

## Cochise County Policy

### **Cochise County Documentation Requirements for Wages Charged to State Funded Programs Policy**

Purpose of this Policy: To ensure that County labor costs paid by State funds are properly documented, easily audited, and fully supported as required by auditors.

Every state grant must be formally approved by the Board of Supervisors before the grant is accepted by anyone representing the County. A written agreement between the State funding agency and the County shall be signed by authorized representatives of the State and County.

The agreement should clearly state the requirements and obligations of both parties. A complete copy of the signed agreement must be forwarded to the County Finance department. Another complete copy must be retained in the department that will be receiving the funds.

The department that receives the State funds is responsible for compliance with all terms of the agreement, and for proper accounting of all revenue and expenditures related to the State funds.

Accurate charging of labor costs to State grants is a sensitive issue that requires special attention. Guidelines below will help to ensure that labor costs are accurately charged, and sufficiently documented.

#### **Employees who spend 100% of their time on ONE State program**

- 1) Charges for wages must be supported by certifications that the employees worked solely on that program for the period covered by the certification.
- 2) Certifications must be prepared quarterly.
- 3) Certifications must be signed by the employee or supervisory official who has first hand knowledge of the work performed by the employee.
- 4) Certifications must be retained in the department's grant files, attached to copies of the related reimbursement requests sent to the grantor, and available for internal audit at any time.
- 5) All grant records, including payroll certifications, must be retained for an appropriate period of time, as specified in the records retention requirements of the grant contract.

See attached "Program Certification STATE", a sample form that satisfies these requirements.  
(Microsoft Word document)

#### **Employees who spend less than 100% of their time on one State program**

If an employee works on multiple State programs, or a combination of State and non-State programs, then TIME DISTRIBUTION RECORDS are required by law. These records must show that the employee worked an appropriate number of hours on each State program. If not, charges to the State program must be reduced to reflect the actual time spent on that program.

Documentation must meet the following standards:

- 1) Show actual number of hours worked on each activity for which employee was paid
- 2) Show total number of hours for which the employee was paid.

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- 3) Prepare this documentation **at least monthly but preferably** each pay period, and reconcile to total payroll hours
- 4) Type or legibly print name of employee and supervisor on the document
- 5) Get signature of employee and supervisor on the document
- 6) Retain in the department's grant files, attached to copies of the related reimbursement requests sent to the grantor, and available for internal audit at any time.
- 7) All grant records, including time distribution records, must be retained for an appropriate period of time, as specified in the records retention requirements of the grant contract.

See attached "Time Distribution Record", a sample form that satisfies these requirements (Microsoft Excel spreadsheet)

### **State matching programs**

Some State programs require the County to "match" State costs with County costs. Labor costs used to meet such "matching" requirements must be documented and supported exactly the same as labor costs paid by State funds. See the requirements above.