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?

- 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.
What type of reporting is needed?

- Single cost objective
  → Semi annual certification

- Multiple cost objectives
  → Monthly time reports or Personnel Activity Reports (PARs)
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)

- Accounts for total time / activity
- Prepared & signed at least monthly
- Signed by employee
- Reflects actual work performed (not budgeted)
- Agrees to supporting documentation
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.
When is an accounting adjustment required?

If the difference is 10% or more:

- 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%:

- 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.
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/circulas/a087/toc.html - OMB A-87