

Time and Effort – WHAT and WHY?

Q. Why do I have to comply with completing time and effort or “time accounting” documents?

A. Each year, the district receives millions of dollars from organizations, including the federal government, that sponsor MUSD educational activities. As the stewards of those funds, it is our obligation to comply with federal and state and district requirements to certify staff effort on sponsored projects.

Failures to propose, manage, and certify effort correctly could jeopardize the district's federal funding and lead to penalties/reversal of fund for the district.

Did You Know?

Time Accounting
is also known as
“time and effort”.

Legal Ease of Time Accounting

2 CFR §200.430 Compensation – Personal Services

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and:

1. Be supported by a system of internal controls that provides reasonable assurance that the charges are accurate, allowable, and allocable
2. Incorporated in the official district's records
3. Reasonably reflect the total activity of employee, (not exceeding 100% of compensated activities)
4. Includes all Federal and non-Federal activities on an integrated basis.

2 CFR §200.430 Compensation – Personal Services (cont'd)

5. Comply with established accounting policies and practices of the district
6. Support the distribution of the employee's salary among specific activities or cost objectives:
 - More than 1 Federal award
 - A federal award and non-Federal award
 - An indirect cost activity and direct cost activity
 - Two or more indirect activities which are allocated using different allocation bases
 - An unallowable and director or indirect activity such as fundraising, lobbying, public relations

2 CFR §200.405 (a)

Allocable Costs

- Goods and services are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

2 CFR §200.405 (c)

Allocable Costs

- Any cost allocable to a particular Federal award under the principles in Part 200 may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal Statutes, regulations, or terms and conditions of the Federal awards, or for other reasons.
- However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal award.

2 CFR §200.405 (d)

Allocable Costs

- If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on proportional benefit.
- If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then notwithstanding 200.405(c), the costs may be allocated or transferred to benefited projects on any reasonable documented basis.

2 CFR §200.28 Cost Objective

- Program, function, activity, award, organizational 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.
- Cost objectives are further identified as single and multiple based on the award or awards or activities performed.

2 CFR §200.61 Internal Controls - General

- designed to provide reasonable assurance regarding the achievement of objectives”
 - Effectiveness and efficiency of operations
 - Reliability of reporting for internal and external use
 - Compliance with applicable laws and regulations

2 CFR §200.62 Internal Controls – Specific to Grants

- Transactions are properly recorded & accounted for
- Transactions are executed in compliance with Federal statutes, regulations, and award terms and conditions
- Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition

2 CFR §200.430 (i)(1)(viii) Budget Estimates

- Estimates determined before services are performed do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes if:
 - Produces reasonable approximations
 - Significant changes to the corresponding work activity are identified in a timely manner
 - Internal controls in place to review after-the-fact interim charges based on budget estimates

2 CFR §200.430 (i)(1)(viii)(C)

Reconciliation

- All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

2 CFR §200.430 (i)(1)(ix)

Percentages

- Because practices vary as to the activity constituting a full workload, records may reflect categories of activities expressed as a percentage distribution of total activities.

2 CFR §200.430 (i)(2)

Compliance

- For records which meet the standards, the non-federal entity will not be required to provide additional support or documentation for the work performed.
- DOL regulations for Fair Labor Standards Act must still be met (i.e. charges must be supported by records indicating the total number of hours worked each day).

2 CFR §200.430 (i)(8)

Noncompliance

- For a non-Federal entity where the records do not meet these standards, the Federal agency may require personnel activity reports (PARs), including prescribed certifications or equivalent documentation that support the records as required in this section.
 - Warning: PARs are not defined in UGG

2 CFR §200.430 (i) Standards of Documentation of Personnel Expenses

- Salaries meeting cost sharing or match must meet the same requirements as for reimbursed salaries from awards.
- Cognizant agencies for determining indirect cost rate (IDC) can approve alternate proposals for states, local governments, and Indian tribes based on systems such as random sampling.
- Cognizant agencies for determining IDC can approve alternate proposals based on outcomes and milestones for program performance where they are clearly documented.

2 CFR §200.430 (i) Standards of Documentation of Personnel Expenses (cont'd)

- For awards of similar purpose activity or instances of approved blended funding, the district may submit performance plans that incorporate funds from multiple awards and account for their combined use based on performance-oriented metrics provided that such plans are approved in advance by all involved agencies

California School Accounting Manual (CSAM)

Procedure 905 Documenting Salaries and Wages

- Salaries and wages are usually an allowable charge to programs with a restricted funding source.
- LEAs must adhere federal and state standards and to any additional standards established for particular programs.
- Time documentation requirements for charging salaries and wages to state programs are based on the federal time documentation guidelines.

Procedure 905

The full procedure is available for review on pages 905-1 through 905-22 in the CSAM.

The CSAM is available online at: <https://www.cde.ca.gov/fg/ac/sa/>

What does all that legal ease mean?

You have to document work activities based on federally and non-federally funded activities, i.e. personal activity report (PAR) or Semi-Annual Certification.

Federal government only cares that their monies are not being spent on non-federally funded activities, but is happy to receive a handout of non-federal funds paying for federal activities.

The district has a federal responsibility to demonstrate compliance with time accounting (time and effort) because of acceptance of federal funding.

MUSD's Time Accounting Policy and Procedure

- Background
- Who Must Complete Time Accounting Documentation
- Types of Time Accounting Documentation
- Employee Guidelines
- Supervisory Structure
- Time Certification for Single Cost Objectives (Semi Annual)
- Personnel Activity Report for Multi-Funded Employees (PAR)
- Program Director/Administrator Responsibilities
- State & Federal Department responsibilities
- Business Services Responsibilities
- Reconciliation Process
- Employee Training

MUSD's Time Accounting Policy and Procedures

Q & A

Q. Where do I find the district's time accounting policy and procedures?

A. The district's time accounting policy and procedures is available on the district's Personnel Activity Reporting/Time Accounting webpage. The link to access is:

[MUSD Categorical Webpage](#)

What does the SUSD Time Accounting Policy and Procedures mean?

The district accepted federal funds to support student learning and education and has a policy and procedure document that describes time accounting.

Your salary may be funded in whole or in part by federal funds, so you have to complete the time accounting reports.

The district has processes to verify compliance and reconciliation to ensure federal funds are ONLY spent on federally funded/sponsored activities.

What is Effort?

Definition of Effort

- The portion of time spent on a given activity expressed as a percent of total activity for which an individual is employed by the institution
- A “reasonable estimate”
- Must equal 100%
- Is **NOT** based on work week of 40 hours

Percentage of Effort Calculation:

% of Effort for a Federally Sponsored Project

/ (Divided by)

• Amount Paid during Period
Total Amount Paid from All Sources
During the Period

100% Effort is the total time estimated for SUSD activities
(activities compensated through MUSD's payroll system)

What is a Multiple Cost Objective?

- More than one set of work activities, each of which is allowable under and chargeable to particular federal program(s)/award(s) and state or local programs/fund sources.
- Two or more separate work activities under a federal program.
- Work activities performed under and charged partially to funds combined under a schoolwide program and work activities supporting programs/funds not combined, as specified in the schoolwide plan.

Positions Considered to Multiple Cost Objective:

- Program Specialist (site)
- Bilingual Instructional Coach
- Bilingual Instructional Specialist
- Curriculum Specialist

Semi-Annual Certification

Department –

Generates

- Review staffing funded by federal funds.
- Confirms employees are working a single activity.
- Creates semi-annual certification forms.
- Sends semi-annual certification forms to supervisors of employees

Supervisor –

Reviews/Signs Off

- Review semi-annual certification for employees working solely on a single activity.
- Verifies work performed for the time period.
- Signs and returns semi-annual certification to department.

Frequency:

Twice a year

Time Period:

- July 1 – December 31
- January 1 – June 30

Definition of Single Cost Objective

A single cost objective is a **single work activity** that may be funded by one or more fund sources.

Single cost objectives include:

- A single federal program/grant award.
- Activities that are allowable (federally sponsored) under and funded by more than one fund source.

Positions Considered to Single Cost Objective:

- Instructional Coach
- Coordinator, AVID
- Bilingual Assistant
- Instructional Assistant

Deadlines to Submit Time Accounting Reports

When do we report effort?

PAR Due Date

Fully completed PARs are due no later than the **15th** of the month end the reporting activity.

Completed includes the review and signature of the immediate supervisory signature.

- Fully complete and compared with activities in records
- Includes the employee's signature
- Includes the immediate supervisor's signature
- Submitted no later than the 15th of the month.
- Emailed to: amandavela@madera.usd.org

Submitting PARs

- **Must** be completed and certified by the employee.
- **Must** be reviewed by the immediate supervisor with first-hand knowledge of the employee's effort.
- **Must** be incorporated into official records of the district.
- **Must** be done in a timely manner.

Summary of Time and Effort Reporting