
GRANTS MANAGEMENT GUIDANCE 2014-002

SUBJECT: Time-and-Effort Documentation

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EFFECTIVE: FY14

The purpose of semi-annual certifications and time-and-effort documentation is to support amounts charged to a federal program, therefore, the type of documentation required is based on the funding source.

- Semi-annual certifications are allowed when an employee's compensation is funded by only one federal grant. An employee funded by a federal grant and the general fund would fall under this category.
- Time and effort documentation is used when an employee's compensation is funded by more than one federal grant.
- The substitute system of collecting time and effort is used when an employee's compensation is funded by more than one federal grant.

The U S Department of Education solicited recommendations to reduce the burden of time-and-effort reporting as required by 2 C.F.R. Part 225 (formerly OBM Circular A-87), which resulted in allowing state educational agencies to develop a substitute time-and-effort documentation system for tracking the required information.

The Ohio Department of Education (ODE) has established guidelines (section B) for a substitute system of collecting time-and-effort information. Based on these guidelines an educational entity (districts, community schools, ESC, etc.) may submit to ODE proposed substitute time-and-effort documentation for review and approval. The documentation submitted needs to incorporate the following:

- a brief description internal controls that assures the expenditures charged are accurate and properly allocated
- the employees schedule that reflects the total activity (both federal and non-federal) that is being compensated
- sample certification that incorporates the requirements as shown in section D

Once the educational entity's substitute system of time-and-effort documentation has been approved, the Time-and-Effort Substitute System Certification (sections D) and employee schedule (section E) would need to be completed on a yearly basis. The employee schedule would be completed prior to the start of the school year, the certification is to be completed at the end of the year. These documents will need to be available for review. The substitute documentation must include the components listed below in section B. If an educational entity cannot or elects not to use substitute time-and-effort documentation, the educational entity must adhere to the original requirements of 2 C.F.R. Part 225 as detailed in section C.

A. Definitions

For purposes of this guidance a cost objective is defined as a function, organizational subdivision, contract or grant. The key to determining whether an employee is working on a single cost objective is whether the employee's compensation 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.

B. Guidelines for using an substitute system for tracking time-and-effort

- (1) The educational entity will certify (see the template in section D) that:
 - a. only eligible employees will participate in the substitute system (see #2 below)
 - b. the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate
 - c. the certification includes full disclosure of any known deficiencies with the substitute system and/or known challenges with the implementation of the substitute system
- (2) The employees utilizing the substitute system must work on specific activities or cost objectives based on a predetermined schedule (see cost objective definition in section A and examples of single cost objective in section F).
- (3) The employee does not work on multiple activities or cost objectives at the exact same time. An educational entity may use established work schedules (section D) for their eligible employees to support the distribution of the employees' compensation (see example in sections F and G).
- (4) The work schedules must meet ALL of the following criteria:
 - a. Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule
 - b. Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule
 - c. Be certified annually and signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee
- (5) If an employee's established schedule is modified, or if the employee deviates from the established schedule, the following additional documentation must be prepared:
 - a. Any revisions to an employee's established schedule that continues for a prolonged period must be documented and certified in accordance with the requirements in #3 above. The effective dates of any changes must be clearly indicated on the documentation provided.
 - b. 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. A significant deviation from an employee's established schedule that would warrant an individual reverting to a personnel activity report is defined as working more than one month on the deviated schedule, newly responsible for additional duties, etc.

C. Original Language and Requirements (if electing to not use a substitute system)

2 C.F.R. Part 225, Appendix B(8)(h) Support of salaries and wages

- (1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
- (2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
- (3) Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix (below) or other substitute system has been approved by the cognizant federal agency. Such documentary support will be required where employees work on:
 - a. More than one Federal award
 - b. A Federal award and a non-Federal award
 - c. An indirect cost activity and a direct cost activity
 - d. Two or more indirect activities which are allocated using different allocation bases
 - e. An unallowable activity and a direct or indirect cost activity
- (4) 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
 - d. They must be signed by the employee

Frequently asked questions regarding the original requirements (for those educational entities not using the substitute method) can be found in section G.

D. Substitute Time-and-Effort Required Support Documentation**Example Time-and-Effort Substitute System Certification**IRN: 123456Name of educational entity: ODE School District County: FranklinEmployee: Jane SmithPosition: Federal Grant Coordinator**Certification Period:** 07/01/14 through 06/30/15**Type of Schedule:** **Daily** **Weekly** **Biweekly** **Other:** _____

Program or Cost Objective	Distribution of Time
Title I	45%
Special Education	10%
Non-federally funded activity	45%
TOTAL	100%

I certify that I performed work consistent with the attached schedule and as distributed in the above percentages during the Certification Period.

Jane Smith

06/02/15

Employee Signature_____
Date

I certify that I have first-hand knowledge that the above employee performed work consistent with the attached schedule and as distributed in the above percentages during the certification period.

John Smith

06/12/15

Supervisor Signature_____
Date

E. Sample of acceptable employee schedule**2013–2014 SCHOOL YEAR SCHEDULE**IRN: 123456Date: 08/28/14Name of educational entity: ODE School DistrictCounty: FranklinEmployee: Jane SmithPosition: Federal Grant Coordinator

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

F. Examples of a single cost objective

The examples below are intended to illustrate a “single cost objective” only. Therefore, in reviewing the examples please assume that the uses of funds described in each example are otherwise allowable under the programs illustrated. For example, assume in Example 1 that Title I, Part A funds may support a supplemental math teacher and in Example 3 that there is no violation of supplanting in a school-wide program. The programs included in a school-wide program constitutes a single cost objective.

1. Title I, Part A funds and local funds

A teacher in a Title I school-wide school is paid with local funds to teach first grade in the morning to decrease class size for reading and is paid with Title I, Part A funds to teach a supplemental reading recovery class in the afternoon. (The school has a sufficient number of first-grade teachers to meet the requirements of ESEA section 1114(a)(2)(B).)

Because the part-time first-grade teacher is not needed in order to provide the basic education program in the school-wide program school, her salary could be supported with Title I, Part A funds, even though it is not. Similarly, her salary for providing reading recovery could be supported with Title I, Part A funds. Both her functions are fully supportable with Title I, Part A funds, and the school-wide program constitutes a single cost objective. Only a semiannual certification is required even though the teacher’s salary is supported by a Federal award and local funds, and she conducts two different activities.

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, therefore only a semiannual certification for the time she works in the after-school program supported by Title I, Part A funds is required.

2. ESEA Title III-Limited English Proficient funds and state/local funds

A high school math teacher’s regular salary is paid with State and local funds. The teacher conducts an after-school support program for Native American students in the school and also teaches at a summer academic camp for Native American students in the school district. For both of these activities, he is paid from Title III.

Although the teacher could not be paid with Title III, Part A funds to teach high school math, the portion that the teacher is paid with Title III, Part A funds is easily segregated from his daily teaching schedule. Accordingly, the teacher’s after-school and summer activities are each a single cost objective and the teacher need only file a semiannual certification for the time paid from Title III.

G. Frequently asked questions for educational entities not using the substitute system for collecting time-and-effort information

- 1. *My school district has a school wide program in a building which consists of Title I, Title II-A, IDEA part B and local (general) funds. For a teacher working in that building, is it necessary to have time-and-effort documentation or can a semi-annual certification be used?***

A semi-annual certification can be used because a school wide program is a single cost objective for a district.

- 2. *I am a small local school district superintendent. There are three buildings in my district which each have one Title I teacher in a targeted assistance program. The Title I teacher is solely paid from Title I funds and no other sources. Can I, as a superintendent and ultimate supervisor of this teacher, complete the semi-annual certification for the three Title I teachers in my district?***

No, the superintendent would not have first-hand knowledge of the activities of the teacher to complete the semi-annual certification.

- 3. *Using the same scenario in Question 2 except could the principal of the school complete a semi-annual certification for that teacher in the building?***

Yes, if the principal had first-hand knowledge of the activities of the teacher.

- 4. *The allocation that my district gets from ODE for IDEA part B does not cover all the costs of the teacher and I am forced to use local (general) funds to fully fund the position. Does this teacher have to complete time-and-effort documentation because they are paid from IDEA part B and the general fund, even though the teacher spends the entire time working on special education?***

No. A semi-annual certification may be completed because the teacher is working on a single cost objective, special education programs and is funded from a single federal grant. The teacher is working within the confines of one program and does not deviate from that objective. Districts must be extremely cautious defining single cost objectives. Further guidance may be obtained from ODE's Grants Administration.

- 5. *The allocation that my district gets from ODE for Title IV and Title V are not sufficient to cover the costs of an entire teacher. The district uses some portion of Title IV and Title V to pay for the salary and fringe benefits of the teacher and pays the remainder from the general fund. Can the teacher complete a semi-annual certification rather than keep time-and-effort documentation since both programs are from Federal sources?***

No. The allowable activities of the Title IV and Title V programs are vastly different and are funded by two different federal grants, so do not constitute a single cost objective. Time-and-effort documentation must be maintained to remain in compliance.

- 6. *My school district has hired a grant coordinator/manager to ensure that all provisions of the district's grant program are in compliance. As a result, the grant coordinator is paid from each of the grant programs in proportion to the amount of funding available. Because I am working on one cost objective, managing all the grants, can I do a semi-annual certification rather than time-and-effort documentation?***

To ensure that each program is only paying for its requisite costs, concurrent time-and-effort documentation must be maintained to indicate the work done for each program.

- 7. *How does a district account for non-instructional time such as sick leave, vacation or in-services, when completing time-and-effort documentation?***

The actual percentages found by using the time-and-effort documentation may be used as a reasonable basis for determining the cost of the compensated absences. This provision does not apply to severance pay.

- 8. *What will auditors look for when testing for compliance with 2 C.F.R. 225 time-and-effort requirements?***

Auditors will request the time-and-effort documentation to support those payroll charges for split funded personnel. For single source funded personnel, auditors will request the semi-annual certifications. Additionally, the auditors may request other documentation which would support those charges, typically in support of the normal payroll testing.

- 9. *Our local teachers union has instructed union members to not sign the semi-annual certifications and time-and-effort logs because they are afraid the documents will be used to apply a reduction in force if the grant funding ends. As the treasurer, what should I do to comply with the requirements?***

For semi-annual certifications, the employee does not have to sign if a supervisor with first-hand knowledge of the work signs the certification. For time-and-effort logs, these must be signed by the employee as part of the payroll process in the district. ODE strongly discourages refusals to sign as (1) signing the certification has no bearing on whether the grant is funded in the future and (2) it does not consistently ensure that funds have been used according to the requirements outlined in the grant agreement. Districts are cautioned that failure to sign the documentation could warrant the repayment of disallowed or questioned costs for the grant program.

- 10. *To what programs does this guidance apply?***

Any Federal and state grant programs funded by ODE for local and state government entities, including community schools. Other non-profit entities are required to adhere to OMB Circular A-122 and colleges and universities are required to adhere to OMB Circular A-21, both of which are substantially the same as OMB 2 C.F.R. Part 225. Check award documents from other state and Federal agencies to determine the applicability of each cost principle to those grant programs and entities.