Timesheets and Time Study Guidance

Charges to the City for salaries and wages must be based on records that accurately reflect the work performed. Contractors have the option of using functional timesheets or conducting regular time studies to appropriately allocate staff time to programs. Although the City allows time studies, contractors should also understand the requirements of other funders. For example, some City funds may be a pass-through of federal funds. The Office of Management and Budget (OMB) guidance for federal funding is open to interpretation and nonprofits should ask their monitor if the funding source requires timesheets.

The City does not require that its nonprofit contractors prepare extensively detailed reports that have specific time increments, but it does need to know the total hours worked by employees paid using any City funding, in what cost objective(s) each funded employee worked (i.e., program or funding source) for the invoice period.

Timesheets should be:
- Prepared monthly or more frequently
- Represent actual time and effort (i.e., prepared after-the-fact and by program staff)
- Distributed by programs or funding sources
- Encompass all activities performed by employee (i.e., account for 100% of an employee's time)

Tips for Time Studies:
- Employees should track their time in 30 minute increments by program for two weeks.
- The contractor should choose a period of time to study that is representative of how staff members spend their time. Do not choose a time period when a large event is occurring or other activity that is not representative of how time is normally distributed.
- Agencies should conduct time studies on a regular basis. The frequency should depend on the variability of activity within the agency. If staff activities remain constant throughout the year, time studies can occur annually. If there is a significant event that may impact how staff members spend their time, or if there are consistent or seasonal changes in work duties, then time studies should occur once per quarter.
- Management should provide a uniform format for all employees conducting time studies.
    - A simple solution to time studies is a uniform Excel spreadsheet that each staff member uses to document time.
    - There are also free online tools or phone-based applications that can support an agency to track time within programs or funding sources. Some online sources that the Controller's office has used for time studies include Toggl, PACO or Harvest.