

tip sheet



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Percentage-of-Effort Timekeeping System

OVERVIEW

This document describes a funding design and tracking system for salaries based on multiple grants. The goal is to have overlapping grants fund a position so the work can continue despite different grants beginning and ending. Managing grants specifically to fund staff positions, the biggest expense in program budgets, helps an organization overcome a variety of administrative challenges.

The following explanation and examples describe the process and reasoning for MCADSV's monthly operations for timekeeping, billing and funding for each employee's activities.

PROCESS:

Calendars and Activities Documentation

Each staff member is required to maintain a record of their daily activities. MCADSV has chosen Microsoft Outlook as the electronic timekeeping system. Employees are required to enter their activities, time spent and billing sources into their electronic calendar. At the end of the month, they submit a printed copy of their calendar with their completed timesheet. Below is an example. Note that each entry includes:

1. The **time** on the project;
2. The **type of activity** completed (administrative or operations);
3. The **grant source** the activity is billed to; and,
4. A brief **description of the activities** performed.

All time worked must be accounted for and recorded in 15 minute increments or greater. If a block of time is spent on a specific tasks or tasks, then that can be recorded as such and noted accordingly. See Example 1.

Example 1

Some employees color code their time by grant funder for easy reference when calculating the day's total time and funding sources. In the example above the funding source Department of Justice – Recovery is coded DOJR and colored purple; membership dues is coded DUES and is yellow; the Federal FVPSA grant is FVPSA and black.

Employees are required to differentiate their activities as either administrative or operational, and for some a further break down of fundraising and lobbying activities within those. The definition of administrative activities, found in the MCADSV Standard Operating Procedure: Daily Operations (SOP), is included below for your convenience. Descriptions for lobbying activities and fundraising activities are also included in the SOP. Operational activities are defined as everything that is not considered administrative, lobbying or fundraising.

TIMEKEEPING: ADMINISTRATIVE ACTIVITIES

E-Memo Date: 02.17.2009

Excerpt from Financial Accounting Standards Board Statement No. 117, “Financial Statements of Not-for-Profit Organizations” and Excerpt from AICPA Audit and Accounting Guide for Not-for-Profit Organizations

Administrative, or supporting, activities are all activities of a not-for-profit organization other than program services. Generally, they include management and general, fund-raising, and membership-development activities. Membership-development activities include soliciting for prospective members and membership dues, membership relations, and similar activities.

Management activities include oversight, business management, general recordkeeping, budgeting, finance, and related administrative activities, and all management and administration except for activities that are directly conducted for direction of program services or fund-raising activities.

Hours Worked

At the beginning of the year staff members receive the following list of target hours for each month assuming a 40-hour work week. See Example 2.

Example 2

Monthly Target Hours

2010	Total number of weekday hours	Total number of required working hours	Holidays that account for the difference
January	168	152	New Year's Day/ ML King Day
February	160	152	President's Day
March	184	184	
April	176	176	
May	168	160	Memorial Day
June	176	176	
July	176	168	4th of July
August	176	176	
September	176	168	Labor Day
October		168	168
November	176	160	Thanksgiving/Day after Thanksgiving
December	184	160	Christmas Eve and Day/ New Year's Day

Percentage of Effort

Each month employees receive their individual target hours for each of their funding sources. Because each employee has multiple funding sources, the work continues even though funding sources might fluctuate. The Development Director sends a customized version of staff targets for Full-time Effort (FTE) percentages/hours by grant for the month to each staff member every month.

The Development Director works with the Fiscal Coordinator, a CPA, each month to make sure all grants are billed on a schedule of steady, timely spending of all grants and contracts. Each month the targets change slightly to reflect actual FTE percentages used the month before. This process also identifies potential holes in the budget for salaries before there is an interruption in revenue.

Example 3 is a copy of the content of a monthly memo with directions for staff targets for FTE percentages/hours by grant for the month of October.

These targets are recorded in a spreadsheet that is based on the percentages of effort requested in each grant for each employee. Because the grants were requested for a year's salary, the monthly FTE percentages can vary as long as the total for the grant year matches the amount requested.

In the past, target percentages were more flexible, but that resulted in spending funding sources too soon or not spending them completely. This process increases the likelihood of a steady spend-down of grants.

Every month, employees receive breakdowns of individual targets by hours and by FTE percentages. Examples of both follow.

Example 3

FTE Spreadsheet for Staff by Funding Source—Hours for the Month of October 2010

Total working hours in October 2010 = 168

***No Holidays in October

HOURS

SOURCE	Staff 1	Staff 2	Staff 3
FVPSA (4/1/10-6/30/11)	5	16	0
DOJ (4/1/10-8/31/10)	24	64	
DOJ-SASP (4/1/10-8/31/10)			
DOJ-Recovery (4/1/10-4/30/11)39	39		
STOP (4/1/10-12/31/10)			
STOP-Recovery (4/1/10-4/30/11)			
DSS (7/1/10-6/30/11)	75		56
SSVF (7/1/10-6/30/11)			
SSVF II (10/1/10-6/30/11)			
Anon. Donor-DD (4/1/10-6/30/11)			
MFH-GSA (4/1/10-6/30/11)		73	
MFH-SM (10/1/10-9/30/11)			5
MFH-TA-Dual (4/1/10-10/31/10)		1	
MFH-TA-Prevention (4/1/10-10/31/10)	25	1	81
DELTA PREP (4/1/10-3/31/11)			1
AllState (6/1/10-5/31/11)			
DHSS SSVPP (4/1/10 - 12/31/10)			25
Membership Dues (4/1/10-6/30/11)		10	
YLS Handbook (7/1/10 - 10/1/10)			
NRCDV-Shelter Rules (4/1/10-9/30/10)		3	
Total	168	168	168

Example 4

FTE Spreadsheet for Staff by Funding Source—FTE% for the Month of October 2010**FTE CONVERSION**

SOURCE	Staff 1	Staff 2
FVPSA (4/1/10-6/30/11)	0.03	0.10
DOJ (4/1/10-8/31/10)	0.14	0.38
DOJ-SASP (4/1/10-8/31/10)		
DOJ-Recovery (4/1/10-4/30/11)39	0.23	
STOP (4/1/10-12/31/10)		
STOP-Recovery (4/1/10-4/30/11)		
DSS (7/1/10-6/30/11)	0.45	
SSVF (7/1/10-6/30/11)		
SSVF II (10/1/10-6/30/11)		
Anon. Donor-DD (4/1/10-6/30/11)		
MFH-GSA (4/1/10-6/30/11)		0.43
MFH-SM (10/1/10-9/30/11)		
MFH-TA-Dual (4/1/10-10/31/10)		0.01
MFH-TA-Prevention (4/1/10-10/31/10)	0.15	0.01
DELTA PREP (4/1/10-3/31/11)		
AllState (6/1/10-5/31/11)		
DHSS SSVPP (4/1/10 - 12/31/10)		
Membership Dues (4/1/10-6/30/11)		0.06
YLS Handbook (7/1/10 - 10/1/10)		
NRCDV-Shelter Rules (4/1/10-9/30/10)		0.02
Total	1.0	1.0

Targets are readjusted monthly based on the prior month's percentage of effort. Supervisors review employees' hours worked each day, their percentage targets and their calendar print outs to determine appropriateness of allocation and percentage targets. If something was allocated incorrectly, such as activities being billed to an appropriate funding source, then that month's calendar and forms are returned to the employee for correction. Likewise, if an employee's hours are more than 2 percent off of the target, the calendar and forms might go back to the employee. Employees can then shift activities to other appropriate funding sources.

- Every employee receives an explanation of the deliverables for each of their funding sources. It is the employee's responsibility to ensure allocated activities match those deliverables. Supervisors also check to ensure that these match. The Fiscal Coordinator and Development Director also review percentages of effort to avoid overspending or underspending.

Again, these are just targets for billing to ensure that funding is used strategically. Some atypical activities during a month may not be allowable for an identified source or will need to be billed at a higher or lower FTE because of unforeseen changes in assignments and requests. These matters can be addressed in employees' conversations with their supervisors, which can offer critical feedback for developing subsequent monthly FTE targets.

Recording Hours Worked

The hours listed on the calendar are then entered into a spreadsheet. Legally, exempt employees can keep a record of their time and activities if the record is used for billing purposes. This is a record of their activities, not technically a timesheet. The time taken for holidays, sick days or vacation days is not calculated as time worked but is recorded in the lower section of the spreadsheet for tracking total time and benefits.

- We have not been able to find or create a system that merges Outlook with a timekeeping system that meets our current needs. Therefore, manual entry of information is still required.

Each employee's spreadsheet has only the funding sources to which they are able to bill. Example 5 on page 7 shows a range of billing sources, to only some of which the individual employee billed.

Allocations

In addition to using a timesheet for grant billing purposes it can also be used to allocate overall organizational expenses that are not limited to one position or project. This has enabled MCADSV to more accurately project the total cost of project management and implementation. If there are questions regarding the process of allocating percentages of indirect cost, you can contact the Fiscal Coordinator at MCADSV. Keep in mind that the monthly indirect costs are based on the actual FTE percentages submitted by each employee and not the monthly estimated target percentages.

Reporting System

In addition to tracking activities on individual calendars MCADSV has created an activity reporting system called Coalition Manager. This system is a way to record additional information and detail on all technical assistance and project activities conducted. Through Coalition Manager, MCADSV can categorize and search information needed for grant reporting. This information is recorded by the type of activity, includes a narrative description and can be categorized in multiple ways to accommodate state and federal performance reporting requirements. It can easily be searched by staff name, billing source, and/or dates.

For more information or questions regarding Coalition Manager contact MCADSV.

Example 5

Employee's Timesheet

MISSOURI COALITION AGAINST DOMESTIC VIOLENCE TIME SHEET																			
	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total	Month	%
FVPSA-Admin			1.25							1.00							2.25	4.50	3.0%
FVPSA-Ops													0.50				0.50	0.50	0.3%
DSS TA			8.25	6.75	8.00	5.00		3.00	3.00	6.25	8.00	8.00	1.25			8.00	62.50	129.50	87.5%
Member Dues-Admin																	0.00	0.00	0.0%
Member Dues-Ops																	0.00	0.00	0.0%
Member Dues-Fundraising																	0.00	0.00	0.0%
Allstate																	0.00	1.00	0.7%
DELTA PREP																	0.00	0.00	0.0%
NRCDV (Shelter Rules)					0.50												0.50	0.50	0.3%
MOPS MOU																	0.00	0.00	0.0%
Young Lawyer's					1.00								6.75				6.75	7.25	4.9%
DHSS SSVPP								3.00	3.00	0.75							4.75	4.75	3.2%
Sub-Total	0.00	0.00	8.25	8.00	8.00	6.50	0.00	0.00	6.00	8.00	8.00	8.00	8.50	0.00	0.00	8.00	77.25	148.00	100.0%
Holiday			8.00														8.00	16.00	
Vacation																	0.00	0.00	
Sick Leave																	0.00	0.00	
Personal Leave																	0.00	0.00	
Floating Holiday																	0.00	0.00	
Other (please identify)					4.00												4.00	4.00	
Total	0.00	8.00	8.25	8.00	12.00	6.50	0.00	0.00	6.00	8.00	8.00	8.00	8.50	0.00	0.00	8.00	89.25	168.00	

Jane Smith

Period

Employee Signature _____ Date _____

Supervisor Signature _____ Date _____