



Guide to Time & Effort Reporting

Federal Time Distribution Records Requirements



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Statement of Purpose

The purpose of this guidance is to assist subgrantees to understand what documentation they are required to maintain for time distribution records (“Time & Effort”). These requirements are set forth under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance) 2 *CFR* 200.430 *Compensation—personal services* (effective December 26, 2014) and previously under Circulars Number A-87 and A-122 issued by the White House’s Office of Management & Budget (OMB). These regulations in the Uniform Grant Guidance are requirements issued by OMB to all Federal agencies such as the U.S. Department of Education, the U.S. Department of Agriculture and to state agencies acting as pass-through awarding agencies such as the Arizona Department of Education.

When a subgrantee signs an annual General Statement of Assurance (GSA), it guarantees accountability to the United States of America and the State of Arizona as the subrecipients of federal and state assistance grants. Consistent with Title 34 of the Code of Federal Regulations (CFR), Sections 76-85, the local educational agency (LEA) makes assurance that if awarded a grant, subgrant or contract, that the subgrantee will accept and expend funds in accordance with applicable federal and state statutes, regulations, program plans and applications, and administer the programs in compliance with all provisions of such statutes, regulations, applications, policies and amendments. This includes the rules set forth for the support of salary and wages, specifically time distribution records. See 34 CFR 76.530.

This handbook is designed to provide guidance. Each subrecipient is responsible for implementing sufficient internal controls to ensure compliance with the terms and conditions of federal grant awards.

Section I: Payroll Documentation

What is payroll documentation?

Payroll, also called employee compensation, takes different forms. Some employees earn a *salary* based on a yearly, monthly, or weekly rate; others may earn a *wage* based on an hourly rate. Some employees receive a *commission* (percentage of sales) and some are rewarded with a *bonus* (an amount above regular compensation). Many entities pay employee *fringe benefits*, which are a form of employee compensation (see 2 CFR §200.431 *Compensation—fringe benefits*).

Entities organize the payroll data in a special accounting journal called a *payroll register* or payroll journal. It gives the employer the information needed to record payroll for the pay period. Other examples of payroll documentation include but are not limited to:

- **Leave Requests**
- **Time sheets** — spreadsheets or documents that indicate the hours an employee has worked, generally separated by days of the week. Timesheets may also be referred to Personal Activity Reports (PARs).
- **Correspondence** (e.g., E-mails, Resignation letters)
- **Job descriptions** — generally including duties, purpose, responsibilities, scope, and working conditions of a job along with the job's title, and the name or designation of the person to whom the employee reports.
- **Employment contracts** — voluntary, deliberate, and legally enforceable (binding) agreement between an employer and an employee. Employment contracts can cover a variety of procedures and/or policies that the employee must agree to as a condition of his/her employment. The contract should also include specific information regarding bonus or performance pay eligibility. The contract may be modified to include additional work duties and/or pay by means of an addendum which should be filed with the contract.
- **Personnel Action Requests** (e.g., an employee is transferred from a grant funded position to a non-grant funded position).
- **Payroll Journals** (please see [Appendix A](#) for an example of a Payroll Journal) — a payroll journal is a detailed record of accounting transactions related to payroll.
- **Governing board meeting minutes** — permanent, formal, and detailed (although not verbatim) record of business transacted and resolutions adopted at a board meeting. Once written up (or typed) in a minute book and approved at the next meeting, the minutes are accepted as a true representation of the proceedings they record and can be used as prima facie evidence in legal matters.



Section I: Payroll Documentation

Recordkeeping Requirements under the Fair Labor Standards Act (FLSA)¹

This fact sheet provides a summary of the FLSA's recordkeeping regulations, 29 CFR Part 516.

Records To Be Kept By Employers

Highlights: The FLSA sets minimum wage, overtime pay, recordkeeping, and youth employment standards for employment subject to its provisions. Unless exempt, covered employees must be paid at least the minimum wage and not less than one and one-half times their regular rates of pay for overtime hours worked.

What Records Are Required

Every covered employer must keep certain records for each non-exempt worker. The Act requires no particular form for the records but does require that the records include certain identifying information about the employee and data about the hours worked and the wages earned. The law requires this information to be accurate. The following is a listing of the basic records that an employer must maintain:

1. Employee's full name and social security number.
2. Address, including zip code.
3. Birth date, if younger than 19.
4. Sex and occupation.
5. Time and day of week when employee's workweek begins.
6. Hours worked each day.
7. Total hours worked each workweek.
8. Basis on which employee's wages are paid (e.g., "\$9 per hour", "\$440 a week", "piecework")
9. Regular hourly pay rate.
10. Total daily or weekly straight-time earnings.
11. Total overtime earnings for the workweek.
12. All additions to or deductions from the employee's wages.
13. Total wages paid each pay period.
14. Date of payment and the pay period covered by the payment.

How Long Should Records Be Retained

FLSA standards require that each employer preserve for at least three years payroll records, collective bargaining agreements, sales and purchase records. Records on which wage computations are based should be retained for two years, i.e., time cards and piece work tickets, wage rate tables, work and time schedules, and records of additions to or deductions from wages. These records must be open for inspection by the Division's representatives, who may ask the employer to make extensions, computations, or transcriptions. The records may be kept at the place of employment or in a central records office.

What About Timekeeping

Employers may use any timekeeping method they choose. For example, they may use a time clock, have a timekeeper keep track of employees' work hours, or tell their employees to write their own times on the records. Any timekeeping plan is acceptable as long as it is complete and accurate.

Please Note: In **addition** to time-keeping payroll records documentation, an LEA that charges employee salaries and wages to one or more Federal grants must **also** maintain additional documentation for employees' Time and Effort charged to those grant(s).

¹ U.S. Department of Labor Fact Sheet #21

Section II: Time and Effort Documentation

Federal Grant Guidance

2 CFR §200 — *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*

Published in the Federal Register (79 Fed. Reg. 75871) on December 19, 2014, and **effective for new and continuation awards issued on or after December 26, 2014**, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200 or Uniform Grant Guidance) streamlines and consolidates government requirements for receiving and using federal awards to reduce the administrative burden and improve outcomes. Please note the new regulations do not affect grant funds awarded prior to December 26, 2014, unless funds made available under those grants are carried forward into a new Federal fiscal year or a continuation grant. These regulations are applicable to all nonfederal entities, including public school districts and non-profit charter schools.

The Uniform Grant Guidance was developed in response to the November 23, 2009 Executive Order 13520 on Reducing Improper Payments and the February 28, 2011 Presidential Memorandum on Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments. The President directed the OMB to work with Executive Branch agencies; state, local, and tribal governments; and other key stakeholders to evaluate potential reforms to Federal grant policies.

Section III: 2 CFR §200 Uniform Administrative Requirements

2 CFR §200.303 — *Internal Controls*

What are Internal Controls?

Internal controls include systematic measures (such as reviews, checks and balances, methods, policies and procedures) instituted by an organization to (1) conduct its business in an orderly and efficient manner, (2) safeguard its assets and resources, (3) deter and detect errors, fraud, and theft, (4) ensure accuracy and completeness of its accounting data, (5) produce reliable and timely financial and management information, and (6) ensure adherence to its policies and plans.

- Emphasis is on the importance of internal controls at the subrecipient level that proactively ensures compliance with the terms and conditions of the awards.
- Strong internal controls provide a reasonable assurance that the subrecipient is managing their awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Internal Control Standards

Internal controls should be in compliance with guidance set forth in “*Standards for Internal Control in the Federal Government*” (Green Book) issued by the Comptroller General of the United States or the “*Internal Control Integrated Framework*”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

2 CFR §200.430 — *Compensation – personal services* Reference page 139-140

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits.

Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities.
- (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- (3) Is determined and supported as provided in paragraph (i) *Standards for Documentation of Personnel Expenses*, when applicable.

2 CFR §200.430(i) — *Standards for Documentation of Personnel Expenses* Reference pages 141-142

Charges to Federal awards for salaries and wages must be based on records that accurately reflect **actual work performed**.

These records must:

- Be supported by a system of **internal controls** which provides a reasonable assurance that the charges are accurate, allowable and properly allocated (also see 2 CFR 200.303);
- Be incorporated into official records of the non-Federal entity;
- Reasonably reflect the **total activity** for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of BS);
- Encompass both federally assisted, and all activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- Comply with established accounting policies and practices of the non-Federal entity (See 200.430 (h)(1)(ii) above for treatment of incidental work for IHEs.); and (vi) [Reserved] (*continued on page 7*)

Section III: 2 CFR §200 Uniform Administrative Requirements

2 CFR §200.430(i) — *Standards for Documentation of Personnel Expenses (continued)*

- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and a non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards but may be used for interim accounting purposes.

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

Time and Effort documentation **must be** maintained for all employees whose salaries are:

- Paid in whole or in part with Federal funds 2 CFR 200.430(i)(1).
- Used to meet a match/cost share requirement 2 CFR 200.430(i)(4).

Please Note: Per 2 CFR 200.430((i)(1)(viii)), an LEA's Time and Effort documentation cannot be based on budget estimates (i.e., estimates determined before the services are performed). All Time and Effort records must be based on **actual time spent and effort expended** by the grant-funded employee and reported and/or certified after-the-fact.

The only exception to this Federal reporting requirement is an allowance the Federal Department of Education has made to accommodate an employee whose schedule is fixed day to day or week to week. Please see *Section X: Substitute System for Time and Effort Reporting* on pages 16-19 for more information.

2 CFR §200.431 — *Compensation – fringe benefits* Reference page 143

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.

Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in Federal guidance principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.

2 CFR §200.28 — *Cost objective* Reference page 89

Cost objective means a 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. A *cost objective* may be a major function of the non-Federal entity, a particular service or project, a Federal award, or an indirect (Facilities and Administrative (F&A)) cost activity as described in Subpart E—Cost Principles of the Uniform Grant Guidance. See also §§200.44. Final cost objective and 200.60 Intermediate cost objective.

For the purposes of payroll records and Time and Effort documentation, cost objective may refer to a single cost objective or multiple cost objectives. While the Uniform Grant Guidance does not detail specific forms or requirements related to Time and Effort documentation, the following sections outline documentation requirements that ADE has determined to be compliant with the Uniform Grant Guidance (2 CFR 200.430(i)). These documentation requirements differ depending on whether the employee works on a single cost objective or multiple cost objectives. Subrecipients that implement these documentation requirements will be found to have met the Time and Effort documentation requirements under the Uniform Grant Guidance. Subrecipients may implement a different system of internal controls that also meets the Uniform Grant Guidance requirements; however, ADE will review those systems on a case by case basis.

Section IV: Cost Objective Documentation

Single Cost Objective: *Reference page 237*

If an employee works solely on a single cost objective, charges for the employee's salary or wages must be supported by periodic certifications (*see page 10*) that the employee worked solely on that program or cost objective for the period covered by the certification. Those certifications must:

- Be prepared at least semiannually.
- Signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Multiple Cost Objectives: *Reference page 237*

If an employee works on multiple activities or cost objectives, a distribution of the employee's salary and wages must be supported by a personnel activity report (PAR) or equivalent documentation (*see page 11*). The Appendix lists instances of multiple activities or cost objectives for which a PAR is required — that is, if an employee works on –

- More than one Federal award.
- A Federal award and a non-Federal award.
- An indirect cost activity and a direct cost activity.
- Two or more indirect activities that are allocated using different allocation bases.
- An unallowable activity and a direct or indirect cost activity.

A PAR must:

- Reflect an after-the-fact distribution of the actual activity of the employee.
- Account for the total activity for which each employee is compensated.
- Be prepared at least monthly and coincide with one or more payperiods.
- Be signed by the employee.

This guidance addresses one frequently asked question regarding these time-and-effort requirements: is it possible for an employee to work on a single cost objective if the employee's salary or wages are supported by more than one Federal award or a Federal award and a non-Federal award? This question results from tension between the requirements above regarding when a semiannual certification is required and when the employee must maintain a PAR, because a "single cost objective" may, in some cases, be supported by multiple Federal awards or by Federal awards and non-Federal funds.

Definition of "Cost Objective" *Reference page 237*

A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

A "single cost objective" therefore can be, for example, a single function or a single grant or a single activity. As the examples below illustrate, it is possible to work on a single cost objective even if an employee is paid from more than one Federal award or from a Federal award and a non-Federal award. The key to determining whether an employee is working on a single cost objective is whether the employee's salary and wages 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.

(*See section VII for Single Cost Objective Samples*)

□ Please see:

- [Appendix B](#) for a sample form for [Individual Periodic Certification](#) (semi-annual certification).
- [Appendix C](#) for a sample form for [Group Periodic Certification](#).
- [Appendix D](#) for a sample form for [Personnel Activity Report](#) for "split-funded" employees.

Section IV: Cost Objective Documentation

2 CFR §200.430(i)(1)(ix) – Percentages *Reference page 142*

Because practices vary as to the activity constituting a full workload (for IHEs, IBS), records may reflect categories of activities expressed as a percentage distribution of total activities.

2 CFR §200.430(i)(2) – Compliance *Reference page 142*

For records which meet standards required in paragraph (i)(1) of this section, the non-Federal entity will not be required to provide additional support or documentation for the work performed, other than referenced in paragraph (i)(3) in this section.

2 CFR §200(i)(8) – Noncompliance *Reference page 143*

For a non-Federal entity where the records do not meet the standards described in this section, the Federal government may require personnel activity reports, including prescribed certifications, or equivalent documentation that support the records as required in this section.

Section V: Periodic Certifications

Support for salaries and wages Reference page 237

Where employees are expected to work solely on a single 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.

Periodic Certifications are commonly known as **Semiannual** or **Biannual Certifications**. They are required per Arizona Department of Education Grants Management Department to be completed at least every six-months. The only personnel that may utilize this method are employees who dedicate 100% of their time during a fiscal year to one cost objective. The following elements are required per Arizona Department of Education Grants Management Department when these certifications are completed:

- They must be prepared at least **semiannually**,
- They must be **signed and dated** by the employee or supervisory official having first-hand knowledge of the work performed by the employee, and
- Include a statement that the employees worked **solely** on that program for the period covered by the certification.

What does this mean?

- The employee or her/his supervisor must sign and date the periodic certification **after** the work was completed.
- These periodic certifications **cannot** be prepared and signed before the work has been completed.
- LEAs often prepare certifications that cover the periods of July to December and January to June for a given fiscal year. These periodic certifications are signed shortly after December 31 and after June 30.
- LEAs may also cover specific period ranges, for example from the first day of school through the last day of school.
- These periodic certifications must be dated **on the date they are signed** by the employee or the employee's supervisor (**hand-written signatures and dates are required instead of pre-printed names and dates**).
- These periodic certifications cannot be completed by employees who also work on another federal program or cost objective.
- Many periodic certifications have a statement such as "I Jane Doe certify that I have spent 100% of my time performing Title I administrative duties from July 1, 2006 through December 31, 2006."
- The certification should identify the LEA's name, reporting period, employee's name, employee's position, and federal program funding source.



QUESTION: What about stipends?

- See Section VIII for more information about stipend reporting requirements.

QUESTION: What about schoolwide programs?

- See Section IX for more information about schoolwide program requirements.

QUESTION: A teacher was solely (100%) a Title I teacher for the first half of the school year and changed positions mid-year. This teacher became a regular education teacher for the second half of the school year and did not work on any federal activities. Do we have to maintain time distribution records for this employee for the entire year?

ANSWER: No, the teacher is required to complete a periodic certification for the period the work was performed, and the LEA is required to maintain this documentation. However, the LEA is required to complete and maintain evidence of this change in position. Often LEAs call this a 'personnel action form' or 'personnel action request.' This would demonstrate to an outside observer why there is only a periodic certification for the first half of the year but not the second half.

Section VI: Personnel Activity Reports

Support for salaries and wages Reference page 237

Personnel Activity Reports are commonly known as **Time and Effort Logs** or **Monthly Logs**. They are required per Arizona Department of Education Grants Management Department to be completed *at least* monthly when 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, or
- (e) An unallowable activity and a direct or indirect cost activity.

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 these required standards per Arizona Department of Education Grants Management Department:

- (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, and
- (d) They must be signed by the employee.

What does this mean?

- The employee must sign and date the report **after** the work was performed.
- These reports cannot be prepared and signed before the work has been completed.
- LEAs often prepare these reports monthly, such as for the period of July 1 through July 31. These reports are signed shortly after the end of each month.
- These reports must be dated **on the date they are signed** by the employee or the employee's supervisor (hand-written signatures and dates are required instead of pre-printed names and dates).
- Even the non-federal time must be accounted for on this report (each day must report **100% of total activity**).
- The reports should identify the LEA's name, reporting period, employee's name, employee's position, federal program, 100% of work activities, and employee's signature.
- If an employee works 9 months during a fiscal year, there must be 9 reports. If the employee works all 12 months of the fiscal year, there must be 12 reports. If an employee works 9.5 months, there must be 10 reports.

Section VII: Single Cost Objective Examples

Reference pages 237-238

These examples are intended to illustrate a “single cost objective” only. In reviewing the examples, therefore, 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 schoolwide program.

1. Title I, Part A funds and State compensatory education funds

An LEA supports a supplemental math teacher to serve low-achieving students with 50% Title I, Part A funds and 50% State compensatory education funds (M&O/General funds).

Teaching math to low-achieving students is a single cost objective because it can be fully supported under Title I, Part A. Only a semiannual certification, therefore, is required even though the employee’s salary is supported by a Federal award and a non-Federal award.

2. 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, therefore, are fully supportable with Title I, Part A funds, and the school-wide program constitutes a single cost objective. Only a semiannual certification, therefore, is required even though the teacher’s salary is supported by a Federal award and local funds and she conducts two different activities.

3. Funds under Sections 611 and 619 of the Individuals with Disabilities Education Act (IDEA)

A preschool special education teacher is funded with 50% IDEA section 611 funds and 50% with IDEA section 619 funds.

Teaching preschool special education is an allowable activity under both IDEA sections 611 and 619. Accordingly, the teacher is performing a single cost objective even though she is supported with funds from two separate Federal awards; therefore, she need only file a semi-annual certification.

4. Title I, Part A funds and CEIS (comprehensive early intervening services) funds under IDEA

A teacher works with low-achieving students and is supported with 60% Title I, Part A funds and 40% CEIS funds.

Teaching low-achieving students is a single cost objective because it can be fully supported under both Title I, Part A and CEIS. Only a semi-annual certification, therefore, is required even though the employee’s salary is supported by two Federal awards.

Section VII: Single Cost Objective Examples

Reference pages 237-238

5. Title I, Part A funds and local funds

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 and she need only file a semi-annual certification for the time she works in the after-school program supported by Title I, Part A funds.

6. ESEA Title VI, Part A formula grant 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 VI, Part A funds.

Although the teacher could not be paid with Title VI, Part A funds to teach high school math, the portion that the teacher is paid with Title VII, 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 semi-annual certification for the time he is paid with Title VI, Part A funds.

7. State leadership funds under the Strengthening Career and Technical Education for the 21st Century Act (Perkins V) and State funds

A State curriculum specialist who develops new career and technical education courses and initiatives is funded 50% with Perkins V funds reserved under section 112(a)(2) for State leadership and 50% with State general funds.

Career and Technical Education curriculum development is a single cost objective because it can be fully supported with State leadership funds under Perkins V. Only a semiannual certification, therefore, is required even though the employee's salary is supported by a Federal award and State funds.

Section VIII: Stipends, Supplemental Contracts, and/or Extra Hours

Referenced by Brustein & Manasevit

QUESTION: Are time distribution records (time and effort) required for stipends, supplemental contracts, and/or extra hours?

ANSWER: Yes, with flexibility. A stipend is a fixed sum of money paid periodically for services or to defray expenses. Stipends (and other supplemental contracts) must also be reported as part of an employee's total time and effort reporting. An LEA can implement other internal controls to support distribution of funds (for example, allocate based on eligibility of participating students). Another flexibility consistent with the UGG includes accepting documentation signed by a supervisor with knowledge (rather than requiring employee signature).

QUESTION: What kinds of documentation will satisfy the requirements for extra hours' time and effort reporting?

ANSWER:

- Sign-in/attendance logs may be used as time and effort documentation for extra hour pay related to a work performed for a federal award program (e.g., pay for math/science training charged to Title II) as long as they provide sufficient information to meet Federal requirements.
- A signed, supplemental contract that stipulates a specific federal program job 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).
- A stipend for performing a federal award job duty may be used as time and effort documentation so long as the employee signs either the stipend or an after-the-fact certification of performance (e.g., pay for supervision of a particular federal program charged to that program).
- Multiple federal award program supplemental contracts/stipends must be supported by personnel activity reports documenting actual time spent on each objective (e.g., pay for a supplemental contract to administer a summer school program serving Title I and Special Education eligible students may be charged to Title I and Special Ed only if supported by a personnel activity report).
- The LEA should also provide additional documentation such as brochures or event descriptions for professional development activities, lesson plans for Extended School Year (ESY)/summer school, etc. to document the allowability of the expenditures.

Sample Scenario: An LEA set-up internal controls to support distribution of funds for extra hours that requires a minimum of 7 students to complete attendance for free Saturday tutoring for the teacher to be compensated.

QUESTION: Is there a specific form to document these types of payments?

ANSWER: Please see [Appendix E](#) for a sample form for reporting [Certification for Additional Work](#) and [Appendix F](#) for a sample [Group Sign-In Sheet](#).

QUESTION: Are guest or substitute teachers required to keep time and effort records?

ANSWER: Yes, an LEA must have time and effort records for guest and substitute teachers if their compensation is charged to a Federal grant. If a guest/substitute teacher works solely in one federal award program (a single cost objective), the guest teacher should sign a periodic certification. It may be easier to have the guest teacher sign a certification at the end of the work assignment rather than semi-annually. Alternatively, the certification may be signed by a supervisor with direct knowledge of the guest/substitute teacher's activities such as the principal. Guest teachers hired to permit regular education teachers to attend in-service training are working on a single cost objective.

If a guest/substitute teacher works during an assignment in one federal award program and for other programs (multiple cost objectives), the guest teacher must keep an activity report, recording the time spent daily on each cost objective during the assignment. While personnel activity reports are required only monthly per Arizona Department of Education Grants Management Department, it may be more convenient to have a guest teacher sign a report after each assignment. If an assignment continues beyond the end of the month, the teacher should sign an activity report at the end of each month.

Section IX: Schoolwide Programs

Schools with schoolwide programs use Title I funds to implement comprehensive strategies for improving the educational program of the whole school in schools with 40% or more poverty to increase the achievement of all students, particularly at-risk students.

In a Title I schoolwide school, Title I funds may be used to provide services to any student.

QUESTION: How does an LEA document employee time and effort in schools that operate schoolwide programs?

ANSWER: It varies under different circumstances.

For example, according to the U.S. Department of Education in its publication “*Non-Regulatory Guidance, Title I Fiscal Issues*” page 63-64:

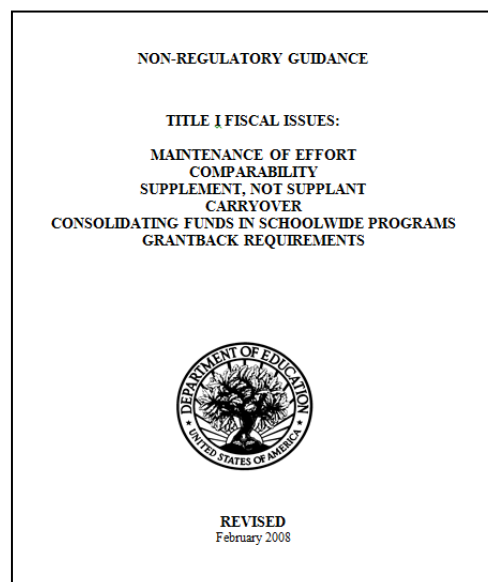
1. If a school operating a school-wide program **consolidates Federal, State, and local funds under section 1114(a)(3) in a consolidated school-wide pool**, an employee who is paid with funds from that pool is not required to file a semi-annual certification. Because Federal funds are consolidated with State and local funds in a single consolidated school-wide pool, there is no distinction between staff paid with Federal funds and staff paid with State or local funds.

2. If a school operating a school-wide program **does not consolidate Federal funds with State and local funds** in a consolidated school-wide pool, an employee who works, in whole or in part, on a Federal program or cost objective must meet the Uniform Grant Guidance requirements, which may include the following:

- (a) An employee who works solely on a single cost objective (i.e., a single Federal program whose funds have not been consolidated or **Federal programs whose funds have been consolidated but not with State and local funds**) must furnish a semiannual certification that he/she has been engaged solely in activities supported by the applicable source.

- (b) An employee who works on multiple activities or cost objectives (i.e., in part on a Federal program whose **funds have not been consolidated in a consolidated schoolwide pool and in part on Federal programs supported with funds that have been consolidated in a pool or on activities funded from other revenue sources**) must maintain time and effort distribution records that document the portion of time and effort dedicated to:

- (1) The Federal program; and
- (2) Each program or other cost objective supported by either consolidated Federal funds or other revenue sources.



Section IX: Schoolwide Programs

QUESTION: What does this guidance mean to an LEA that operates under a schoolwide program?

ANSWER:

- If **all** of the funds (**federal, state and local**) are consolidated at a school site (the school site is operating a Schoolwide III program) then time distribution records (time and effort) are not required to be maintained for employees at the school site with a Schoolwide III program. If an employee is paid from any fund outside of the consolidated fund (i.e. Homeless Education), the employee must document the distribution of effort between the Schoolwide III program and Homeless Education, which may include completing personnel activity reports.
- If **all of the federal funds** are consolidated at a school site (the school site is operating a Schoolwide II program) but not state and local, employees performing Schoolwide II related duties may fill out a periodic certification. Employees performing any duties outside of the Schoolwide II program may not use this method.
- If **some of the federal funds** are consolidated at a school site (the school is operating a Schoolwide I program) and employees at that site perform Schoolwide I duties and duties outside of that program, employees must document the distribution of effort between the Schoolwide I duties and the other duties, which may include completing personnel activity reports (monthly logs) to account for 100% of their time.
- If **some of the federal funds** are consolidated at a schoolwide site (Schoolwide I) and employees at that site perform Title I duties only under the Schoolwide I program and no other duties for any other program, the employees may complete a periodic certification.
- Instead of specifying "Title I" as the federal program/cost objective when completing time distribution records, the employee will specify "Schoolwide I/Title I" or "Schoolwide II" as the cost objective, as appropriate.

Section X: Substitute System for Time and Effort Reporting

Reference pages 232-234

In September 2012, the Arizona Department of Education (ADE) was authorized by the U.S. Department of Education to approve Arizona local educational agencies (LEAs) to use a substitute system for time-and-effort reporting in accordance with the guidelines provided on the next page.

In permitting an LEA to use the substitute system, the **Arizona Department of Education (ADE) Program Area must obtain from the LEA a management certification certifying** that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate.

The management certification:

- Must include a full disclosure of any known deficiencies with the system or known challenges with implementing the substitute system.
- May be used by auditors and ADE oversight personnel when conducting audits and sub-recipient monitoring of the substitute time-and-effort system.

Please Note:

This substitute system was developed under prior rules that had more prescriptive requirements to document Time and Effort. ED has confirmed that this system is still valid under the Uniform Grant Guidance and is intended to reduce burden in tracking Time and Effort. LEAs are encouraged to review their existing systems and flexibilities offered within the Uniform Grant Guidance to determine whether there will be an administrative benefit to implementing this substitute system.

Section X: Substitute System for Time and Effort Reporting

Guidelines for Eligibility

Reference pages 232-234

1. To be eligible to document time and effort under the substitute system, employees must:
 - a. Currently work on a schedule that includes multiple activities or cost objectives that are supported by monthly personnel activity reports;
 - b. Work on specific activities or cost objectives based on a **predetermined schedule**; and
 - c. Not work on multiple activities or cost objectives at the exact same time on their schedule (i.e. a teacher providing intervention instruction to eligible Title I students and special education students during a single class period.)
2. Under the substitute system, in lieu of personnel activity reports, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule that meets the standards under section (3). An acceptable work schedule may be in a style and format already used by an LEA.
3. Employee schedules must:
 - 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; and
 - c. Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.
4. Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.
5. 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 deviation from the employee's established schedule of 5% or more is considered significant and would result in the need for the employee to revert to a personnel activity report for the period in question. The substitute system may be used for the remainder of the semi-annual period. The following example is based on an employee who works the traditional 9 to 5, 40-hour work week.

Average Monthly Hours	Program	Percent per Program	Hours per Program	5% Deviation in Hours
180	Title I	42%	75.60	3.78
	IDEA	13%	23.40	1.17
	M&O	45%	81.00	4.05
		100%	180.00	9.00

Example 1	Example 2
79.38	75.60
23.40	21.40
77.22	83.00
180.00	180.00

If an employee's schedule is fixed and the employee spends 23.40 hours of their time performing activities for the IDEA program each month throughout the year, a significant deviation on a program (such as 2 hours less on IDEA in a month) would require the need to revert to a personnel activity report for the period in question.

Section X: Substitute System for Time and Effort Reporting

Sample Employee Certification

Reference page 235

For an employee with a fixed schedule:

Semiannual Certification (Employee with a Fixed Schedule) Substitute System Only

Employee: Pat Mars
Position: Instructional Assistant
School: Lincoln Elementary

Certification Period: 08/15/2015 to 02/15/2016

Type of Schedule:

☐ Daily
☒ Weekly
☐ Biweekly
☐ Other: _____

Program or Cost Objective	Distribution of Time
Title I, Part A – Improving the Academic Achievement of the Disadvantaged	42%
IDEA, Part B – Federal Special Education	13%
State or Local	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.



Employee Signature

2/20/2016

Date

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



Supervisor Signature

2/21/2016

Date

➔ Please see [Appendix H](#) for a printable form.

Section X: Substitute System for Time and Effort Reporting

Sample Employee Fixed Schedule

Reference page 236

2015–2016 SCHOOL YEAR SCHEDULE

Employee: Pat Mars
 Position: Instructional Assistant
 School: Lincoln Elementary

Certification Period: 08/15/2015 to 02/15/2016

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	

APPENDICES

Appendix A – Sample Payroll Journal Report

Appendix B – Sample Individual Periodic Certification

Appendix C – Sample Group Periodic Certification

Appendix D – Sample Personnel Activity Report (for “split-funded” employees)

Appendix E – Sample Certification for Additional Work

Appendix F – Sample Group Sign-In Sheet

Appendix G – Sample Substitute Time and Effort System Annual Management Certification

Appendix H – Sample Substitute Time and Effort System Semiannual Certification (for a fixed schedule)

Appendix A — Example Payroll Journal Report

Journal Distribution Detail by Account								
Fiscal Year: 2015-2016			<u>Subtotals</u>					
Employee	Period	Gross	Soc Sec Wages	Medicare Wages	Federal Wages	Social Security	Medicare	Feder Tax
Account: 113.100.1000.6150.500								
McFadden, John	13	206.63	206.63	206.63	186.79	12.81	3.00	5
McFadden, John	14	181.32	181.32	181.32	163.91	7.62	2.63	1
McFadden, John	15	203.37	203.37	203.37	183.85	8.54	2.95	5
McFadden, John	15	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	16	111.50	111.50	111.50	100.80	4.68	1.65	1
Account: 596.270.1092.6112.500								
McFadden, John	16	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	17	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	18	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	19	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	20	84.53	84.53	84.53	76.42	3.55	1.23	0
McFadden, John	20	371.96	371.96	374.96	336.25	15.62	5.39	10
McFadden, John	21	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	22	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	23	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, John	24	371.96	371.96	371.96	336.25	15.62	5.39	10
GRAND TOTALS:								

Appendix B – Sample Individual Periodic Certification

Individual Semi-Annual Time and Effort Certification

Name of LEA _____

Fiscal Year _____

Start Date _____ End Date _____

Where employees are expected to work solely (100%) on a single cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that objective for the period covered by the certification. These certifications will be prepared at least semiannually (at least every six months) and will be signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee. The certification must be signed *after* the work was performed.

LEAs must keep the semi-annual certification documentation on file in their respective offices. Employees working on multiple activities or cost objectives, must document their work according to the distribution of their salaries or wages through personnel activity reports (monthly Time and Effort Logs) instead of semi-annual certifications.

I, _____, certify that 100% of my time was spent performing
(Employee's First Name, M.I. and Last Name)

_____ duties and responsibilities during the period of
(Federal Funding Source / Cost Objective)

time specified above.

Employee's Signature

Date Signed

Supervisor's Signature

Date Signed

Appendix C – Sample Group Periodic Certification

Group Semi-Annual Time and Effort Certification

Name of LEA _____

Fiscal Year _____

Federal Funding Source/
Cost Objective _____

Start Date _____ End Date _____

Where employees are expected to work solely (100%) on a single cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that objective for the period covered by the certification. These certifications will be prepared at least semiannually (at least every six months) and will be signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee. The certification must be signed *after* the work was performed.

LEAs must keep the semi-annual certification documentation on file in their respective offices. Employees working on multiple activities or cost objectives, must document their work according to the distribution of their salaries or wages through personnel activity reports (monthly Time and Effort Logs) instead of semi-annual certifications.

Employee's Full Name (Please Print First, M.I., Last)	Employee's Signature	Date Signed

Supervisor's Signature

Date Signed

[illegible]

Personnel Activity Report / Time and Effort Monthly Log

1	School District/Charter :	_____	Month and Year of Activity :	_____
	Employee Name :	_____	Employee Title :	_____

LEA and employee name, month and year employee job title

2	Funding Source				
		1	2	3	4
	Title I	3	3	3	3
	Regular Education	5	5	5	5
	Total Hours	8	8	8	8

Allocation of total time per day

3 I certify with my signature that the information submitted is accurate.

Employee Signature : _____ Date: _____

Supervisor's Signature : _____ Date: _____

Signatures and date signed

TIME AND EFFORT MONTHLY LOG

LEA Name: _____

Month and Year of Activity: _____

Employee Name: _____
Employee Title: _____

I certify with my signature that the information submitted is accurate.

Employee's Signature _____ Date Signed _____

Supervisor's Signature

Date Signed

Appendix E – Sample Certification for Additional Work

LEA Name _____ Time and Effort Certification and Payment Support for Additional Work	
Date: _____ Employee Name: _____ Position: _____ School/Department: _____ Type of work completed/reason for payment: _____ Description of work completed (cost objective) <i>(be specific)</i> : _____ _____ _____ _____ Work Start Date: _____ Estimated completion date: _____ Hours Worked: _____ Rate of Pay: _____ Total to be paid: _____ Account/Funding Code: _____ Employee signature: _____ Date: _____	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <input type="checkbox"/> Stipend <input type="checkbox"/> Training <input type="checkbox"/> ESY/Summer School <input type="checkbox"/> Substitute <input type="checkbox"/> Contract Addendum <input type="checkbox"/> Other: _____ </div> <div style="border: 1px solid black; padding: 5px;"> Supporting documentation attached: <input type="checkbox"/> Copy of event description (brochures, syllabus, etc.) <input type="checkbox"/> Sign-in sheets <input type="checkbox"/> Supplemental Contracts <input type="checkbox"/> Other: _____ </div>
<div style="border: 1px solid black; background-color: #f0f0f0; padding: 5px; margin-bottom: 10px; text-align: center;"> Authorization for Additional Work </div> <p>This confirms that the work as agreed to by _____ was completed on _____.</p> <p style="text-align: center; font-size: small;">(Employee Name) (Date work was completed)</p> <p>Final and total payment is due and approved by: _____</p> <p>Supervisor's Signature: _____ Date: _____</p>	

Appendix F – Sample Group Sign-In Sheet

LEA Name: _____

Sign-In Sheet

Event/Activity: _____

Date: _____

Federal Funding Source/Cost Objective: _____

Start Time: _____

Total Hours: _____

End Time: _____

By signing this document I affirm that I have participated in and completed the activity listed above for the specified program.

#	Employee Name (Please Print)	Employee Signature
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		

*Please attach supporting documentation such as event descriptions and/or brochures, etc.

Supervisor Signature (optional)

Appendix G – Substitute T&E System Annual Management Certification

Substitute Time and Effort Certification System

Annual Management Certification

LEAs wishing to use a Substitute Time and Effort Certification System must submit this form to the Department of Education's Program Area(s) no later than October 30th annually. If the LEA has not completed and submitted this certification it may not use the substitute system for Time and Effort reporting.

Name of LEA: _____ Fiscal Year: _____

CTDS Number: _____ Entity ID Number: _____

Disclosure:

The LEA is required to fully disclose any known deficiencies with the system or known challenges with implementing the substitute system below.

Certification:

I certify that only eligible employees with a fixed schedule will participate in the Substitute Time and Effort System and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate.

Superintendent's Signature _____

Date Signed _____

Business Manager's Signature _____

Date Signed _____

*In accordance with 34 CR 880.42, please retain this signed form for your records.

Please submit a scanned copy of this signed form via email to the ADE Program areas **AND to Grants Management via a service request created/submitted at: <https://helpdeskexternal.azed.gov>

Appendix H – Substitute T&E System Semi-Annual Certification

Semi-Annual Certification (Employee with a Fixed Schedule) Substitute System Only

Employee: _____

Position: _____

School: _____

Certification Period: _____ to _____

Type of Schedule:

☐ Daily

☐ Weekly

☐ Biweekly

☐ Other: _____

Program / Cost Objective	Account Number	Distribution of Time %
TOTAL		

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

Employee Signature

Date

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

Supervisor Signature

Date



For questions or additional information, please contact:

The ADE Grants Management Division, Fiscal Monitoring Unit
at (602) 542-3901 or at <https://helpdeskexternal.azed.gov>.

