

# Time & Effort Reporting Requirements

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# Who Must Complete Time & Effort?



**All employees funded with federal dollars!**

# OMB Circular A-87, Attachment B, Section 8(h) “Support of Salaries and Wages”

- Standards regarding time distribution are in addition to the standards for payroll documentation
- If Federal funds are used for salaries and wages, then “time distribution records” are **REQUIRED**
- Records must demonstrate employee worked an appropriate amount on the specific Federal Program

# Single Cost Objective

- Individual works solely on a single program
- Certifications will be prepared at least *semi-annually* stating that the employee worked solely on that program for the period covered by the certification
- Signed by the employee or supervisory official having first hand knowledge of the work performed (both signatures recommended)

# Semi-Annual Certification

- 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 and Date
  - ALWAYS signed after-the-fact

# Multiple Cost Objectives

- Employee's that work with multiple activities or cost objectives (example: Title I teacher and guidance specialist)
- Distribution of their salaries or wages will be supported by personnel activity reports (PARs)
  - Completed at least monthly
  - Demonstrates the amount of actual time spent working on the federal grant objective

# Personnel Activity Reports(PARs)

- Complete at least monthly, after-the-fact distribution of actual activities performed
- *Must* reflect employee's total work time and identify portion spent on the federal project
- *Must* be signed by the employee
- *Must* be supported with documentation of actual effort, not estimates

# PARs Documentation

There must be documentation to verify underlying basis of report

- Actual effort, not estimated effort
- Consult supporting documentation when completing monthly report (work calendar, work product, time log class schedule)
- Audits have specifically looked at what documentation/system was used to complete the PARs



# No Standard Format used for PARs

The required information that must be on PARs:

- Employer's Name
- Employee's Name/Position
- Federal program/CFDA#
- Reporting Period
- 100% of Work activities
- Employee's Signature/Date

*It is the responsibility of the LEA to put into place their own systems of accountability following the guidelines in OMB Circular A-87*

# When “Reconciliation” is Required

If payroll is processed based on budgeted or estimated time and activities than payroll records *must*:

- Make quarterly comparisons;
- If the difference is greater than 10% than payroll charges must be adjusted at the time of comparison *and* subsequent quarterly estimates must be amended to more closely reflect actual activities;
- If less than 10%, the adjustment can occur at the end of year (adjustments are a *must*)

# Policies and Procedures

## 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!**

# Consequences for not Keeping Federal Grant Time and Effort Reports

The lack of time and effort is the *single largest audit finding by the OIG*

*Costs that do not have adequate documentation are deemed “unallowable” and subject to repayment!*



OMB Circular A-87 can be found:

[http://www.whitehouse.gov/omb/circulars\\_default](http://www.whitehouse.gov/omb/circulars_default)