

Issue Brief

Getting the Numbers Right

As higher education institutions receive more grants, they need better ways to track labor costs.

Grant Tracking Today

Nearly three-quarters of higher education institutions use grants to fund their staff. But how well are the institutions tracking and reporting their grant-related labor costs?

Public funding agencies and private foundations require complete, accurate reports on how labor and expenses have been allocated in accomplishing project activities and results. Yet tracking that report data can be a complex and time-consuming effort, especially if it's done with paper records or manual entries in a spreadsheet.

To learn how colleges and universities perform grant tracking today — and whether those methods are effective — the Governing Institute surveyed 120 higher education officials from a variety of institution sizes and types. A key discovery: The limitations in current methods mean 44 percent of education officials are not satisfied with their department's project tracking.

The factors behind this level of dissatisfaction were explored further in the survey, and the in-depth findings are presented in this issue brief.

Current Tracking Methods Are Limited

We live in a time when electronic devices can seemingly track everything that can be measured, so it may be surprising to see that 83 percent of institutions still track projects manually in paper files or data entered in spreadsheets.

These manual processes are cumbersome, time-consuming, and vulnerable to mistakes. Manual processes also make it difficult to obtain real-time visibility into labor tracking and budget status for grant-funded projects, as indicated by 52 percent of survey respondents.

One participant summarized the comments of many by noting, "Currently we do not have any programs in place to track the success or path of a project. This is all done by hand and is a very manual process."

Grant and Project Tracking Limitations



Source: Governing Institute Grant and Project Tracking Survey, 2015

No Support for Mobile Devices

The ability to track projects on mobile devices is now essential, both for reporting hours and expenses and for monitoring a project's budget status. The survey found 52 percent of respondents are not able to track projects on a variety of desktop and mobile devices.

Supervisors Spend Too Much Time on Tracking

Department supervisors or principal investigators on a research project are often the default when choosing who should have responsibility for any type of labor and expense tracking. This default choice was confirmed in the survey results, where 75 percent of respondents say their departments rely on supervisors to keep accurate records of how grant funding is used in projects.

However, is detailed labor tracking the best use of a supervisor's time, especially if it is done manually? As one survey participant said, "I do most tracking via either my memory

(gasp!) or by developing Excel workbooks appropriate to each project. I need something much better than these methods."

Data Accuracy Is a Concern

Accurate data on labor and other project expenses is essential for all reports to grant sources. Yet accuracy can be hard to achieve when tracking methods are difficult to use, are inconsistent, or don't capture all relevant information. "We want something that is easy to use and that would let us track projects comprehensively," was the wish of one survey respondent.

One specific area where respondents were less confident about the accuracy of their data was accounting for the labor of exempt versus nonexempt employees. Only 56 percent of respondents felt the reporting was accurate because of the difficulty in determining appropriate rates for exempt employees.

Readiness for Audits

Incomplete or inconsistent data will be noted by auditors and may mean noncompliance with grant requirements. The potential for audit and compliance issues is an especially important concern for large and ongoing grants.

In the survey, 37 percent of respondents indicated they have been audited by an external agency, and 9 percent were found to be out of compliance with grant requirements. Perhaps of greater significance is that institutions that use grants to fund labor are audited 22 percent more than those that don't.

How Tracking Can Be Improved

Respondent comments pointed to several desired improvements in tracking grant-related labor. At the top of the wish list is a single tool that can be easily accessed and used by everyone. "A simple tracking system that is flexible for a wide range of project complexities is desired," said a survey participant.

Although some respondents use project management software as their common tool, an online workforce management system can interface with this software to provide more visibility into labor costs. When focused on tracking and reporting detailed data for grant-related labor, a workforce management system addresses several of the challenges identified in the Governing Institute survey.

Best Practices in Tracking Labor to Grants and Projects

Many workforce management systems offer options for onsite deployment or access as a cloud service. In either case, certain features are critical for tracking grant expenses.

- ✓ **Online data entry for all personnel associated with a grant, including accurate rate assignments for exempt, nonexempt, and student employees**
- ✓ **Access to projects from mobile devices**
- ✓ **Measurements of labor expenses against budget, planned hours, and project results for greater transparency**
- ✓ **Real-time metrics that indicate needed adjustments in project schedules and activities to maximize usage of grant funds**
- ✓ **Accurate labor data records maintained online to reduce preparation time for audits and to comply with grantor requirements**

This type of system allows employees to easily enter their time records online from a desktop computer, smartphone, or tablet. For project managers, reporting tools aggregate those records into real-time insights on staff activity and other key metrics for grant reporting.

Better Tracking of the Right Numbers

Complete, accurate, and easily accessible project data is critical for an institution's ability to attract and sustain grant funding. As the survey findings indicate, colleges and universities are looking for ways to improve their grant tracking tools and processes, especially for the complex and varied inputs on labor expense. An online workforce management system is one way an institution can improve its grant tracking and compliance while eliminating the time drain and accuracy issues of manual tracking processes.

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