



## Arizona Criminal Justice Commission

### TECHNICAL BULLETIN

**To:** All ACJC sub grantees

**Date:** November 9, 2009

**Subject:** Payroll Costs - Cash vs. Accrual accounting methods

The Department of Justice, Office Justice Programs (OJP) provided clarification on the eligibility of payroll expenditures that are paid within the grant period but are for hours worked prior to the grant starting. OJP stated that if the work was not performed during the grant award period then payroll cost(s) for that work would not be allowable. The OJP guidance is not consistent with the cash method of accounting many sub-grantees use to charge payroll expenses to their grant.

This may affect your July reimbursement and require you to make an adjustment on your next financial report. Examples of pay periods and how to properly account for the expenditures are listed below:

Pay Period	Pay Date	Eligible	Explanation
06/13/09 – 06/26/09	07/02/09	No	<b>Not</b> eligible for reimbursement since the time worked by the employee is outside of the grant period.
06/19/09 – 07/03/09	07/10/09	Partial	Only three days of this pay period are eligible for reimbursement. All salaries and fringe benefits must be prorated so only July expenditures are charged to the grant.
06/27/09 – 07/10/09	07/17/09	Partial	The four days in June are not eligible for reimbursement. All salaries and fringe benefits must be prorated so only July expenditures are charged to the grant.
Beginning 07/01/09 through grant period ending		Yes	Employee hours worked during the grant period are allowable under the grant.

*For task forces that reimburse other agencies for worked performed, please make sure that you are only reimbursing invoices for time worked during the grant period.*

Please contact your ACJC grant coordinator or your agency's finance office if you need assistance:

- to determine if a pay period is eligible;
- to make an adjustment on your next financial report (if you have previously charged expenditures that were outside the grant period).