



## What Do We Mean by Adequate Documentation?



MIECHV program awardees are responsible for the stewardship of federal funds at both the awardee and local implementing agency (LIA) or other subrecipient levels. All costs must comply with the limitations of the grant and other applicable federal and state laws and regulations. Costs must also be reasonable, necessary, and allocated to the grant in direct correlation to the benefit of the program and on a basis consistent with policies that apply uniformly to all activities of the organization.

Adequate documentation is one of the most important aspects of sound award management and is an integral part of grant management and subrecipient monitoring practices. Awardees and subrecipients must maintain adequate documentation to ensure that all costs charged to their grant award meet the criteria to be considered allowable. Awardees should have a clearly defined process for maintaining adequate documentation and should ensure that subrecipients do the same.

Below are some tips for ensuring adequate documentation. While geared to awardees, many of the practices presented below are also applicable to subrecipients. Awardees should consider how to share these practices with their subrecipients and how to monitor them. Awardees should always contact their project officer (PO) and grants management specialist with specific fiscal questions.

[Visit the MIECHV Program website to learn more!](#)

## Tips

- ✓ **Document everything!** All expenses must be supported by clear, complete, and detailed documentation. Documentation verifies and supports that costs are allowable, reasonable, and allocable.
- ✓ **Make sure that all costs are directly related to the grant.** Incurred costs should support only those items necessary for carrying out the scope of the award (e.g., those items listed in the approved grant budget). Incurred costs must also be applicable solely to the specific grant award. Dates on invoices, payroll documents, receipts, and other supporting documentation should fall within the grant period of availability and match accounting system-generated financial records.
- ✓ **Document all financial transactions.** Examples include receipts for purchases; copies of canceled checks showing the amounts actually paid; invoices showing vendor, date, and amount paid; and details of items or services purchased.
- ✓ **Document all travel costs.** Maintain detailed travel records, including the reason for travel, approval of travel, airline receipts, hotel bills, transportation receipts, parking receipts, gas receipts for rental cars, and other travel-related supporting documentation if applicable. Support mileage charges for car travel by documenting the starting and ending points, total miles, and date(s) of travel. Create (and share with staff) written policies and procedures for travel costs that spell out such things as caps on mileage, hotels, meals, and incidental expenses; and timelines for submitting requests for travel reimbursement. Some programs follow [federal per diem requirements](#) as spelled out annually by the General Services Administration. If per diem is not used, then meal receipts will need to be submitted as well. If a company credit card is used to pay for travel expenses, the credit card statement should also be included as a part of the supporting documentation.
- ✓ **Document personnel costs.** Many organizations struggle with recouping compensation costs because they don't adequately document total time spent working on a grant award. For salaries and wages to be allowable for federal reimbursement, awardees must provide reasonable assurance that the charges are accurate, allowable, and properly allocated to the individual awards. This includes following a system of internal controls that provides after-the-fact certification of actual activity for each employee working on federal awards. Awardees must maintain records of time and effort such as time sheets, pay stubs, and other payroll records.
- ✓ **Track actual time spent on the MIECHV program, rather than the budgeted hours per day.** Employees who are not funded 100 percent through MIECHV should report actual time spent on the award and not use estimated time records. This is a requirement of [45 CFR §75.430\(i\)\(1\)](#), which outlines the standards for documentation of personnel expenses.

- ✓ **Use technology to maintain documentation.** Records such as receipts and copies of payroll can be scanned and maintained in electronic files. This is especially useful as a way to collect documentation from subrecipients.
- ✓ **Maintain records for a period of three years from the date you submit your final Federal Financial Report (FFR), unless your award requires a longer period for record retention.** If your records are undergoing an audit, litigation, or other action, keep the records until the end of the appropriate retention period or until all litigation, claims, or audit findings involving the records have been resolved and the action has been completed (whichever is later). (See [45 CFR §75.361](#), retention requirements for records, for more information.)
- ✓ **Train subrecipients on financial record keeping and proper documentation.** Make sure that proper documentation is part of the sound financial management training you provide to your LIAs and any other subrecipients. Document the training topic and when the training occurred, and keep the sign-in sheets. In addition to training fiscal staff, consider training program, administrative, and supervisory staff as well.
- ✓ **Review documentation as part of your subrecipient monitoring process.** Look at whether the subrecipient compares budgeted expenditures to actual expenditures; whether costs are allowable, reasonable, and allocable; whether expenses are supported by clear, complete, and detailed documentation; and whether the subrecipient has followed the rules about limiting funds to support direct medical, dental, mental health, or legal services. Examples of items to review include invoices for a given month cross-checked with the general ledger and time sheets, financial statements and the general ledger, statements of revenues and budgeted costs, policies and procedures for approving general expenses, and reimbursement of travel expenses and cell phone charges.

## Resources

### [Code of Federal Regulations, Title 45: Public Welfare, Part 75—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards](#)

This document contains the regulations for grant management for the Department of Health and Human Services. The sections that relate to adequate documentation are:

- [45 CFR §75.403](#), *Factors affecting allowability of costs (including costs must be adequately documented)*
- [45 CFR §75.300–75.309](#), *Standards for Financial and Program Management*

### [Tip Sheet for HRSA Grantees](#)

A one-page guide for developing effective financial management practices.

### [GRANTS.GOV Grants Learning Center](#)

Contains comprehensive resources concerning all things related to federal grants.

### [HHS Grants Policy Statement](#)

This online document describes the general terms and conditions of HHS grant awards.

### [HRSA Award Management Tutorial](#)

Online tutorial on the fiscal oversight expectations of a HRSA grant.

### [HRSA Financial Management Page](#)

This HRSA website assists MIECHV awardees with the financial requirements of their federal awards.

### [HRSA Manage Your Grant](#)

Presents policies and administrative requirements for the financial management of HRSA grants, including links to helpful videos and online tutorials.

### [I Speak Fiscal; I Speak Program: Collaboration Between MIECHV Grants Management and Project Management](#)

Recorded webinar presented by the Home Visiting—Improvement Action Center (HV-ImpACT); includes a discussion of the roles and responsibilities of fiscal and program staff in overseeing documentation.

### [Recording & Supporting Grant Expenditures](#)

This resource is a PowerPoint presentation from HRSA's Division on Financial Integrity, Financial Advisory Branch, on the three categories of allowable costs and how to adequately document them.

### [Subrecipient Monitoring Manual for Maternal, Infant, and Early Childhood Home Visiting \(MIECHV\) Award Recipients](#)

This resource clarifies the difference between subrecipients and contractors and describes the process for monitoring subrecipients.