



Department of Energy
Washington, DC 20585

January 22, 2019

Dear SEP Grantee,

The purpose of this letter is two-fold. I want to sincerely thank all of our SEP partners for their accomplishments in support of energy affordability and security projects through the SEP Formula awards and ongoing SEP ARRA financing programs. Also, I wanted to take this opportunity to identify an issue that has surfaced in conjunction with the detailed reviews we are conducting of the financial and administrative management of the SEP Formula awards. The issue concerns the tracking of work performed in support of a SEP grant.

In several cases, the review team has been unable to determine whether the Grantee is properly tracking salary as required under 2 CFR 200.430 Compensation – Personal Services. In other cases, the payroll data supplied for the review provided no obvious or clear-cut way to interpret the information by time period, staff member, account, or any other category and thus the review team was unable to verify whether the staff time allocated to SEP work in the SEP budget matched the actual time spent on SEP work.

Please note that 2 CFR 200.430(i) requires non-Federal entities to maintain records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the time being charged is accurate, allowable, and properly allocated.
- Be incorporated in the official records, such as payroll records.
- Reasonably reflect the employee's total activity.
- Provide a time or percentage breakdown on all activities, both Federally funded and non-Federally funded, for the employee.
- Comply with the grantee's pre-established accounting practices and procedures.

Grantees may only charge to their SEP grant actual time spent working on SEP activities.

Please do not hesitate to contact your Project Officer if you have questions or would like additional information.

Best regards,

A handwritten signature in blue ink, appearing to read "AnnaMaria Garcia".

AnnaMaria Garcia
Program Director
Weatherization and Intergovernmental Programs
U.S. Department of Energy

