



COMMISSIONER SID MILLER

## TEXAS DEPARTMENT OF AGRICULTURE GRANT PROGRAMS

### Salary & Fringe Documentation Requirements

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#### Summary

The Texas Department of Agriculture (TDA) requires complete and accurate back-up documentation for salary, wages, and fringe benefit costs charged to a grant program. Supporting documentation must clearly demonstrate that personnel costs are directly attributed to the approved grant activities. Documentation that does not clearly substantiate the time worked on the grant may be deemed ineligible for reimbursement.

At a minimum, documentation must:

- Identify the **employee's name and position/title**
- Reflect the **actual time worked** on the grant-funded project
- Specify the **dates and hours** charged to the program
- Distinguish grant-funded time from **non-grant activities**
- Be **signed or certified** by the employee and/or supervisor, as applicable

#### Timekeeping Requirements

**Activity reports are required** to support salary, wage, and fringe benefit expenditures charged to grant funded projects. Each activity report must account for the total activity for which each employee is compensated, including both grant-funded and non-grant-funded work, and must clearly identify the hours worked on the specific grant project.

Each report must include a description of activities performed, with sufficient specificity, to determine whether the work is directly related to the approved grant activities. General or vague descriptions (e.g., "administrative duties" or "program support") are not sufficient. These requirements also apply to all employees, included salaried staff and executive level positions (such as Executive Directors), in accordance with [2 CFR 200.430](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.430).

(<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.430>).

Failure to maintain adequate activity reports may result in the associated personnel costs being **disallowed**.

Fringe benefits must be billed at or below actual cost in accordance with the Recipient's established, and consistently applied, fringe benefits policy. Fringe benefit charges may not exceed actual costs incurred, and billing based on estimated, budgeted, or provisional rates is not allowable.

Exception: Institutions of higher education are required to maintain time and effort certification reports to support salary and wage and fringe benefits costs to confirm the expended effort on specific projects in accordance with their established policy.

TDA can provide a salary/fringe activity report form to assist the grantee with meeting the timekeeping requirements. The grantee may also provide their own form if all required information is included.

### **Record Retention**

Timesheets must be retained for four years after the completion of the project or until any litigation related to the grant is resolved, whichever is later. All records must be made available to the TDA Grants Office or its designees upon request.

Record retention and accessibility is governed by [2 CFR 200.334](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR4acc10e7e3b676f/section-200.334) (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR4acc10e7e3b676f/section-200.334>), [2 CFR 200.337](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR4acc10e7e3b676f/section-200.337) (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR4acc10e7e3b676f/section-200.337>) and Exhibit C, Section 10 in the TDA Grant Agreement.

### **Common Errors and Audit Findings**

The following are common audit findings related to timekeeping and personnel cost documentation. Recipients should ensure all **timekeeping and payroll requirements are fully met** to avoid questioned or disallowed costs:

- Insufficient documentation to support for hours billed to the grant funded activity (e.g., missing or incomplete timesheet)
- Missing daily activity reports, when required, that account for the total hours for which employee is compensated
- Timesheets not signed/certified by employee (and supervisor, if applicable)

- Grant funded hours not clearly identified or distinguishable from non-grant activities
- Timesheets indicating hours belong on a different project or funding source rather than the award project billed
- Use of estimated or budgeted pay or fringe rates instead of actual costs incurred

### **Personnel Timesheets**

Personnel timekeeping must be adequately documented and supported by a clearly defined method for substantiating hours charged to the grant funded project. Recipients must maintain **written timesheet procedures** that include a documented process for **authorization and approval**.

TDA requires that timesheets fully support all salary and wage costs billed to grant funds and be maintained in accordance with applicable federal and state requirements.

Timesheets must include:

- Employee Name
- Employee Title
- Reporting Period (day, month, and year)
- Total number of hours worked that month (or pay period) on the TDA grant and other non-TDA grant programs.
- Total number of hours to include other job duties outside of the TDA project and other grant programs
- Project name or title or grant ID number for TDA Grant programs and non-TDA grant programs
- Description of grant activities performed that can be traced to the project's Scope of Work
- Employee and Employee's Supervisor signatures (signatures can be digital)

Timesheets must accurately reflect the time spent on grant activities and duties approved in the Scope of Work. Hours charged to the grant must directly correspond to approved project tasks.

For full-time employees, timesheets must account for the total hours worked and reconcile

to the full-time hours reflected in the employee's payroll records. Grant-funded time must be clearly distinguishable from time charged to other programs or non-grant activities.

**Personnel Matching Funds (if applicable)**

Timesheet requirements also apply to salaries and wages used as match under the grant. To be allowable as match, a cost must be allowable if charged directly to the grant.

All requirements that apply to grant-funded personnel costs also apply to matching funds, including the requirement to complete, maintain, and submit personnel timesheets that fully document time worked on grant and non-grant activities.

Failure to meet timekeeping requirements for match may result in the associated costs being disallowed and removed from the match calculation.