

Time & Effort Reporting

1



Time and Effort Reporting

2

- Must demonstrate that the employees charged to federal grants are actually working on those specific grant programs.
- Establishes in an audit that allowable costs were maintained.

OMB Circular A-87

3

Attachment B

11. Compensation for personnel services

- In general, salaries and wages of employees who work on federal programs may be paid with federal funds as long as appropriate "time and effort" records are maintained.

Accountability is the Trend

4

- These are not new requirements.
- Focus on accountability and transparency
 - OIG audits of LEAs uncovered millions of unallowable costs charged to grants
- Component added to US Department of Education's monitoring
- Message from the Office of Inspector General:
Relying on the Single Audit is not sufficient.

Responsibilities of the SEA

5

- Distribute funds to LEAs;
- Review and approve applications;
- Provide technical assistance;
- Evaluate the performance of projects;
- Ensure resolution of Single Audits; and
- **MONITOR SUBRECIPIENTS**

Time & Effort Reporting

6

- Who must complete?
 - ALL employees funded with federal dollars
 - Not contractors or vendors
- Time and effort reporting is required when any part of an individual's salary is:
 - Charged to a federal program
 - Used as match for a federal program

Time & Effort Reporting

7

- Location of the records
 - Kept by the sub-recipient
 - Subject to review
 - ✦ Audits
 - ✦ Monitoring
 - ✦ Complaints
- No official format

Failure to Comply

8

- Largest audit finding of education programs
- Unallowable costs are subject to repayment
- Harvey School District OIG Audit:
<http://www.ed.gov/about/offices/list/oig/auditreports/fy2009/a05h0025.pdf>

Types of Time Reporting

9

- **Semi annual certification**
 - Kept by individuals with a “single cost objective”
 - Completed at least every six months
- **Personnel Activity Reports (PARs)**
 - Kept by individuals with “multiple cost objectives”
 - Completed at least monthly

Types of Cost Objectives

10

- **Single cost objective**
 - Individual works solely on a single program
 - ✦ **Example: Special Education**

- **Multiple cost objectives**
 - Individual works on different programs
 - ✦ **Example: Special Education and Regular Education**

Single Cost Objective

11

- Dedicated to a singular purpose
- Completes semi-annual certifications
 - Signed off by the employee or supervisor with first-hand knowledge of the work at least every six months

Semi-Annual Certification

12

- **Must include**
 - Employer's Name
 - Employee's Name
 - Employee's Position
 - Federal Program Title (CFDA #)
 - Reporting Period
 - Description of the single cost objective
 - Employee or Supervisor's signature / date

Semi-Annual Certification

13

- Signed by the employee

OR

- Signed by the supervisor
 - Flexibility allows for multiple sign-off of employees with single cost objectives
- ALWAYS signed after-the-fact

Semi-Annual Certification

Hamilton Heights School District Semi-Annual Certification Form

Employee: Forrest Thompson

Title: Homeless Liaison

Federal Program: Title X-C Education for Homeless Children & Youth

CFDA: 84.196

Reporting Period: July 1, 2009-December 31, 2009

Fiscal Year: 2010

I have worked 100% under the following single cost objective:

Ensure that each homeless child and youth has equal access to the same free, appropriate public education, including preschool education, as other children and youth

Signature: *Forrest Thompson*

Date: *01/15/2010*

Semi-Annual Certification

Janesville School District Semi-Annual Certification Form

This is to certify that the following individuals have worked 100% of their time from July 1, 2009 through December 31, 2010 (FY 2010) under the IDEA (CFDA 84.027) cost objective:

Ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living.

School: Monroe Elementary

Name	Position
Susan Felt	Speech & Language Pathologist
Lynette <u>Vlasak</u>	Occupational Therapist
Matthew <u>Dasse</u>	LD Teacher

I have first-hand knowledge of the work performed by these individuals.

Rebecca Hill, Principal, Monroe Elementary

Signature: *Rebecca Hill*

Date: *01/15/2010*

Multiple Cost Objectives

16

- Employee's with multiple focus areas
- Completes personnel activity reports (PAR)
 - Completed at least monthly
 - Demonstrates the amount of actual time spent working on the federal grant objective

Personnel Activity Reports (PAR)

17

- **Must include**
 - Employer's Name
 - Employee's Name
 - Employee's Position
 - Federal Program Title (CFDA #)
 - Reporting Period
 - Break-out of the employee's work schedule
 - Employee's signature / date

PARs must:

18

- Be completed after-the-fact
- Reflect actual work performed (not budgeted)
- Must account for total activity of employee
- Be completed *at least* monthly
- Signed and dated by employee

PARs Example

Hamilton Heights School District Personnel Activity Report

Employee: Joy Binstock

Title: Teacher

Reporting Period: April 1- 30, 2010

Fiscal Year: 2010

<u>Cost Objective</u>	<u>Program</u>	<u>Distribution of Time</u>	<u># of Hours</u>
Title I Intervention	Title I / CFDA # 84.010	80%	141
Regular Education	Non-Federal Activities	20%	35
Indirect Time	Vacation / Sick Leave	0%	0
		100%	176

I hereby certify this report is an after-the-fact determination of the total activity and actual effort expended for the period indicated, and I have full knowledge of 100% of these activities.

Signature: *Joy Binstock*

Date: *05/03/2010*

PARs Documentation

20

- There must be documentation to verify underlying basis of report
 - Actual effort, not estimated effort
 - Consult supporting documentation when completing monthly report
 - ✦ Calendar, work product, time log
 - Audits have specifically looked at what documentation / system was used to complete the PARs

Forms for PARs

21

- There is no standard form.
- It is the responsibility of the LEA to put into place their own systems of accountability following the guidelines in Circular A-87.
- Work with what you already have – with a slight modification, do you meet the requirements?

TIME & EFFORT EXAMPLES

22

Single Funding Source Single Cost Objective

23

A teacher in a targeted assistance school providing only Title I services 100% of the day is charged 100% to the Title I grant.

- Funding Source? **Title I only**
- Cost Objective? **Title I only**
- T&E Reporting: **Semi-Annual Certification**

Multiple Funding Sources Single Cost Objective

24

A special education teacher is funded with IDEA funds and funds eligible for state special education categorical aid.

- Funding Source? **IDEA, Local & State**
- Cost Objective? **Special Education Only**
- T&E Reporting: **Semi-Annual Certification**

Multiple Funding Sources Single Cost Objective

25

A teacher in a Title I schoolwide program is funded 50% Title I and 50% local funds.

- Funding Source? **Title I & Local**
- Cost Objective? **Title I**
- T&E Reporting: **Semi-Annual Certification**

Multiple Funding Sources Multiple Cost Objectives

26

In a targeted assistance school, a teacher provides special education to students 60% of the time (funded by IDEA) and Title I interventions to struggling students 40% of the time (funded by Title I).

- Funding Source? **IDEA & Title I**
- Cost Objective? **Special Ed & Title I**
- T&E Reporting: **PARs**

Single Funding Source Multiple Cost Objectives

27

A school psychologist works 50% of the day with special education and 50% of the day providing coordinated early intervening services (CEIS).

- Funding Source? **IDEA**
- Cost Objective? **Special Ed and CEIS**
- T&E Reporting: **PARs**

Accounting

When “reconciliation” is required

IF: Payroll is processed based on budgeted or estimated time and activities...

THEN: Payroll records must be compared to time and effort reports *at least quarterly*.

RECONCILIATION

Accounting

When is an accounting adjustment required?

If the difference is 10% or more:
Payroll charges must be adjusted at the time of the comparison.

AND: The following quarter's estimates must be adjusted to more closely reflect actual activity.

ADJUSTMENT

Accounting

When is an accounting adjustment required?

If the difference is less than 10%:
No action required until the end of the year.

BUT: At year-end the 10% threshold does not apply - in the final quarter, payroll charges for the year must be adjusted to reflect actual time spent as supported by time and effort reports.

ADJUSTMENT

Policies & Procedures

31

- **Have them!**
 - Determine how time & effort reporting will be done
 - Determine who collects the information *and* when
 - Collaboration between program staff and business office / payroll
 - Report effort NOT availability of funds
 - Train everyone on procedures

KEEP IT SIMPLE!!!

Three Areas of Focus

32

- **Single Cost Objective**

- Best Practice – By building, do blanket semi-annual certifications of **all** staff who qualify as a single cost objective even if they are not currently charged to a grant.
- That way, at year end, the Business Office can make journal adjustments without worrying about appropriate time & effort records.

Three Areas of Focus

33

- **Multiple Cost Objective**

- Look at full-time staff who do not complete payroll time sheets for compensation. If the individual would be considered to have multiple cost objectives, he/she **must** keep PARs if charged to a federal grant.
 - ✦ Determine whether or not it is worth the paperwork – should the individual be charged to a non-federal source instead?
 - IT staff
 - Bookkeepers
 - Office support

Three Areas of Focus

34

- **Everything Else Objective**
 - Individuals who complete time sheets or other documentation for compensation
 - ✦ Substitute Teachers
 - ✦ Substitute Paraprofessionals
 - ✦ Tutors
 - ✦ Mentors
 - ✦ Extended School Year Services

- **Their documentation for compensation will suffice for time and effort documentation**
 - Be sure you can demonstrate how the amount charged to the grant aligns with the compensation documentation!

Catching Up...

35

- Must be based on reliable source documentation
- Don't falsify signature dates
- Review your procedures for time and effort reporting
- Train all staff on procedures!

Single Audit Findings

36

- **Management Letter with Corrective Action**
 - Provide DPI with an assurance that policies and procedures have been implemented regarding how the time and effort reporting will be conducted
 - Provide DPI with an assurance that LEA staff were trained in time and effort record keeping procedures
 - LEA will be required to submit a sample of staff time and effort records, selected by DPI, for the current year

Single Audit Findings

37

- **Testing Period**

- If the LEA is not keeping appropriate time and effort reporting during the DPI monitoring phase, LEA will not be able to charge those staff salaries to the federal grant program.
- Challenge: Multiple Cost Objectives –
 - ✦ How is your payroll / business office determining the amount of salary and fringe charged to the federal grant?