

## Section 7.1.6: Time and Effort Reporting

### PURPOSE AND POLICY

Most grants will have funds budgeted for employee salaries and employee-related expenses (ERE). ERE is usually calculated at a percentage of the employee's salary to pay for fringe benefits (worker's compensation insurance; unemployment insurance; and the employer's portion of Social Security taxes; retirement plan contributions; and health, dental, life and disability insurance). Time and effort reporting must accurately capture the employee's hours spent working on the grant so the agency can charge the salary and ERE to the grant through the assigned cost allocation.

### PROCEDURE

The State of Arizona Accounting Manual ([SAAM](#) 55.15) details the state's policy and procedures regarding state employee time and effort reporting. The policy discusses how time charged to grants must be recorded:

*Unless there is an automated time clock system in use, all worked hours are to be recorded to the nearest 15 minutes (0.25 hour). In accounting for time to be recovered under a grant, hours worked can be rounded to the nearest 30 minutes (0.50 hour).*

The grant program manager should work with the agency's financial representative to develop an employee time tracking system (this can be as simple as a spreadsheet) that tracks the employee's work each day on the grant(s) using the increments described in SAAM 55.15. The employee's time and effort reports should match the aggregated information compiled for the periodic grant financial report, which must be included in the grant file in eCivis.