



# 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 The Department of Education came out with a statement to ease Time-and-effort reporting.
- The Uniform Guidance is more in line with these standards than 2 C.F.R. Part 225



## 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”

### 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 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”

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 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...



## 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, 2015.

signature of employee

Date: August 10, 2015



## 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.

**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: \_\_\_\_\_

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

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

2017-2018 SCHOOL YEAR SCHEDULE

Employee: Jane Doe

Position: Instructional Assistant

School: Lincoln Elementary

<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
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 <sup>nd</sup> grade Title I reading/math	10:00-10:30 Small group math	10:00-11:00 2 <sup>nd</sup> grade Title I reading/math	10:00-10:30 Small group math
10:30-11:00 2 <sup>nd</sup> grade Title I reading/math		10:30-11:00 2 <sup>nd</sup> grade Title I reading/math		10:30-11:00 2 <sup>nd</sup> 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	





## 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



## Uniform Guidance

- Also known as “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.



## Uniform Guidance-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.



## Uniform Guidance-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.



## Uniform Guidance-Standards for Documentation of Personnel Expenses 200.430(i) (cont.)

4. ED OCFO Clarification Re: “Single Cost Objective”
  - STILL APPLICABLE EVEN WITH NEW UNIFORM GUIDANCE 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%



## Uniform Guidance-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)



## Uniform Guidance-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!!