Issues for HRI

1. Budgeted Salaries projections must tie into claimed expenses. Budgets should be estimates and not an exact match to claims. Actual salary expenses consist of many variables during the year such as contractual raises, step increases, longevity which may not always be known at the time of budget preparation.
2. If raises and promotions can be factored into the projection then the methodology used by HRI (dividing by 26) will not work if it is in effect mid cycle.
3. As unexpected promotions or raises become effective; this will cause several budget modifications to be done during a grant term.
4. HRI therefore requires several line items for individuals at different annual salaries which becomes difficult to calculate on the budget end and on the claiming end.
5. Our salary charts will not tie out since a fiscal period may not be a 12 month period. There are some terms that run 26 weeks, 26.1 weeks and 26.2 weeks. Therefore to reflect the annual salary as 12 months does not conform to the true grant period.

Conclusion:

Since budgets are to be considered a close projection to the grantees activity then expenses within reason should be allowed as long as it can be backed up by supporting documentation such as time and activity and payroll records. It should not be held within the limits of the projected budget. Actual expenses should be claimed. Once the actual expenses have been claimed, and the budget is met, then the remaining expenses incurred should be withheld and considered in-kind. We are always limited to the grant term budgeted amount.