

<b>II.</b>	<b>FISCAL SECTION</b>
<b>700</b>	<b>Fiscal Documentation/Record Keeping</b>

**701 General Information**

USDA requires all *Network* Contractors to maintain accurate, detailed records of both the State Share contributions and Federal Share expenditures associated with the program. Equally as important, Contractors must be able to verify the source of funds used to pay for these expenditures.

The *Network* will periodically review documentation to ascertain an organization's adherence to the fiscal documentation requirements of the contract agreement. Prior to the review, **the Program Compliance Review team or your** assigned CM will send the Contractor a letter of notification and identify the period (quarter) that will be chosen.

**702 Required Supporting Documentation**

When requested, a Contractor will be required to submit one copy of all source documentation associated with the selected State Share Documentation Report and one copy of all source documentation associated with the selected Federal Share Invoice. Contractors are required to separate, batch, and label each set of documentation according to the line item **(i.e. operating expenses)** to which the expense is billed and to which report it pertains (i.e., State Share Documentation Report or Invoice). All documentation that is batched for each line item must equal the total amount reflected for that line item on either the State Share Documentation Report or Invoice.

If the Contractor's accounting system is capable of generating reports that contain detailed expenditure object codes to record actual expenses for qualifying nutrition education activities, those reports may be submitted in lieu of a calculator tape, electronic spreadsheet, or a summary page. If a Contractor submits computer-generated reports, the Contractor needs to provide a key for the expenditure object codes that have been designated. The Contractor should highlight the expenses that pertain to the State Share Documentation Report and Invoice and indicate to which report they pertain.

For organizations that do not have electronic systems in place to track costs, the *Network* has provided samples of manual documentation support schedules to help capture expenditures. The organization may create a computer-generated version of these schedules, provided the forms conform to the format and contain all the required information. Please ensure these versions fit on 8½" x 11" paper. See the Appendix Section, Form A8 for blank copies of Expense Detail Summary spreadsheet. The forms are also available online at <http://www.cdph.ca.gov/programs/CPNS/Pages/FiscalGMAppendix.aspx>.

**Source documentation** should include, but is not limited to the following documentation for each of the line items A - H. Please batch and label the documentation according to the following line items.

- A. **Personnel Salaries:** Documents must be based on actual expenditures and include:
1. Time records - computer or manual reports/ledgers documenting personnel expenses that include percent of time/number of hours, actual salary, etc.
  2. Payroll registers.

3. Weekly Time Logs, Quarterly Time Studies and Semi-Annual Certification Forms – documentation of time spent on qualifying nutrition education activities:
  - Staff who are budgeted for **less than 100%** of their time on nutrition education and physical activity promotion must provide signed, Weekly Activity Logs or Quarterly Time Studies. The use of a Quarterly Time Study must be pre-approved by the assigned CM. (See appendix Section, Form A13).
  - Staff who are budgeted for **100% of their time** on nutrition education must provide a signed Duty Statement (**Form A26**) describing time spent on nutrition education activities and are required to have Semi-Annual Certification **of Activity** Form signed and on file (**Form A9**).
- B. **Fringe Benefits:** Records of actual expenditures associated with fringe benefits and a list of items billed under this line item.
- C. **Operating Expenses:** Vendor invoices, bills, or receipts for all operating expenses that were originally listed under this line item in the budget justification. If **any operating expense** (i.e. space, rent, phones, etc.) is being charged, also provide a formula on how the amount billed was calculated or prorated if the expense is shared with other programs.
- D. **Equipment Expenses:** Vendor invoices, bills or receipts for all equipment purchases that were originally listed under this line item in the budget justification. Any equipment that has been purchased with Federal Share funding, must also be recorded on the Contractor Equipment Purchased with California Department of Public Health (CDPH) Funds form. The form is also available online at <http://www.cdph.ca.gov/programs/CPNS/Pages/FiscalGMAppendix.aspx> (**Form A16**).
- E. **Travel and Per Diem:** Travel log or travel claims receipts, bills, or invoices for items that were originally listed under this line item in the budget justification. Keep the following points in mind when completing and processing travel expense claims:
  1. Travel expense claims must reflect the traveler's name and title or classification, start and end date, time of travel, and a travel description.
  2. Department of Personnel Administration (DPA) travel reimbursement guidelines must be applied to all employees, subcontractors, consultants, advisory committee members, etc. See "Travel Reimbursement Information," in your contract.
  3. The *Network* will not reimburse costs above the maximum DPA State rates (Form A12).
- F. **Subcontracts:** Subcontractor expenses should be documented with invoices, bills, or receipts for all costs claimed. In addition, provide subcontract **and consultant** agreement(s) that have not previously been submitted for any subcontractors **and/or consultants** that have been paid with Federal Share funding. These agreements must include the subcontract/**consultant** cost, term, and deliverables, **as well as required terms and conditions**. Note: Prime Contractors are responsible to ensure subcontractors adhere to *Network* contract requirements.
- G. **Other Costs:** Vendor invoices, bills, or receipts for items that were originally listed under this line item in the budget justification.
- H. **Indirect Costs:** Records of actual expenditures associated with indirect rates (including vendor purchase orders for outside services such as utilities, janitorial, payroll, bookkeeping, legal, etc.) and a list of items billed under Indirect Costs.

**703 Access to Records**

Contractors must maintain records reflecting actual expenditures for each year covered by the term of the contract. These source documents must be available if the *Network* chooses to review fiscal records or if the USDA chooses to audit the Contractor. All source documents must be maintained in project records for a minimum of three years after the end of the contract term. All documents used to support and substantiate expenses must be accessible to the State upon request.