ARKANSAS
Rural Health
Transformation

Awardee Expenditure Required Documentation Examples

ARKANSAS RURAL HEALTH TRANSFORMATION PROGRAM

A practical reference organized by expenditure type

ARKANSAS
Rural Health
Transformation

Purpose of This Guide

This guide helps awardees identify the supporting documentation to include with expenditure submissions. It is organized by expenditure type so users can quickly locate examples of records that substantiate the cost, connection to the award, and proof of payment.

How to Use It

- Use the table of contents to go directly to the applicable expenditure section.
- Review the “About This Expense” description to confirm the category that best fits the cost.
- Gather the items listed under “Required Documentation Examples.” Provide all items that apply to the expenditure and transaction.
- Ensure amounts, dates, vendor or payee names, quantities, and payment details are consistent across the supporting records.
- Redact personally identifiable information when the guide specifically calls for redaction.

Important Note

The items in this guide are documentation examples drawn from the source material. Additional records may be needed when required by the award, subaward, approved budget, contract, procurement file, or the specific circumstances of the expenditure.

ARKANSAS
Rural Health
Transformation

Table of Contents

Expenditure Sections

1. Subaward Expenses
2. Personnel Expenses
3. Fringe Expenses
4. Travel Expenses
5. Equipment and Materials Expenses
6. Supply Expenses
7. Contractual Services Expenses
8. Construction Expenses
9. Training and Education Expenses
10. Other Expenses
11. Indirect Cost Expenses

ARKANSAS
Rural Health
Transformation

Subaward Expenses

About This Expense

Per 2 CFR 200.1, a “subaward” means “an award provided by a pass-through entity to a subrecipient for the subrecipient to contribute to the goals and objectives of the project by carrying out part of a Federal award received by the pass-through entity. It does not include payments to a contractor, beneficiary, or participant. A subaward may be provided through any form of legal agreement consistent with criteria in with 2 CFR 200.331, including an agreement the pass-through entity considers a contract.”

Subaward expenses must be in line with the subaward budget that was set and approved at the time of the award. Subaward expenses can include all types of expenses. Use the documentation examples for the applicable expense type.

Required Documentation Examples

- Executed Subaward and budget
- Monitoring plan from prime subrecipient on sub-subrecipient
- Progress reports (frequency of reports set within subaward)
- Prime subrecipient must provide same expense documentation as we require of a subrecipient for all expense types (use the documentation examples for the applicable expense type)
- Proof of payment of paid subaward reimbursements (use the documentation examples for the applicable expense type)

ARKANSAS
Rural Health
Transformation

Personnel Expenses

About This Expense

Per 2 CFR 200.430, “compensation – personal services” includes “all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits addressed in 2 CFR 200.431. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established written policy of the recipient or subrecipient consistently applied to both Federal and non-Federal activities;

(2) Follows an appointment made in accordance with the recipient's or subrecipient's laws, rules, or written policies and meets the requirements of Federal statute, where applicable; and

(3) Is determined and supported as provided in “Standards for Documentation of Personnel Expenses” paragraph of this section, when applicable.”

Required Documentation Examples

- Payroll policy and procedure of client or subrecipient stating how payroll is accounted for and paid
- This is requested because the client or subrecipient must “comply with the established accounting policies and procedures of the recipient or subrecipient” per the Standards for Documentation of Personnel Expenses as noted above
- A comprehensive payroll policy should cover pay periods, payment methods, compensation structure, overtime and holiday pay, deductions, timekeeping, responsibilities, and compliance with relevant laws and regulations.
- Employee roster that includes employee name, position, salary, allocation to the program
- Paystubs or direct deposit receipts
- Internal payroll reports and/or labor distribution reports are NOT sufficient
- Time and effort documentation if the employee is partially allocated
- 100%-time allocation certification if all time is allocated to grant
- Rationalization for any allocations used

ARKANSAS
Rural Health
Transformation

Fringe Expenses

About This Expense

Per 2 CFR 200.431, “fringe benefits” are “allowances and services employers provide to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefits. Except as provided elsewhere in these principles (2 CFR 200), the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, an organization-employee agreement, or an established policy of the recipient or subrecipient.”

Refer to 2 CFR 200.431 to find more guidance on specific fringe benefit types, including:

- Leave
- Insurance
- Automobiles
- Pension plans
- Post-retirement health
- Severance payments

Required Documentation Examples

- Payroll policy and procedure of client or subrecipient stating how fringe benefits are accounted for and paid
- This is requested because the client or subrecipient must “comply with the established accounting policies and procedures of the recipient or subrecipient” per the Standards for Documentation of Personnel Expenses as noted above
- List of all fringe benefits included in payroll per policies and procedures
- Supporting documentation that shows the employer contribution showing actual costs, not to exceed the approved budgeted amount or percentage
- Rationalization for any allocations used

ARKANSAS
Rural Health
Transformation

Travel Expenses

About This Expense

Refers to travel-related expenses incurred as part of the project funded by the Federal grant. These expenses typically include transportation, lodging, meals, mileage, etc. Travel expenses are sometimes paid by the employee before being reimbursed by the subrecipient, in which case the original documentation from the vendor (hotel, restaurant, etc.) to the employee must be verified as well as the payment information from the subrecipient (employer) to the employee.

See 2 CFR 200.475 for the Uniform Guidance definition of “travel costs”.

Required Documentation Examples

- Invoices and/or receipts
- Proof of payment
- If paid by the employee, then we need proof of reimbursement to that employee from the subrecipient (employer)
- Mileage
- Must be able to test full route (legible addresses)
- Travel logs with employee name, miles driven, and mileage rate
- Proof of payment to the employee via paystub or cleared check
- Travel policy
- Must adhere to established travel policies including actual costs versus per diem cost reimbursement delineations
- Per Diem
- Travel and expense logs if receiving per diems breaking out each amount per day.
- If travel for events (conference, training, etc.), we must have documentation of event dates to ensure requested travel does not exceed event dates and locations.

ARKANSAS
Rural Health
Transformation

Equipment and Materials Expenses

About This Expense

The 2 CFR Part 200.1 defines “equipment” as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or $10,000.

Materials or Commodities are items consumed or expended in the course of a project or activity, which may include raw materials, consumables, or other supplies that do not meet the criteria for capital equipment.

See 2 CFR 200.439 for the rules of allowability must apply to equipment and other capital expenditures.

Required Documentation Examples

- Invoice
- These should show the invoice number, date of purchase, description of the equipment and/or materials, unit price, total cost, and vendor information.
- Purchase order and/or contract
- Rates and quantities included on the invoice should match to those in the corresponding purchase order and/or contract
- Engineer’s Certification Form (For construction projects)
- Change orders, addendums, and/or contract amendments
- Rates and quantities included on the invoice should match those in the corresponding purchase order and/or contract with the addition of any changes in these applicable change orders, addendums, and/or contract amendments.
- Proof of payment
- Canceled check, bank statement, and/or credit card statement, showing that payment for the supplies was made. Must show check number (as applicable), payment date, total amount, and vendor name. Details must tie to the invoice provided.
- Permits, approvals, and intergovernmental review certifications
- Procurement documents (as applicable) for all items purchased and/or contractors included in the reimbursement request should be included when applicable

ARKANSAS
Rural Health
Transformation

Supply Expenses

About This Expense

Per 2 CFR 200.1, supplies refer to all tangible personal property other than those better defined as “equipment”. As with other expenditure types, costs incurred for supplies must be considered necessary for the performance of the Federal award to be allowable. For example, computing devices are allowable as long as they are essential and allocable, but do not need to be solely dedicated to the performance of the Federal award.

See 2 CFR 200.453 for the definition of “materials and supplies costs”.

See 2 CFR 200.314 for the definition of “supplies” under the Property Standards.

Required Documentation Examples

- Invoice or Receipt
- These should show the invoice number, date of purchase, description of the supplies, unit price, total cost, and vendor information.
- Purchase orders and/or contracts
- Proof of payment
- Canceled check, bank statement, and/or credit card statement, showing that payment for the supplies was made. Must show check number (as applicable), payment date, total amount, and vendor name. Details must tie to the invoice provided.
- Inventory listings (including description, serial no, title holder etc.)
- Includes description, serial number, title holder, and any other relevant information used to identify and track inventory.
- Note that this may or may not be required depending on the value and type of inventory. The requirements of the specific Federal grant agreement as well as the subrecipient’s policies and procedures will determine when this is necessary.
- Procurement documents (as applicable) for all items purchased and/or contractors included in the reimbursement request should be included when applicable

ARKANSAS
Rural Health
Transformation

Contractual Services Expenses

About This Expense

Per 2 CFR 200.1, a “contract” means, “for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient conducts procurement transactions under a Federal award.” Contractual Services expenses refer to costs incurred for services provided by an external entity or individual under a contract agreement. These services are typically necessary for carrying out a program or project and may include professional consulting, technical, or other specialized services.

See 2 CFR 200.459 for the rules of allowability related to professional services.

Required Documentation Examples

- Executed contract - The contract provided should include, at a minimum, the following:
- Contract type
- Period of Performance
- Scope of Work
- Amendments, as applicable
- Budget and/or contract amount
- Signatures of all parties included in the contract
- Invoices and/or pay applications
- Approved change orders, amendments, and explanations
- Proof of payment
- Bank statements, check copies (canceled or cleared checks), and wire transfer confirmations serve as valid proof of payment by documenting the transaction details, vendor name, and amount.

ARKANSAS
Rural Health
Transformation

Construction Expenses

About This Expense

A "construction expense" refers to a cost incurred for building or significantly improving a fixed asset like a building or equipment, which is generally considered a "capital expenditure" and needs prior approval from the funding agency before being charged as a direct cost to a federal award, unless it falls under specific exceptions outlined in the regulations; essentially, it's a cost that adds substantial value or extends the useful life of an asset beyond normal maintenance and repair (see 2 CFR 200.439).

Required Documentation Examples

- Invoices and/or Quotes
- These should show the invoice number, date of purchase, description of the equipment/materials/labor and to be compared to the contract.
- Purchase orders and/or contracts
- These should show the purchase order number, date, description of the equipment/materials/labor.
- Work/Task Orders
- The Work Order or Task Order is compared to the pay application, invoice, or pay request for consistency with contract value, contract scope, and term.
- Material receipts
- These should show the date, description of the equipment/materials/labor and to be compared to the contract.
- Pay applications/requests
- Form AIA Document G702 – 1992. These should be compared to the contract for contract value, change orders, description listing, unit prices, and contract time. The contractor must always sign the pay application, followed by the project engineer, and the subrecipient.
- Approved change orders, amendments, and explanations
- Typically Form AIA Document G701 – 2017 (left) and letter
- Construction Budget and Bill of Materials
- Davis-Bacon Compliance, if applicable
- Certified Payroll forms WH-347
- Sam.gov Wage Determinations
- SAM.gov https://sam.gov/wage-determinations -> Public Buildings or Works -> Select Criteria -> Select State -> Select County -> Type of Construction -> Download “Wage Rate Determination”
    - o Certified payroll forms WH-347
    - o Wage rate determination (as applicable)
- Engineer certification on the pay application or separate certification
- Project engineers must certify the work completed on the request. A new form must be submitted with each reimbursement request if the engineer did not certify on the pay application/request.
- Site Visit documentation, if applicable
- Inspection and approval sign-offs
- Photo

- Progress reports (quarterly)
- Permits and Approvals from State or Federal agencies
- Proof of payment
- Permits and approvals from intergovernmental entities, if applicable

ARKANSAS
Rural Health
Transformation

Training and Education Expenses

About This Expense

Training and education expenses are costs associated with providing knowledge, skills, and professional development to individuals involved in the activities supported by the federal award. These expenses can be related to training and education costs for employees of an entity or a participant of a program, but there is a difference between the documentation requirements between employees and participants.

These costs can include training courses, workshops, seminars, conferences, and educational materials such as books or manuals. Per 2 CFR 200.473, the cost of training and education provided for employee development is allowable. More specifically, 2 CFR 200.432 states that allowable conference costs may include the rental of facilities, speakers' fees, attendance fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences. 2 CFR 200.466 states, costs of scholarships, fellowships, and student aid programs at IHEs (institutions of higher education) are allowable only when the purpose of the Federal award is to provide training to participants, and the Federal agency approves the cost. Non-allowable costs involved in training and education expenses may include the purchase of alcohol, 2 CFR 200.423, and activities considered to be entertainment or social in nature as well as the costs of prizes, 2 CFR 200.438.

Required Documentation Examples

- Travel policy and procedure of client or subrecipient stating how travel is accounted for and paid
- Training agenda and/or instructor information
- Completion certificates (i.e. a certificate of course completion)
- Travel documentation (if applicable); see Reimbursement SOP – Travel for guidance
- Invoices
- Proof of payment
- Registration/Enrollment Documentation:
- Registration or enrollment documentation should list the employee or participant registered for the training, conference, or educational course.
- Should include the date of the conference/training or the enrollment period for a course/class.
- Prior approval and/or justification of support of project goals for conferences/trainings if not explicitly detailed in subaward agreement
- Documentation should explain any training courses or conferences that are not explicitly stated in subrecipient agreement scopes or budgets.
- Justifications should explain how the training or educational expense is applicable and necessary to the project.

ARKANSAS
Rural Health
Transformation

Other Expenses

About This Expense

Other expenses may include:

- Financial assistance (see “Federal financial assistance” as defined in 2 CFR 200.1);
- Rent and Utilities (see “Rental costs of real property and equipment” per 2 CFR 200.465 and “Maintenance and repair costs” per 2 CFR 200.452);
- Property Insurance (see “Insurance coverage” per 2 CFR 200.310);
- Filing easements and utility easements (see “Real property” per 2 CFR 200.311);
- Newspaper filing fees (see “Advertising and public relations” per 2 CFR 200.421);
- Participant support costs (see 2 CFR 200.456).

Required Documentation Examples

- Financial assistance expenses for program participants:
- Specific program manual for which the assistance is paid from
- Participant/beneficiary proof of identification
- Program assistance request form (consistent form required by project or funding organization)
- Proof of participation in program
- Proof of census tract documentation or income documentation if assistance is based on income (redacted PII)
- Proof of eligibility for the participant included in the request
- Proof of payment per program manual
- Rent and Utilities:
- Rental agreement
- Utility bills
- Attestation of percentage of property (rent, utilities, etc.) used for grant
- Proof of payment
- Property Insurance:
- Insurance Policies
- Attestation of percentage of property used for grant
- Proof of payment
- Filing easements and utility easements
- Invoice and/or receipt
- Proof of payment
- Project permits and approvals
- Newspaper filing fees
- Proof newspaper advertisement
- Proof of payment

ARKANSAS
Rural Health
Transformation

Indirect Cost Expenses

About This Expense

An Indirect Cost are costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. It may be necessary to establish multiple pools of indirect costs to facilitate equitable distribution of indirect expenses to the cost objectives served. Indirect cost pools must be distributed to benefitted cost objectives on basis that will produce an equitable result in consideration of relative benefits derived. For Institutions of Higher Education (IHE), the term facilities and administrative (F&A) cost is often used to refer to indirect costs. See 2 CFR 200.414 for indirect cost determinations for varying entity types.

The rules for classifying Indirect Cost and Direct Cost are found at 2 CFR 200.412.

Another method of capturing these costs would be to use the Modified Total Direct Costs (MTDC) base. Per 2 CFR 200.1, the MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $50,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $50,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs and with the approval of the cognizant agency for indirect costs.

Required Documentation Examples

- Total administrative expenses, including both direct and indirect costs, will not exceed 10% of budget regardless of NICRA