

<b>I. FISCAL SECTION</b>
<b>200. Fiscal Documentation/Record Keeping</b>

This Section Includes:

- 201. [General Information](#)
- 202. [Required Supporting Documentation](#)

### **201. General Information**

USDA requires all *Network* contractors to maintain accurate, detailed records of 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 assigned CM will send the contractor a letter of notification and identify the period (quarter) chosen for review.

### **202. Required Supporting Documentation**

When requested, a contractor will be required to submit one copy of all source documentation associated with the selected invoice. Contractors are required to separate, batch, and label each set of documents according to the line item (i.e. operating expenses) to which the expense is billed and to which fiscal documentation report it pertains. All documentation that is batched for each line item must equal the total amount reflected for that line item.

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 and indicate to which report they pertain.

For organizations that do not have electronic systems in place to track costs, the State *Network* has provided a sample, [Expense Detail Summary Spreadsheet](#), 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.

**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 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.
  - Staff who are budgeted for **100% of their time** on nutrition education must provide a signed Duty Statement describing time spent on nutrition education activities and are required to have Semi-Annual Certificate of Activity form signed and on file.

**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 must also be recorded on the Contractor Equipment Purchased with CDPH Funds form.

**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. All contracts, with the exception of *Network* contracts awarded to a "Regents of the University of California", require that travel expenses for regional activities adhere to the rates established by the Department of Personnel Administration (DPA) as described in the Travel Reimbursement Information Exhibit within the contract. Contracts awarded to the Regents of the University of California must adhere to the University travel regulations and rates.
3. Whichever rates apply to the contract (DPA or University) also apply to all travel reimbursement that occurs through the contract whether reimbursement is made to an employee, advisory committee member, consultant or subcontractor.
4. The State *Network* will not reimburse costs above the maximum DPA or University rates unless prior approval has been given by the State *Network*.

- 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. 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 all State *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.