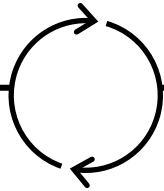# Salaries and Benefits

Introduction to Salaries and Benefits

DEFINITION

Salaries and Benefits
Includes wages, salaries and the corresponding fringe benefits paid to employees during the period of performance under the federal award for allowable services.

DESIRED OUTCOMES

Maintain adequate records of Payroll Information
Maintain sufficient detailed payroll information for each employee.

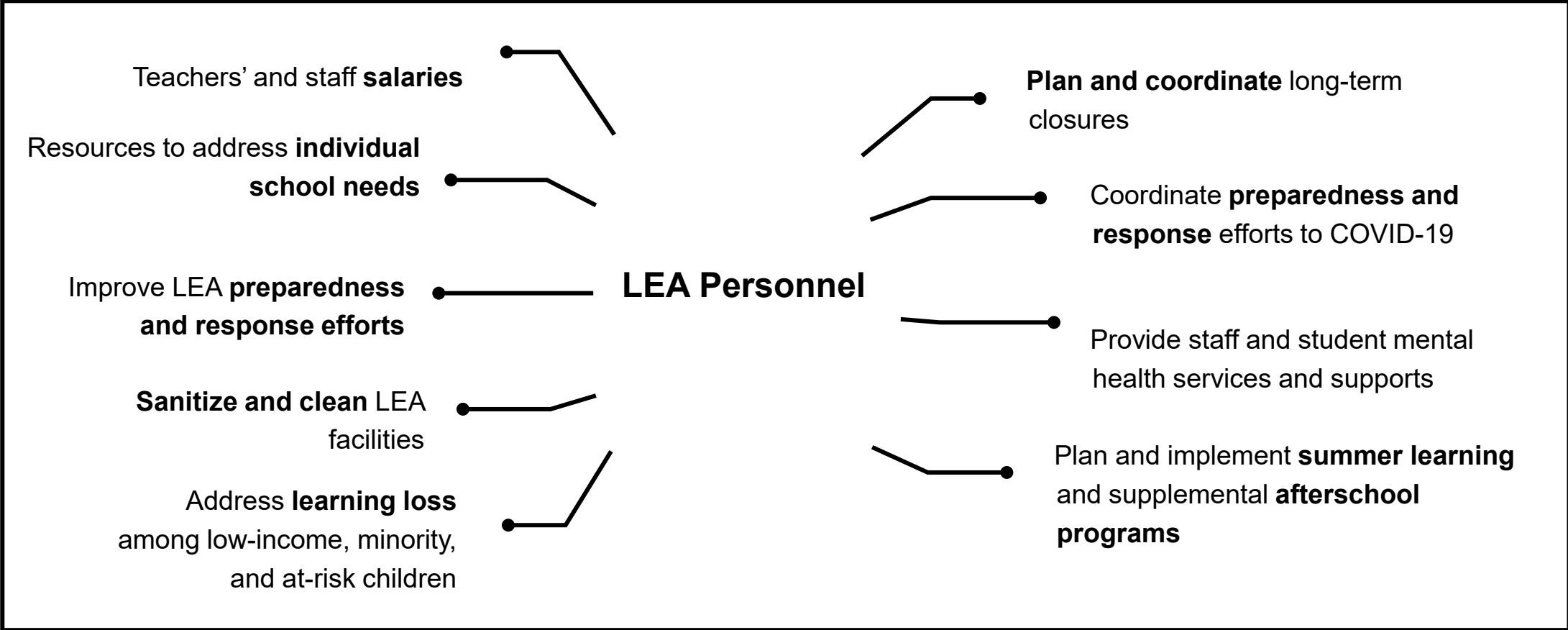**Payroll Policies and Collective Bargaining Agreements**
Conduct payroll in accordance with established policies and agreements

Applicable Federal Salary and Benefits Guidance

Reference	Title	What You Need to Know
§ 200.430(i)	Standards for Documentation of Personnel Expenses	This section details the standards and leading practices to follow when documenting personnel expenses.
§ 200.431	Compensation – Fringe Benefits	This section details the standards and leading practices to follow when claiming fringe benefit rates.

Salaries and Benefits Introduction and Allowability

Employees' salaries and employer paid benefits may be allocated to the ESSER Grant Programs if the activities performed are **consistent** with each of the **allowable activities of the grants and the LEA's Payroll Policy, and if they are adequately documented.** Reimbursable activities include, but are not limited to:

Teachers' and staff **salaries**

Resources to address **individual school needs**

Improve LEA **preparedness and response efforts**

Sanitize and clean LEA facilities

Address **learning loss** among low-income, minority, and at-risk children

LEA Personnel

Plan and coordinate long-term closures

Coordinate **preparedness and response** efforts to COVID-19

Provide staff and student mental health services and supports

Plan and implement **summer learning** and supplemental **afterschool programs**

Documentation Requirements

Payroll Registers for Each Employee
- Payroll registers generated from payroll system
- Compensation amounts used to trace payment and benefits

Documentation for Hourly Employees
- Timesheets
- Activity logs

Payroll Policy
- Eligibility of salaries and benefits expense is determined using the LEA's own Payroll Policy
- Salaries and benefits allocated to ESSER must be applied uniformly in accordance with Payroll Policy in effect at the time of the disaster declaration

Recording and Reporting (Should be free of PII when requested)
- Salaries and benefits expense must be recorded in the LEA's General Ledger in accordance with the guidance provided in the respective PA Chart of Accounts for the reporting period
- Expenditures must include Fund, Function, **Object, Funding Source**, Instructional Organization

Documentation Requirements

Duplication of Benefits Considerations

The contributions to PSERS are partially reimbursed. Deduct the reimbursement? We don't do that. Should we?

Mitigation of Duplication of Benefit

LEA-Paid Portion of PSERS Retirement Benefits	PSERS Reimbursement	PSERS Reimbursement Deduction
PSERS employee retirement contribution is an allowable expense that can be allocated to the grant programs.	PDE reimburses each LEA on a quarterly basis a pre-determined percentage of employee retirement contributions. *Charter Schools do not receive reimbursement from PDE for retirement contribution to PSERS.	LEAs must proactively deduct the PSERS reimbursement amount from the overall grant allocation amount for each employee. For example, if the LEA contributed $2,000 in PSERS contributions, and the LEA's reimbursement rate is 50%, then $1,000 should not be included in the grant allocation amount.

Common Observations and How to Address Them

OBSERVATION	No payroll information
REGULATORY GUIDANCE	2 CFR 200.430(i)(1)
RISK	Failure to track and monitor the payroll expenses associated with ESSER grants could lead to unallowable activities charged against the grant.
RECOMMENDED ACTION	Retroactively record and establish procedures to record salaries and wages charged against the federal award that accurately reflect the work performed.
NEXT STEP	The Subrecipient should make sure that established procedures that allow for accurate payroll records is established and maintained.

Common Observations and How to Address Them 2

OBSERVATION	**No overtime policy**
REGULATORY GUIDANCE	**2 CFR 200.430(i)(1)(v)**
RISK	Failure to maintain necessary payroll policies can result in inconsistent payroll processing and errors which could lead to loss of funding.
RECOMMENDED ACTION	Adopt the appropriate payroll polices applicable to the size and operations of the LEA.
NEXT STEP	Make sure that payroll is being processed, paid and recorded in accordance with the LEA's payroll policies.

Common Observations and How to Address Them 3

OBSERVATION	PSERS duplication of benefits
REGULATORY GUIDANCE	2 CFR 200.431(c)
RISK	Failure to properly deduct the PSERS reimbursement portion allocated to federal award is a duplication of benefits which can result in loss of funding.
RECOMMENDED ACTION	Retroactively deduct PSERS reimbursement amounts from ESSER grant allocations.
NEXT STEP	The Subrecipient should make sure that appropriate procedures are in place to detect instances of duplication of benefits.

Question 1

Salaries should be coded to which Object Code section?

a) 100's *

b) 200's

c) 300's

d) 400's

Question 2

What is the proper treatment of PSERS reimbursement?

a) Make sure that it is added to the grant allocation quarterly.

b) Make sure that it is proactively deducted from the grant allocation. *

c) Make sure that it is subtracted from the grant allocation quarterly.

d) Make sure that it is proactively added to the grant allocation.

Question 3

What is the correct object code section for benefits?

a) 100's

b) 200's *

c) 300's

d) 400's

Question 4

What is the proper treatment of Salaries and Benefits when using Federal grant funding?

a) Capitalize on the usage of federal funds by increasing employees' salaries outside the normal course of business.

b) Improve funding by hiring a contractor to best determine the budget.

c) Minimize the usage of federal funds by laying off staff.

d) Continue to pay employees using rates agreed on and documented in the collective bargaining agreements. *

Contact/Mission

For more information on the (the topic of the presentation) please visit PDE's website at www.education.pa.gov

The mission of the Department of Education is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens. Further, the Department seeks to establish a culture that is committed to improving opportunities throughout the commonwealth by ensuring that technical support, resources, and optimal learning environments are available for all students, whether children or adults.