

CHARGING SALARIES TO FEDERAL AND STATE GRANTS

Grants Management Guidance
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This example shows how to properly charge salaries to federal and state grants.

Per 34 CFR §76.707 **personal services by an employee are obligated when the service/work is performed.** The date payroll is paid/issued does not determine when to begin charging the grant.

Teacher A – Contract states he/she is to be paid bi-weekly for 12 months. He/she does not work over the summer but will still receive compensation. In the example below, the blue highlighted cells represent one year of salaries (FY23) and the green highlighted cells represent another year of salaries (FY24).

Teacher A reports to work on August 15, 2022	Begin charging the FY23 grant on Aug 15 for services performed and report on the FY23 FER which is due Sept 30, 2023
Last day Teacher A reports to work is June 10, 2023	All salaries beginning Aug 15, 2022 through June 10, 2023 should be charged to FY23 grant and reported on FY23 FER which is due Sept 30, 2023
Teacher A is not physically at work but will receive pay over the summer from June 11, 2023 to August 14, 2023	Charge to FY23 grant and report on FY23 FER which is due Sept 30, 2023 <p style="text-align: center;">NOTE:</p> Per EDGAR CFR 76.707, payroll is obligated when the service is performed. As of June 10, 2023, the obligation to pay Teacher A over the summer for <u>services already performed</u> already exists. You cannot charge these salaries to your FY24 grant because the substantially approved date (SAD) is July 1, 2023 or later. You cannot obligate funds prior to a grants SAD. Since the summer salaries were obligated as of June 10, 2023 the obligation existed prior to the substantially approved date for the FY24 grant. The FY23 FER should capture obligations that existed as of 6/30/2023 and were liquidated (paid) by 9/30/2023. The summer salaries in this example were obligated as of 6/10/2023, will be liquidated before 9/30/2023 and should therefore be charged to the FY23 grant/FER. <i>PCRs can be submitted July- September to pay obligations that existed as of June 30th.</i>

<p>Teacher A reports to work on August 15, 2023</p>	<p>Begin charging the FY24 grant on Aug 15 for services performed and report on the FY24 FER which is due Sept 30, 2024</p>
<p>Last day worked is June 10, 2024</p>	<p>All salaries beginning Aug 15, 2023 through June 10, 2024 should be charged to FY24 grant and reported on FY24 FER which is due Sept 30, 2024</p>
<p>Teacher A is not physically at work but will receive pay over summer from June 11, 2024 to August 14, 2024</p>	<p>Charge to FY24 grant and report on FY24 FER which is due Sept 30, 2024</p> <p>The FY24 FER should capture obligations that existed as of 6/30/2024 and were liquidated (paid) by 9/30/2024. The summer salaries in this example were obligated as of 6/10/2024 and liquidated before 9/30/2024 and should therefore be charged to the FY24 grant.</p> <p><i>PCRs can be submitted July- September to pay obligations that existed as of June 30th.</i></p>

**The obligation, liquidation and SAD dates used in this example are typical for most grants. Some grants may operate under a different timeline.*