the funding source.

For distribution of actual activities for any non-full-time or salaried employees, payroll records should reflect time distribution. These records should be reviewed and signed by the supervisor and employee no less than every six months and identify funding source(s). Time certifications in particular will request the percentage of time funded under the MOVA award, MOVA funding source(s) supporting grant activity during the specified time period, and the match contribution percentage. The first time certification will be due on January 31st and the second on July 31st.

Records must be certified by the employee and approved by a supervisor with firsthand knowledge of the work performed.

For additional information and requirements for payroll records, see [MOVA's Grant Sub-recipient Policies and Procedures Manual](#). MOVA recommends that all sub-recipients follow Generally Accepted Accounting Principles (GAAP), and as required by funding level, comply with federal and state audit standards.