

GENERAL - FAQs

Basic Requirements

1. What is time and effort reporting?

Federal regulation requires that any salaries and benefits charged to a federal award(s) must be based on documentation that meets the following criteria in order to be allowable:

- The employee's time must be documented in writing.
- The documentation must reflect the actual time spent by the employee on activities of the federal program(s) being charged.
- The period covered by the documentation may not exceed one month unless a semi-annual certification is used to report time and effort for a single cost objective.
- The documentation must account for all of the employee's time for the period covered.
- The documentation must be signed by the employee.

2. Why are time and effort reports needed?

Time and effort reports are required to document that federal funds were charged only for time actually worked on allowable cost activities and, ensure that federal programs paid only their proportionate share of personnel costs.

3. Who is required to prepare time and effort reports?

Time and effort reports should be prepared by all certificated and classified staff with salary and benefits that are charged:

- Directly to a federal award.
- Directly to multiple federal awards.
- Directly to any combination of a federal award and other federal, state or local fund sources.

4. What is the school district's/ESD's responsibility for time and effort reporting?

School district/ESD responsibilities include:

- Establishing policies and procedures for completion of appropriate time and effort reporting for all employees funded, in any part, with federal funds.

- Providing training to employees on time and effort reporting.
- Ensuring timely completion of time and effort reports.
- Reviewing time and effort reports for completeness and accuracy.
- At least quarterly, reconciling time and effort reports with budget and making any needed adjustments.
- At least annually making all adjustments necessary to align payroll expenditures with reported time and effort.

5. What determines whether an employee reports monthly or semi-annually?

If salary and benefits are charged directly to a single federal award or to a single cost objective, time and effort may be reported semi-annually, referred to in the federal regulations as “Semi-Annual Certification.” If salary and benefits are charged to more than one federal award or cost objective or to a combination of federal and state/local fund sources (multiple cost objectives), time and effort must be reported at least monthly using the Personnel Activity Report (PAR) or the Detailed Personnel Activity Report (DPAR).

6. What is a 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 under and funded by more than one fund source (contact OSPI with specific questions).
- Programs/fund sources that may be combined under a Title I, Part A school-wide model.

7. What is a semi-annual certification?

Documentation that employee(s) worked solely on activities related to a single cost objective.

- Must be completed at least every six months to cover at least half of the employee’s work year.
- Must be completed after the work has been performed.
- Must be signed by the employee or supervisor with first hand knowledge of the actual work performed.

8. What is a multiple cost objective?

A multiple cost objective is:

- 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.

9. What is a monthly time report/PAR?

Documentation of total work activity in support of multiple cost objectives.

- Accounts for total work activity.
- Reflects actual work performed (not budgeted) on each cost objective.
- Prepared at least monthly.
- Signed by the employee.
- Agrees with supporting documentation.

10. What type of supporting documentation is needed?

Example include, but are not limited to:

- Class Schedules
- Number of Students
- Number of Minutes
- Calendars

11. Do time and effort requirements and reporting apply to certificated, classified, and administrative staff?

Yes.

12. When are adjustments to actual made?

If payroll expenditures are initially based on budgeted or estimated time/amounts supporting one or more cost objectives, then payroll and time and effort reports must be compared at least quarterly to ensure that federal awards are charged only for work directly supporting them. If there is a difference of 10 percent or more between actual payroll charges and time and effort based charges, then the following actions should be taken:

- Payroll records must be adjusted to match actual work activities as determined by time and effort reports.

- Estimated/budgeted payroll amounts should be adjusted for subsequent months to reflect actual work activities to date.

13. At the close of the year, is there an allowable percentage by which actual payroll charges for the year may vary from reported time and effort?

Payroll expenditures must be adjusted to match time and effort 100 percent. No variance is allowed.

Stipends, Supplemental Contracts, Extra Time, and Substitutes

14. Is time and effort required for stipends, supplemental contracts, and or/extra hours charged to federal awards?

Yes.

- Sign-in/attendance logs may be used as time and effort documentation for extra hour pay related to a single cost objective (e.g., pay for math/science training charged to Title II, Part A)
- A signed supplemental contract that stipulates a specific single cost objective duty/assignment may be used as time and effort documentation (e.g., pay for supplemental, after school reading instruction charged to Title I, Part A), provided there is evidence the contract has been fulfilled.
- Multiple cost objective supplemental contracts/ stipends must be supported by time and effort reports documenting actual time spent on each objective (e.g., pay for a supplemental contract to administer a summer school program serving Title I, Part A and special education eligible students may be charged to Title I, Part A and special education only if supported by a time and effort report).
- A signed time sheet submitted for extra hour pay may be used as time and effort documentation as long as claimed hours are reported by cost objective.

15. How should time worked by substitutes on federal grants be documented?

The time and effort documentation expected depends on the length of time the individual is replacing the regular teacher. As a rule of thumb, if the regular teacher is gone for a month (pay period) or more, the substitute should sign a time and effort report for his/her activities. If the regular teacher is gone less than a month, the teacher's signature on the time and effort report is enough to cover both the substitute and regular teacher providing the activities of the position did not change for the period the

substitute worked. If the activities differed, the substitute must sign the time and effort report. If substitutes are paid from a non-federally funded pool, no time and effort is required for the substitute.

16. Can administrators charge time to federal programs?

Yes and no.

- Federal program directors may charge time to federal programs as long as they maintain monthly time and effort documentation reflecting actual time worked on each federal and state program under their supervision.
- Chief Executive Officials are considered a general government cost and generally may not charge time to federal awards (pursuant to the supplement, not supplant provision). The only exception to this rule is when any such official has specific program administration or direct student service duties and documents actual time spent in the performance of those duties by completing monthly time and effort records.

17. Who are chief executive officials?

Chief executive officials are:

- Superintendents
- Assistant Superintendents
- Building Principals
- Assistant Building Principals
- Support staff for these positions

Additional Question

18. Is time and effort required for vendors or contractors who are paid with federal funds?

No. Time and effort requirements apply only to employees.

CHILD NUTRITION PROGRAM - FAQs

1. To what programs do the time and effort requirements apply?

Employees paid with federal funds from programs subject to Title 2, Code of Federal Regulations (2 CFR), Part 225, are required to maintain time and effort documentation.

2. What is a personnel activity report (PAR)?

A PAR is a report completed by the employee that accounts for 100 percent of the employee's actual time and effort spent on each activity or cost objective.

3. Must a PAR account for 100 percent of the worker's effort?

Yes, because a PAR is used to determine the actual amount of the employee's salary and benefits to charge to a federal funding source. Failure to account for 100 percent of an employee's time will result in a finding during an administrative review (AR) or audit, and the California Department of Education (CDE) will require the local educational agency to reimburse the cafeteria fund from the general fund.

4. How often must a PAR be prepared?

According to 2 CFR, Part 225, Appendix B, Section 8.h, employees must complete PARs at least monthly.

5. What are the minimum increments of time in which employees may record their time on a PAR?

The purpose of documenting time and effort is to capture the time spent on various cost objectives. Increments of time should not be arbitrarily limited, as this may prevent employees from accurately and completely reporting their efforts on all cost objectives. Since time and effort documentation must be detailed enough to reflect all the cost objectives on which an employee worked during a specific period of time, the time increments should be sufficient to recognize:

- The number of different activities performed
- The length of time the employee spent performing tasks for each cost objective

In other words, the SFA should use whatever time increment is necessary to accurately document the time spent on each cost objective.

6. Does an SFA need to follow the time and effort reporting regulations for the salaries and wages of employees that are used for matching requirements on federal awards?

Yes. SFAs must support salaries and benefits of employees used to meet cost sharing or matching requirements in the same manner as those claimed as allowable costs on federal awards.

7. In lieu of PARs, our district is using a classroom unit allocation methodology to account for the custodian's time. Is this allowable?

No. Pursuant to 2 CFR, Part 225, Appendix B, Section 8.h(4), any substitute system for time accounting, in lieu of PARs, must have prior approval by the U.S. Department of Education (USDE). Currently, the CDE has two USDE-approved substitute systems for time accounting (refer to the Substitute Systems for Time Accounting section of Management Bulletin SNP-06-2014: Documenting Employee Time and Effort in Federal Nutrition Programs); neither of these systems uses a classroom unit allocation methodology.

8. For our administrative staff, our district uses a percentage estimate for the time charged against the nonprofit school food service account. Is this allowable?

No. This is an unallowable labor cost allocation methodology since a percentage estimate does not reflect the actual time the employee spent performing nonprofit school food service activities or tasks.

9. Since the multipurpose area is used as a seating and eating area for breakfast and lunch, can the custodian's time be recorded in PARs under the same cost objective as the kitchen and serving area?

Yes. Charges to the cafeteria fund for custodial services are allowable if a school district collects and maintains the following:

- PARs showing the custodian(s) cleaned the multipurpose room or an outside area used by students during and immediately after meal service
- Documents showing the meal service time(s)
- Duty statements for the custodian(s) stating the custodian(s) clean(s) those areas during and immediately after meal service

10. During our last AR, our district was cited for not documenting our multifunded employees. Can our district, in lieu of PARs, submit a forensic audit to recreate documentation equivalent to a PAR?

No. Information and documents recreated by an audit are not statutorily allowable alternative forms for substantiating personnel costs charged to the nonprofit school food service account because the documents do not meet the criteria of 2 CFR, Part 225, Appendix B, Section 8.h(5).

11. My district is participating in the federal Fresh Fruit and Vegetable Program (FFVP) and we use staff to provide labor for the grant and other school nutrition programs. Do I need to have each FFVP staff person maintain a PAR?

Yes. Staff contributing time and effort to the FFVP and other federal child nutrition programs must maintain a PAR.

12. If my part-time employees only work for the FFVP, can they complete a periodic certification?

Yes. According to 2 CFR, Part 225, Appendix B, Section 8.h(3), your FFVP employee works on a single cost objective, and therefore may use the periodic certification to document time and effort. The CDE does not require the use of a specific periodic certification form but does provide a sample form in Procedure 905 of the California School Accounting Manual that SFAs may use. The periodic certification must:

- Be prepared at least every six months
- Be signed and dated by the employee or a supervisor that has first-hand knowledge of the work performed
- Attest that the employee worked solely on that single federal program or cost objective during the period covered

13. My District uses the produce grown in our school garden for nutrition education offered to our students. A service member from FoodCorps is being used to help maintain the garden, as well as prepare and serve produce grown there to the students for taste-testing. Can we use the cafeteria fund to pay the program service fee of a FoodCorps service member?

Yes. Cafeteria funds can be used to pay for FoodCorps service members since their activities support the operation of food services (Title 7, Code of Federal Regulations, Section 210.14[a]).