

The background is a collage of four quadrants. The top-left quadrant is purple and shows a stack of papers. The top-right quadrant is pink and shows a clock face. The bottom-left quadrant is green and shows a stack of books. The bottom-right quadrant is yellow and shows a clock face. The text is overlaid on these images.

# **Time and Effort Reporting for Special Education and other Federal Programs**

**Georgia Department of  
Education**

# Why Does Time & Effort Continue to be an Audit Problem?

- Large % of Federal Education Funds Used for Staffing
- Staff Turnover
- Decentralized responsibilities
- Communication
- Complexity of applying requirements to variety of situations.
- People don't like it!





# Where are the Requirements?

- Time and effort reporting is required under the Federal Office of Management and Budget's (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*
- *Attachment B, Selected Items of Cost, Item 11, Compensation for Personnel Services*



# When is Time and Effort Required?

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- Time and effort reporting is required when any part of an individual's salary is:
    - Charged to a federal program.
    - Used as match for a federal program.
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# What type of reporting is needed?

- Single cost objective  
→ Semi annual certification
  - Multiple cost objectives  
→ Monthly time reports or Personnel Activity Reports (PARs)
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# What is a “cost objective”?

- A particular set of work activities for which cost data is accumulated.

For purposes of T & E reporting: Define cost objectives according to the set of work activities allowable under the terms and conditions of each funding source.



# What are some typical examples of single cost objectives?

The set of work activities allowable under:

- A single federal program (no set-asides / reserves)
- Federal Special Education & State Special Education
- A Schoolwide program
- A required set-aside / reserve in a federal program
- A federal program & its state / local match



# What are some typical examples of multiple cost objectives?

The work activities of:

- A federally-funded program & a state- and / or locally-funded program
- A schoolwide program and a program not included in the schoolwide program





# What is a semi annual certification?

- Statement individual(s) worked solely on activities related to single cost objective
- Completed at least every six months
- Signed by employee or supervisor with first-hand knowledge of work performed



# What is a monthly time report? (PAR)

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- Accounts for total time / activity
  - Prepared & signed at least monthly
  - Signed by employee
  - Reflects actual work performed (not budgeted)
  - Agrees to supporting documentation
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# What type of supporting documentation is needed?

- Requires a judgment call
- Examples include, but are not limited to:
  - Class schedules
  - Number of students
  - Number of minutes
  - Calendar of event





## When is a “reconciliation” required?

- IF: Payroll is processed based on budgeted or estimated time and activities
  - THEN: Payroll records must be compared to time and effort reports at least quarterly.
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# When is an accounting adjustment required?

If the difference is 10% or more:

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- Payroll charges must be adjusted at the time of the comparison.
  - **AND:** The following quarter's estimates must be adjusted to more closely reflect actual activity.

If the difference is less than 10%:

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- No action required until the end of the year.
  - **BUT:** At year-end the 10% threshold does not apply—in the final quarter, payroll charges for the year must be adjusted to reflect actual time spent as supported by time and effort reports.
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# Who should sign the reports?

- **Monthly reports (PARs)** should be signed by the employee
- **Semi annual certifications** should be signed by employee or supervisor having first-hand knowledge of work performed
- For internal control purposes, districts may require both the employee and supervisor to sign



# Schoolwide Programs

- A schoolwide plan **must** specify programs to be included
- A schoolwide program is a single cost objective
  - If employee works 100% on programs combined → Group or Individual *Semi annual certification*
  - If employee works partially on programs combined and partly on those not combined, → *Monthly time report (PAR)*



## Supplemental Contracts, Stipends, Extra Hours

- Primary contract and additional contracts may be considered separately
- Time and effort may be required for primary contract but not supplemental (or vice versa)



# Other Requirements for Charging Compensation to Federal Program

- Reasonable and necessary
- Compensation consistent with nonfederal activities of the district
- Leave buy-out at termination is an indirect charge
- Supplement, not supplant applies to many programs



# Tips.....

- Train and Re-Train
  - Annual training in district
  - Explain the “why”
- Assign Central Responsibility
  - Ensure all reports are completed
- Communicate
  - **Who** needs to communicate **what** changes
- Ask for Help if Needed

<http://www.whitehouse.gov/omb/circulars/a087/toc.html> - OMB A-87