

OFFICE OF
THE COMMISSIONER

Phone: (340) 774-4750
Fax: (340) 776-4028

GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS

Mailing Address:
2314 Kronprindsens Gade
Charlotte Amalie, VI 00802



Street Address:
76 Kronprindsens Gade
Charlotte Amalie, VI 00802

DEPARTMENT OF FINANCE

FINANCE MEMORANDUM NO. 10-2017

FOR: DEPARTMENT AND AGENCY HEADS

SPECIAL ATTENTION TO:

Directors, Business and Administrative Services,
Fiscal Officers and Program Managers, Time and
Attendance Personnel

May 9, 2017

FROM:

A blue ink signature of Valdamier O. Collens.

Valdamier O. Collens, Commissioner

SUBJECT: NEW – Statement of Policies and Procedures (# 602 & # 604)

To comply with Federal Grantor mandates regarding appropriate and accurate allocation of costs associated with worked and non-work time, the following Statements of Policies and Procedures (SOPP 602 & 604), are herewith attached:

SOPP No.	Non-Working Time Administration, Quarterly Reimbursements and Year End True Up
602	<ul style="list-style-type: none">To ensure that non-work time is accurately documented and reimbursement is timely sought from grantors at negotiated intervals with, at a minimum, an annual <i>True Up</i> to be performed by grantee agencies of the Government of the Virgin Islands (GVI) as supported by the Central Payroll Division at the Department of Finance (DOF).
SOPP No.	Work Time Administration
604	<ul style="list-style-type: none">To ensure that work time for grantee agencies and departments is proportionately allocated, based on actual hours worked on grants/funding sources.

Should you have any questions or concerns, please contact Mrs. Grace Fahie Lindo, Director, Central Payroll Division, at 774-4750, ext. 2252 or grace.fahie@dof.vi.gov.

Your continued cooperation is greatly appreciated.

cc: Honorable Kenneth E. Mapp, Governor

Standard Operating Policies and Procedures
SOPP 602 – Non-Work Time Administration: Non-Work Time

SOPP # 602	Prepared By: The Virgin Islands Department of Finance
Effective Date:	March 31, 2017
Title	Non-Working Time Administration, Quarterly Reimbursements and Year End True Up
Purpose	To ensure that non-work time is accurately documented and reimbursement is timely sought from grantors at negotiated intervals with, at a minimum, an annual <i>True Up</i> to be performed by grantee agencies of the Government of the Virgin Islands (GVI) as supported by the Central Payroll Division at the Department of Finance (DOF).
Policy	<ol style="list-style-type: none"> 1. At the beginning of each Fiscal Year, or Grant Award Year, government agency recipients must forward up-to-date granting documentation serving as a Notice of Grant Award (NGA) or comparable instrument, to the DOF Accounting Operations and Financial Reporting Division within 15 days of receipt or year end to ensure that employee time cards and employee assignments are available for the first pay period. 2. A listing of all employees and the grants to which they are linked must be submitted to the DOF Accounting Operations and Financial Reporting Division by the grantee agencies within the first 15 days of the Fiscal Year or grant award start date. This will facilitate the availability of grant tasks on an employee's time sheet.
Scope and Applicability	<p>The Central Payroll division at the Department of Finance will perform the payroll and payroll-cost related functions of this process.</p> <p>The analysis of the payroll <i>True Up</i> output from the ERP; the assembling of documentation to support reimbursement requests; and the submission of the reimbursement requests to grantor agencies will be performed by the GVI's grantee department and agencies.</p> <p>This procedure complements and does not replace any Time and Attendance or other SOPP in effect that governs time and attendance reporting. All responsible parties are informed accordingly.</p> <p>This procedure satisfies the requirements for internal controls and administration of work and compensation to the applicable provisions of 2 <i>CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards</i>.</p> <p>It is to be performed and managed by all entities with the responsibility for ensuring integrity in the payment requests presented to grantor agencies that</p>

SOPP # 602	Prepared By: The Virgin Islands Department of Finance
Effective Date:	March 31, 2017
Title	Non-Working Time Administration, Quarterly Reimbursements and Year End True Up
	fund employee compensation for non-work time to include accrued leave, fringe benefits and all other non-work time.
Responsibilities	<p><u>Departments and Agencies are responsible for:</u></p> <ul style="list-style-type: none"> • Ensuring that once the payroll period closes, an employee's time card will have all time distributed against the employee's eligible and individual grant tasks. • Ensuring that no employee that is due a time record against grant work is excluded from payment requests of the grantor. • Removing tasks from any pending state (Unassigned Tasks) so that work can be recorded as actuals against active and valid grants. • As an internal control objective, reviewing time weekly to ensure that the correct assignments are being selected by employees, reviewing the (Job Time Card Report) in STATS to ensure information transmitted was properly recorded in the ERP. • Ensuring that the pay details for the employee are also recorded accurately on the (Detail Check History Report in ERP). • Ensuring departmental time sheets match STATS hours' breakdown. • Reviewing the inputs to the year-end leave benefit calculation. • Performing the year-end leave benefit calculation and resulting timely submission of payment requests to the grantor agency. <p><u>The Department of Finance: Payroll Division is responsible for:</u></p> <ul style="list-style-type: none"> • Ensuring that every combination of codes (activity or grants/org/object/project) is maintained, current and available on the Time and Attendance time card as well as in the ERP - each pay period. • Verifying that Earnings & Deductions File Maintenance (EDFM) reflect the time worked for each pay period and that non-work time is also recorded when leave is used or other non-work time is assessed (admin, military, jury, etc.). • Adding tables to EDFM as necessary for customary and required processing. • Assisting agencies with appropriate ERP Menu Access through the DOF's MIS Division. • Training departments and agencies in the grant time management and <i>True Up</i> processes as applicable.

SOPP # 602	Prepared By: The Virgin Islands Department of Finance
Effective Date:	March 31, 2017
Title	Non-Working Time Administration, Quarterly Reimbursements and Year End True Up

Procedure Details

QUARTERLY PROCEDURE

1. Within 31 days of the end of each quarter, specifically, by the last work day of January, for the period ending December 31st; by the last work day of April, for the period ending March 31st; by the last work day of July, for the period ending June 20th, by the last work day of October, for the period ending September 30th; the Department of Finance, Payroll Division, will prepare the data to support non-working time reimbursement for grant recipient agencies and departments.
2. The data will include:
 - a. The salary or working time dollar amount by grantee agency or department for the quarter just ended; and
 - b. The total value of non-working time by grantee agency or department;
3. Specifically, at the intervals described in line item 1 above, the DOF will run the following reports that are currently available by SQL query of the TYLER MUNIS database. The reports needed for Quarter End True Up processing are:
 - a. *Quarter End Grant Programs True Up for Working and Non-Working Hours [Detail Check History Report];*
 - b. *Quarter End Grant Programs True Up for Working and Non-Working Hours as Posted to the General Ledger [Flexible Period Report & History Transfer];*
4. These reports will be produced by the VI Department of Finance and made available to grant funded agencies.
5. The grant funded agency will use **Report (a)- “Quarter End True Up for Working and Non-Working Hours” by Pay Type**; to determine (1) the amount in the period for **Regular Wages = (Entire wages earned for the Department)**; (2) the Total Amount of Non-Working Time = (total non-working time for the department), and (3) the difference between both totals, indicating the amount against which the effective year’s rate is to be assessed. **The agency is responsible for determining the amount to be claimed.** This report will also identify the Pay Codes associated with the Pay Types. Departments and agencies are advised to review this report to ensure that no errors exist or misapplication of Pay Types, Pay Codes and Working versus Non-Working time.
6. Reviewing this report, the grant funded GVI agency must apply the prior year’s leave benefit rate to the amount of the sum identified as **Sum of Working Hours Minus Non-Working Hours**. **The result of this calculation will provide the amount to be claimed for the quarter.**

SOPP # 602	Prepared By: The Virgin Islands Department of Finance
Effective Date:	March 31, 2017
Title	Non-Working Time Administration, Quarterly Reimbursements and Year End True Up

7. The grant funded agency may also use Report (b)- “Quarter End Grant Programs True Up for Working and Non-Working Hours as Posted to the General Ledger” by Org/Project with the effective year’s percentage. This report will provide Departments and Agencies the ability to review the allocation in detail. This information will be provided at year-end for the entire year.
8. This process will be performed for every quarter using the same approved effective rate assigned at the end of the prior year to deduce the amount to be claimed every quarter, using the prior year’s rate.
9. The GVI agencies and departments will in turn send the DOF Payroll and Accounting divisions the leave benefit rate used and the reimbursement due to the GVI for informational purposes. The use and management of benefit rates and reimbursements are the prime responsibility of the grantee agencies per the requirements of the respective grantor.

YEAR END TRUE UP PROCEDURE

10. The preparation for this procedure begins at the prior year end with the building of allocation tables. The allocation tables created by the grantee agency at the beginning of the year will be critical for the distribution of non-work time to the general ledger’s correct accounts and to the employees’ record.
11. The approved leave benefit rate methodology assumes a prior year’s rate will be in use until the current year’s actuals are available. As demonstrated in the example below, the GVI grantee department and agency will use the Leave Benefit Rate gathered from FY2016’s actuals for reimbursement calculations in FY2017.
12. When actuals are available for the fiscal year, the new Benefit Rate will be calculated and the True Up process will yield the new rate. This new rate will be the effective rate for the upcoming fiscal year period. This process will continue until the GVI grantee agency is no longer required to adhere to this process for reimbursement. (See *FY2016 Leave Benefit Rate Application Example* in Appendix A attached to this SOPP).
13. At the end of period one of the fiscal year, the DOF will run the following reports that are currently available by SQL query of the TYLER MUNIS database. The reports needed for Year End True Up processing are:
 - a. *Grant Programs Fiscal Year End True Up for Working and Non-Working Hours [Reporting Period Reflected Here];*
 - b. *Flexible Period Earnings Report; and*
 - c. *The History Transfer Report*

SOPP # 602	Prepared By: The Virgin Islands Department of Finance
Effective Date:	March 31, 2017
Title	Non-Working Time Administration, Quarterly Reimbursements and Year End True Up
<p>14. These reports must be provided to Departments and Agencies, for each respective Division. Once the detailed allocation is provided and reviewed, the grantee agencies must inform the DOF's Payroll department that it is ready for the History Transfer and GL Posting. The DOF will then run the <i>History Transfer Report</i>, by Division.</p> <p>15. This step in the procedure takes the non-working time that is tied to the grantee agency's non-working time records for the year, and reallocates the time based on this effective benefit rate for the year just ended and updates the allocation tables based on line detail #2 above;</p> <p>16. Through this process, the system finds the records and allocation codes, as well as compare them to the respective employees for general journal entry reconciliation.</p> <p>17. The end of year <i>True Up</i> process, based on the actuals, will provide the grantee agency with the new rate for the year. This new rate derived at year end, must be shared with the DOF's Payroll department for updating the queries and reports for allocation and use in the upcoming fiscal year's activities.</p>	
<p><i>The following illustration uses the DPNR as an example. Respective GVI departments and agencies will use their respective codes and data to represent their grant experience, terms and conditions. However, the procedures for the application of the non-work time leave benefit rate will follow the same process depicted in the example.</i></p>	

APPENDIX A
APPLIED NON-WORK LEAVE TIME BENEFIT RATE

Regular Wages Associated with Time Worked		\$ 7,230,583.59
	<i>Total of Working Hours*</i>	\$8,630,485.77
	<i>Total of Non-Working Hours**</i>	-\$1,399,902.18
		\$ 7,230,583.59
Regular Wages Associated with Leave/Non-Work Time		\$ 1,399,902.18
FY16 Leave/Non-Work Time Benefit Rate		19%
<i>Regular Wages Associated with Leave/Non-Work Time ÷ Regular Wages Associated with Time Worked</i>		
FY 16 Allowable Leave/Non-Work Time Benefit Cost Reimbursement Due to GVI from Grantor		\$ 1,399,902.18
FY15 Over/Underpayment of Leave/Non-Work Time Benefit Costs		\$ -
FY17 Potential Leave/Non-Work Time Reimbursement Cost for FY18		\$ 1,399,902.18
FY18	New Leave/Non-Work Time Benefit Rate	TBD Based on FY17 TrueUp

* DPNR Employees in Locations from '8000' to '8097', for Object Codes 51*

** DPNR Employees in Locations from '8000' to '8097', for Object Codes 515*

END OF PERIOD TRUE UP

Scenario 2

If the reimbursement is sought at shorter intervals within the year (by payroll period, for example), then the following procedures will be in effect:

- 1 During FY17, the DOF will provide the following dataset at the interval agreed:
Regular Wages Associated with Time Worked for the interval (payroll period, etc.) for All DPNR Employees
The FY16 Leave Time Benefit Rate of 19% will be applied to the Regular Wages and the resulting Leave/Non-Work Benefit Cost will be claimed from the grantor
- 2 At the end of the year, October 31, 2017, the following data set will be prepared by the DOF and provided to the DPNR as part of the TrueUp activities:
Regular Wages Associated with Time Worked in all of FY17 for All DPNR Employees
Regular Wages Associated with Leave/Non-Work Time in all of FY17 for all DPNR Employees
Per the calculation procedure above, the Annual Leave/Non-Work Benefit Rate can be Deduced
- 3 If the amount yielded by the 19% calculation is more than the actual leave time benefits claimed by the GVI, then the GVI would have received more than it is due in reimbursements from the grantor. The overpayment will be subtracted from the FY18 Leave Time Benefit Cost, unless the year end True Up proves otherwise.

Conversely, if the amount yielded by the 19% calculation is less than the actual leave time benefits claimed by the GVI, then the GVI would have received less than it is due. The underpayment will be added to the FY18 Leave Time Benefit Cost and recovered, unless the year end True Up proves otherwise.
- 4 Based on the year end True Up process, the new Leave Benefit Rate will be used for the upcoming year if Scenario 2 is adopted. No adjustment is warranted in Scenario 1. Repeat Steps 1-4 annually.

Revision History

Version	Date	Description of Changes	Authorized by
0	3/31/2017	Initial Release	GFL
1	4/25/17	Revised and Updated	GFL, CME
2	5/8/17	Final Review	VOC

Standard Operating Policies and Procedures
SOPP 604 – Work Time Administration

SOPP # 604	Prepared By: The Virgin Islands Department of Finance
Effective Date:	September 30, 2016
Title	Work Time Administration
Purpose	To ensure that work time for grantee agencies and departments is proportionately allocated based on actual hours worked on grants.
Policy	<ol style="list-style-type: none"> 1. At the beginning of each Fiscal Year, or Grant Award Year, government agency recipients must forward such documentation serving as a Notice of Grant Award (NGA) or comparable instrument, to the DOF's Accounting Division within 15 days to ensure that employee time is accrued, available and reimbursable for the first pay period. 2. To the greatest extent possible, a listing of all employees and the grants to which they are linked must be submitted to the DOF Accounting Division by the DPNR within the first 15 days of the Fiscal Year or grant award start date. This will facilitate the availability of grant tasks on an employee's time sheet. 3. Grant funded employees will record their time against the specific grants on which work was performed. 4. Grant funded employee managers will review and approve grant funded employees time, pay employees and on a quarterly and annual basis submit grant reimbursement requests and perform True Up of grant funds due the GVI as guided by the Terms and Conditions of federal grant agreements.
Scope and Applicability	<p>This procedure is guided by the Department of Finance's operating procedures for financial controls and management and must also comply with §200.430, 431 and all pertinent and applicable provisions of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; The Government of the Virgin Islands Policies and Procedures for Leave Administration (CITATION). It specifically covers departments and agencies receiving grant funds for employee compensation and fringe benefits.</p> <p>This SOPP is accompanied by 1 hour of training for Federal Grant Funded Employees – SOPP650 - GFE1000.</p>
Responsibilities	<p><u>Departments and Agencies are responsible for:</u></p> <ul style="list-style-type: none"> • Ensuring that once the payroll period closes, an employee's time card will have all time distributed against the employee's eligible and individual grant tasks. • Removing tasks from any pending state (Unassigned Tasks) so that work can be recorded as actuals against active and valid grants. • As an internal control objective, reviewing time weekly to ensure that the correct assignments are being picked by employees, reviewing the

SOPP # 604	Prepared By: The Virgin Islands Department of Finance
Effective Date:	September 30, 2016
Title	<p style="text-align: center;">Work Time Administration</p> <p>Hours Summary Report in STATS to ensure that what was transmitted was properly recorded in the ERP.</p> <ul style="list-style-type: none"> • Ensuring that the pay details for the employee are also recorded accurately on the Detail Check History Report. • Ensuring departmental time sheets match STATS hours' breakdown. • Reviewing and participating in the periodic allocation and distribution of leave earned, and claimed from the EPA. <p><u>The Department of Finance: Payroll Division is responsible for:</u></p> <ul style="list-style-type: none"> • Ensuring that every combination of codes - grants/org/object/project are maintained, current and available on the Time and Attendance time card as well as in the ERP every pay period. • Verifying that Earnings & Deductions File Maintenance (EDFM) reflect the time worked for each pay period and deductions made when leave is used and reduced. • Adding tables to EDFM as necessary. • Assisting agencies with appropriate ERP Menu Access through our MIS Division. • Training departments and agencies in the recording of time for federal grant funded employees.
<p>Procedure Details</p> <ol style="list-style-type: none"> 1. Within 15 days of receipt of a Notice of Grant Award (NGA), the grant-funded employee's manager will send NGA, the best plan for employee assignments by grant, and all applicable Org, Object, Project associations to the Department of Finance so that each employee can find assignments on the timecard in the grant period. 2. The DOF payroll personnel ensures that all active grants are available to grant funded employees on time cards with the Task Field completed with all Org, Object, Project combinations in both STATS and the ERP. All employees must have a grant task labeled <i>Unapplied</i> for use by employees when the actual task is not available on the time card. A payroll cannot be closed for a department or agency with grant funded employees having time in the <i>Unapplied</i> task line item. 3. The EPA grant-funded employee records time daily in the Time and Attendance System (STATS). On logging into STATS, time must be recorded daily against each grant by selecting each grant worked in a day with the appropriate hours in 15 minute increments. If an appropriate grant is not available on the time sheet, select <i>Unapplied</i> as the task or grant and record the actual time worked and immediately advise your Supervisor of its unavailability. The Supervisor must assign the employee to the tasks not found so that those tasks will be available at the current payroll closing and for subsequent payrolls. 4. The employee will also record leave taken in STATS. 	

SOPP # 604	Prepared By: The Virgin Islands Department of Finance
Effective Date:	September 30, 2016
Title	Work Time Administration
<p>5. On a daily basis and at the end of the payroll period, the grant-funded employee's manager reviews the employee's timecard to ensure that there is no time remaining in the <i>Unapplied</i> task line item and performs the pay period end functions to process a successful payroll.</p> <p>6. As a control measure, the grant-funded employee's manager Review the <i>Hours Summary</i> or the <i>Jobs Tracking Report</i> to validate that correct, actual time against grants are being transferred.</p> <p>7. The DOF payroll personnel closes the payroll and checks to ensure that actual hours against grants were transferred from STATS and correctly paid from the actual grant worked on by an employee. Check any leave earned to ensure that it is deposited in the leave bank. Provide the affected agencies access to the <i>Time Detail Report</i> to view the Time Entry History.</p> <p>8. At the end of the quarter, and at the end of a year, the DOF payroll personnel reviews the time worked by the employee by grant, the leave taken and the leave taken and provide the GVI grantee department and agency the data needed to seek reimbursement from the federal grantor agency. (See SOPP 602 - Non-Work Time Administration).</p>	

Version	Date	Description of Changes	Authorized by
0	3/31/17	Initial Release	GFL
1	4/25/17	Revised and Updated	GFL, CME
2	5/8/17	Final Review	VOC