

Time and Effort Guidelines

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Time and Effort Reporting

The goal is to ensure that Federal program funds are used to pay only their proportionate share of personnel costs

Time and Effort Reporting

Guidance comes from 2 C.F.R. Part 225 (formerly Office of Management and Budget (OMB) Circular A-87)

- If federal funds are used for salaries, then time distribution records are required.
- Must demonstrate - If an employee is paid with federal funds that the employee actually worked on that specific federal program/cost objective.

Federal Actions to Ease the Burden of Time-and-Effort Reporting

- October 2011 U.S. DEED published a blog soliciting recommendations
- September 7, 2012 They came out with a statement to ease Time-and-effort reporting

Time and Effort Guidance!!

<http://www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html>

Time and Effort Reporting

Two Actions were taken

1. *Offering the State a Substitute System for Time and Effort for Employees Supported by Multiple Cost Objectives*
2. *Providing guidance to clarify the meaning of a "single cost objective"*

Under OMB Circular A-87, If an employee works 100% on single cost objective

- Semi-Annual Certification
 - Completed at least every six months
 - Signed by a supervisor with knowledge of the employee
 - After-the-fact record (dated)
 - Accounts for the total activity for which employee compensated
 - Must Coincide with one or more pay periods

Semi-Annual Certification Example

I certify that (name of employee) worked 100%
for the period (July thru December or January thru June)
on (name of program).

Signed by the employee or supervisory official having
firsthand knowledge of the work performed by the employee

Date

Single Cost Objective

The criteria for whether an employee may document time and effort using a semiannual certification or must fill out a monthly PAR can be confusing

Definition of “cost objective”

A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

Single Cost Objective

A single function or a single grant or a single activity.

The key to determining whether an employee is working on a single cost objective is whether the employee's salary and wages can be supported *in full* from each of the Federal awards on which the employee is working, or from the Federal award alone if the employee's salary is also paid with non-Federal funds.

Could this be funded by either of these sources?

Yes = single, No = multiple

Examples of a “single cost objective”

Title I, Part A funds and State compensatory education funds

An LEA supports a supplemental math teacher to serve low-achieving students with 50 percent Title I, Part A funds and 50 percent State compensatory education funds.

Teaching math to low-achieving students is a single cost objective because it can be fully supported under Title I, Part A. Only a semiannual certification, therefore, is required even though the employee’s salary is supported by a Federal award and a non-Federal award.

Examples of a “single cost objective”

Title I, Part A funds and local funds

A teacher in a Title I schoolwide school is paid with local funds to teach first grade in the morning to decrease class size for reading and is paid with Title I, Part A funds to teach a supplemental reading recovery class in the afternoon. (The school has a sufficient number of first-grade teachers to meet the requirements of ESEA section 1114(a)(2)(B).)

Because the part-time first-grade teacher is not needed in order to provide the basic education program in the schoolwide program school, her salary could be supported with Title I, Part A funds, even though it is not. Similarly, her salary for providing reading recovery could be supported with Title I, Part A funds. Both her functions, therefore, are fully supportable with Title I, Part A funds, and the schoolwide program constitutes a single cost objective. Only a semiannual certification, therefore, is required even though the teacher’s salary is supported by a Federal award and local funds and she conducts two different activities.

Examples of a “single cost objective”

Funds under Sections 611 and 619 of the Individuals with Disabilities Education Act (IDEA)

A preschool special education teacher is funded with 50 percent IDEA section 611 funds and 50 percent with IDEA section 619 funds.

Teaching preschool special education is an allowable activity under both IDEA sections 611 and 619. Accordingly, the teacher is performing a single cost objective even though she is supported with funds from two separate Federal awards; therefore, she need only file a semiannual certification.

Examples of a “single cost objective”

Title I, Part A funds and CEIS (comprehensive early intervening services) funds under IDEA

A teacher works with low-achieving students and is supported with 60 percent Title I, Part A funds and 40 percent CEIS funds.

Teaching low-achieving students is a single cost objective because it can be fully supported under both Title I, Part A and CEIS. Only a semiannual certification, therefore, is required even though the employee’s salary is supported by two Federal awards.

Examples of a “single cost objective”

Title I, Part A funds and local funds

An LEA supports an elementary school teacher with local funds but pays her with Title I, Part A funds to provide after-school tutoring for low-achieving students.

Although the teacher could not be paid with Title I, Part A funds to provide elementary education, the portion of her time spent on after-school tutoring is easily separated from her teaching position by her schedule. Accordingly, the teacher’s after-school tutoring is a single cost objective and she need only file a semiannual certification for the time she works in the after-school program supported by Title I, Part A funds.

Examples of a “single cost objective”

ESEA Title VII, Part A formula grant funds and state/local funds

A high school math teacher’s regular salary is paid with State and local funds. The teacher conducts an after-school support program for Native American students in the school, and also teaches at a summer academic camp for Native American students in the school district; for both of these activities, he is paid from Title VII, Part A funds. Although the teacher could not be paid with Title VII, Part A funds to teach high school math, the portion that the teacher is paid with Title VII, Part A funds is easily segregated from his daily teaching schedule. Accordingly, the teacher’s after-school and summer activities are each a single cost objective and the teacher need only file a semiannual certification for the time he is paid with Title VII, Part A funds.

???

Examples of a “single cost objective”

State leadership funds under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) and State funds

A State curriculum specialist who develops new career and technical education courses and initiatives is funded 50 percent with Perkins IV funds reserved under section 112(a)(2) for State leadership and 50 percent with State general funds.

Career and Technical Education curriculum development is a single cost objective because it can be fully supported with State leadership funds and under Perkins IV. Only a semiannual certification, therefore, is required even though the employee’s salary is supported by a Federal award and State funds.

Under OMB Circular A-87, If an employee works on multiple activities or cost objectives a PAR is required

PAR - Personnel Activity Report

that is, if an employee works on -

- More than one Federal award
- A Federal award and a non-Federal award
- An indirect cost activity and a direct cost activity
- Two or more indirect activities that are allocated using different allocation bases.
- An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee, (b) They must account for the total activity for which each employee is compensated, (c) They must be prepared at least monthly and must coincide with one or more pay periods, and (d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that...

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency...

Time-and-Effort Reporting - Substitute System

State educational agencies (SEAs) are authorized to approve local educational agencies (LEAs) to use a substitute system for time-and-effort reporting in accordance with the following guidelines.

To be eligible to document time and effort under the substitute system, employees must -

- Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports;
- Work on specific activities or cost objectives based on a predetermined schedule; and
- Not work on multiple activities or cost objectives at the exact same time on their schedule.

Time-and-Effort Reporting - Substitute System

Under the substitute system, in lieu of personnel activity reports, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule that meets the standards under section (3). An acceptable work schedule may be in a style and format already used by an LEA.

(3) Employee schedules must:

- Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule;
- Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and
- Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.

PAR Certification Example

I (name of employee) certify that I have worked XX% of my time on (name of program) XX% of my time on (name of program) for the Month of July, 2014.

signature of employee

Date: August 10, 2014

Enclosure B

Example Substitute System Time-and-Effort Certification – Employee with Fixed Schedule

Employee: Jane Doe

Position: Instructional Assistant

School: Lincoln Elementary

Certification Period:

8 / 15 / 2012 to 2 / 15 / 2013

Type of Schedule:

Daily

Weekly

Biweekly

Other: _____

| Program or Cost Objective | Distribution of Time |
|---|-----------------------------|
| Title I, Part A – Improving the Academic Achievement of the Disadvantaged | 42% |
| IDEA, Part B – Federal Special Education | 13% |
| State or Local | 45% |
| TOTAL | 100% |

I certify that I performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Jane Doe
Employee Signature

2/20/2013
Date

I certify that I have firsthand knowledge that the above employee performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Mary Smith
Supervisor Signature

2/21/2013
Date

Personnel Activity Report



Fairbanks North Star Borough School District
 Accounting Services Department
 520 5th Avenue
 Fairbanks, AK 99701

| | |
|----------------------|----------------|
| Employee Name: | John Smith |
| Employee ID: | f199999 |
| Grant Manager: | George Clooney |
| Pay Period End Date: | 5/4/14 |

| General Fund Acct # and/or Grant Project | Week One: | | | | | | | Week Two: | | | | | | | Total Hrs |
|--|-----------|-------|------|--------|------|------|------|-----------|-------|------|--------|------|------|------|-----------|
| | Mon. | Tues. | Wed. | Thurs. | Fri. | Sat. | Sun. | Mon. | Tues. | Wed. | Thurs. | Fri. | Sat. | Sun. | |
| Holidays and Annual, Personal, or Sick Leave * ----> | | | | 8.00 | | | | 2.00 | | | | | | | 10.00 |
| General Fund Acct #: | | | | | | | | | | | | | | | |
| 35000 -Alaska Native Education | 3.00 | 4.00 | 3.00 | | 3.50 | | | 3.00 | 3.00 | 4.00 | 3.50 | 3.00 | | | 30.00 |
| 35010-Title IA, Basic Program | 5.00 | 5.00 | 5.00 | | 5.00 | | | 3.00 | 5.00 | 5.00 | 5.00 | 5.00 | 2.00 | | 45.00 |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| Totals | 8.00 | 9.00 | 8.00 | 8.00 | 8.50 | | | 8.00 | 8.00 | 9.00 | 8.50 | 8.00 | 2.00 | | 85.00 |

* Charge professional and administrative leave to proper account based on purpose of leave.

I certify that this is an after-the-fact determination of my actual activity for the above pay period.

| | |
|---------------------|------------|
| Employee Signature: | |
| Date: | 05-09-2014 |

| | |
|--|------------|
| Authorized By: (Supervisor or Grant Manager) | |
| Date: | 05-12-2014 |

Employee: Jane Doe

Position: Instructional Assistant

School: Lincoln Elementary

| Monday | Tuesday | Wednesday | Thursday | Friday |
|--|---|--|---|--|
| 8:00-8:30 Consult with staff regarding Title I students/curriculum | 8:00-8:30 Consult with staff regarding Title I students/curriculum | 8:00-8:30 Consult with staff regarding Title I students/curriculum | 8:00-8:30 Consult with staff regarding Title I students/curriculum | 8:00-8:30 Consult with staff regarding Title I students/curriculum |
| 8:30-8:45 Break | 8:30-8:45 Break | 8:30-8:45 Break | 8:30-8:45 Break | 8:30-8:45 Break |
| 8:45-9:15 Special ed. support | 8:45-9:15 Special ed. support | 8:45-9:15 Special ed. support | 8:45-9:15 Special ed. support | 8:45-9:15 Special ed. support |
| 9:15-10:00 Small group reading | 9:15-10:00 Small group reading | 9:15-10:00 Small group reading | 9:15-10:00 Small group reading | 9:15-10:00 Small group reading |
| 10:00-10:30 Small group math | 10:00-11:00 2 nd grade Title I reading/math | 10:00-10:30 Small group math | 10:00-11:00 2 nd grade Title I reading/math | 10:00-10:30 Small group math |
| 10:30-11:00 2 nd grade Title I reading/math | | 10:30-11:00 2 nd grade Title I reading/math | | 10:30-11:00 2 nd grade Title I reading/math |
| 11:00-11:30 Lunch Break | 11:00-11:30 Lunch Break | 11:00-11:30 Lunch Break | 11:00-11:30 Lunch Break | 11:00-11:30 Lunch Break |
| 11:30-11:45 Individual special ed. student catch-up | 11:30-11:45 Individual special ed. student catch-up | 11:30-11:45 Individual special ed. student catch-up | 11:30-11:45 Individual special ed. student catch-up | 11:30-11:45 Individual special ed. student catch-up |
| 11:45-12:35 Small group math | 11:45-12:35 Small group math | 11:45-12:35 Small group math | 11:45-12:35 Small group math | 11:45-12:35 Small group math |
| 12:35-1:05 Small group writing | 12:35-1:05 Small group writing | 12:35-1:05 Small group writing | 12:35-1:05 Small group writing | 12:35-1:05 Small group writing |
| 1:05-1:20 Break | 1:05-1:20 Break | 1:05-1:20 Break | 1:05-1:20 Break | 1:05-1:20 Break |
| 1:20-1:40 Title I prep | 1:20-1:40 Title I prep | 1:20-1:40 Title I prep | 1:20-1:40 Title I prep | 1:20-1:40 Title I prep |
| 1:40-2:30 First grade Title I reading/math | 1:40-2:30 First grade Title I reading/math | 1:40-2:30 First grade Title I reading/math | 1:40-2:30 First grade Title I reading/math | 1:40-2:30 First grade Title I reading/math |
| 2:30-3:30 Title I lesson planning and student learning plan follow-up | 2:30-3:00 Title I lesson planning | 2:30-3:30 Title I lesson planning and student learning plan follow-up | 2:30-3:00 Title I lesson planning | 2:30-3:30 Title I lesson planning and student learning plan follow-up |
| | 3:00-3:30 Bus duty | | 3:00-3:30 Bus duty | |

Fairbanks North Star Borough School District
Year-End Analysis of Personnel Activity Report - FY14
Employee: Example

| Org/ Project | Description | Fiscal Year Under Review | | Gross Pay as a % of Total | % of Hours Actually Worked on Each Cost Objective as Reported on PAR | Reallocated Gross Pay | Journal Entry Needed |
|-------------------------|------------------------|---|------------------------|------------------------------|---|-----------------------------|----------------------------|
| | | Budgeted Allocation in Payroll System | Actual Gross Pay | | | | |
| 35010 | Title IA Basic Program | 90.00% | 85,599.55 | 90.00% | 88.53% | 84,201.43 | (1,398.12) |
| 35060 | Title IC Migrant | 5.00% | 4,755.51 | 5.00% | 5.90% | 5,611.53 | 856.02 |
| 675-10-35-1035 | General Fund | 5.00% | 4,755.56 | 5.00% | 5.57% | 5,297.66 | 542.10 |
| | Total | 100.00% | 95,110.62 | 100.00% | 100.00% | 95,110.62 | (0.00) |
| Benefit Rate Certified: | | | 35010 | 35060 | General Fund | Total | |
| Health | 360-13610 | 28.00% | (391.47) | 239.68 | 151.79 | 0.00 | |
| Unemployment | 360-13620 | 0.20% | (2.80) | 1.71 | 1.09 | 0.00 | |
| Workers Comp | 360-13630 | 1.65% | (23.07) | 14.12 | 8.95 | 0.00 | |
| FICA Medical | 360-13640 | 1.45% * | (20.27) | 12.41 | 7.86 | 0.00 | |
| TRS | 360-13650 | 12.56% | (175.60) | 107.52 | 68.08 | 0.00 | |
| | | 43.86% | (613.21) | 375.44 | 237.77 | 0.00 | |

Time-and-Effort Reporting - Substitute System

Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.

Any significant deviations from an employee's established schedule, that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a personnel activity report that covers the period during which the deviations occurred. States should put forth guidelines and examples for what constitutes a significant deviation from an employee's established schedule that would warrant an individual reverting to a personnel activity report.

Substitute Systems Certification

- The SEA must obtain from the LEA a management certification certifying that:
 - Only eligible employees will participate
 - Sufficient controls are in place to ensure that the schedules are accurate
- The certification must disclose any known deficiencies with the system or known challenges with implementing the substitute system

The OMNI Circular

- Also known as “OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”
- Published in the Federal Register - 12/26/13
- Draft EDGAR changes - were due 6/25/14
- Effective for new awards and additional funding to existing awards made after 12/26/14.

The OMNI Circular-Standards for Documentation of Personnel Expenses 200.430(i)

1. Must be maintained for all employees whose salaries are:
 - Paid in whole or in part with federal funds 200.430(i)(1)
 - Used to meet a match/cost share requirement 200.430(i)(4)

2. What is a cost objective? 200.28 (slightly changed)
 - Program, function, activity, award, organization subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.

The OMNI Circular-Standards for Documentation of Personnel Expenses 200.430(i) (cont.)

3. Multiple Cost Objectives 200.430(i)(1)(vii):

- More than one Federal award
- A Federal award and a non-Federal award
- An indirect cost activity and a direct cost activity
- Two or more indirect activities that are allocated using different allocation bases
- An unallowable activity and a direct or indirect cost activity.

The OMNI Circular-Standards for Documentation of Personnel Expenses 200.430(i) (cont.)

4. ED OCFO Clarification Re: “Single Cost Objective”
 - STILL APPLICABLE EVEN WITH NEW OMNI CIRCULAR CHANGES!
5. Charges for salaries must be based on records that accurately reflect the work performed.
 - Must be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated
 - Be incorporated into official records
 - Reasonably reflect total activity for which employee is compensated
 - Not to exceed 100%

The OMNI Circular-Standards for Documentation of Personnel Expenses 200.430(i) (cont.)

5. Charges for salaries (cont.)

- Encompass all activities (federal and non-federal)
- Comply with established accounting policies and practices
- Support distribution among specific activities and cost objectives
- Budget estimates alone do not qualify as support for charges to Federal awards 200.430(i)(1)(viii)
- Percentages may be used for distribution of total activities 200.430(i)(1)(ix)

The OMNI Circular-Standards for Documentation of Personnel Expenses 200.430(i) (cont.)

5. Charges for salaries (cont.)

- If records meet the standards: the non-federal entity will NOT be required to provide additional support or documentation for the work performed 200.430(i)(2)
- **BUT**, if “records” of grantee do not meet new standards, ED may require PARs (200.430(i)(8) PARs are not defined!!

The OMNI Circular-What's Next?

1. Compliance Supplement revisions for 2015 - advisory in March 2014 supplement (p 8-7-20)
2. Federal Agencies have until 12/26/14 to finalize conforming regulations (draft due 6/26/14)
 - Agencies must get OMB approval if they want to promulgate more restrictive rules
 - OMB approval is NOT required if agency simply "clarifies" OMB rules