



## FACT SHEET

### COMPENSATION: SALARY & BENEFITS



As a pass-through entity for Federal Education funds, the Nebraska Department of Education (NDE) is providing this **Compensation: Salary and Benefits Fact Sheet** to assist Federal program subrecipients in the development and implementation of policies and/or procedures required for compensation using Federal dollars.

This information is being provided by the NDE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at [Electronic Code of Federal Regulations \(eCFR\)](#) when developing their own compensation policies and procedures.

Subrecipients of Federal funds are solely responsible for meeting all applicable Federal regulations.

## Requirements for Compensation – Salary and Benefits

In accordance with [2 CFR 200.430](#)- Salary, The non-Federal entity must:

(a) *General.* Compensation for 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 which are addressed in §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 non-Federal entity consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- (3) Is determined and supported as provided in paragraph (i) of this section, when applicable.

In accordance with [2 CFR 200.431](#)-Benefits, The non-Federal entity must:

(a) *General.* Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.



(b) *Leave*. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- (1) They are provided under established written leave policies;
- (2) The costs are equitably allocated to all related activities, including Federal awards; and,
- (3) The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-Federal entity or specified grouping of employees.
  - (i) When a non-Federal entity uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment.

## Federal Compliance Monitoring

As part of the NDE's annual Federal Compliance Monitoring program, staff from the NDE Office of Budget & Grants Management may review compensation records and the subrecipient's policies/procedures for salaries and benefits paid for using Federal funds. The Grant Compliance Auditors will use the requirements of 2 CFR 200 and other applicable Federal Codes and requirements when completing such reviews.

## Technical Assistance

Please feel free to contact NDE Grants Compliance staff should you have any questions relative to the contents of this document or payment of compensation using Federal funds.

### **Tom Goeschel**

*Director of Grants Compliance  
Office of Budget & Grants Management  
500 S. 84th St., 2nd Floor  
Lincoln, NE 68510-2611  
P: (402) 890-8912  
E: [tom.goeschel@nebraska.gov](mailto:tom.goeschel@nebraska.gov)*

### **Merci Suarez**

*Grants Compliance Specialist  
Office of Budget & Grants Management  
500 S. 84th St., 2nd Floor  
Lincoln, NE 68510-2611  
P: (402) 937-3241  
E: [merci.suarez@nebraska.gov](mailto:merci.suarez@nebraska.gov)*

***This document is not a substitute for the advice of your own attorney and/or law firm licensed to practice law in the state of Nebraska. In reading and applying Federal law, the NDE recommends LEAs seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to your particular situation.***

