Policy Statement
The School District of Philadelphia will maintain a time and effort reporting system and obtain time and effort certification documentation from employees in compliance with federal regulations. This time and effort reporting system will accurately track, document and charge the amount of time spent performing federally funded activities allowable and allocable to federal awards. The application of federal rules for charging non-personnel costs to grants are contained in policy GP0800 Allowable Use of Funds and Adherence to Cost Circulars.

Reason for Policy
Time and effort certification and reporting is a federal requirement. In order to use federal funding for personnel costs, the District must maintain an accurate system for reporting the time and effort that employees devote to federal projects. Requirements for time and effort documentation have been updated per the UGG (2 CFR Part 200.430). Per the UGG, charges for salaries must be:

1. Based on records that accurately reflect the work performed.
2. Must be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated.
3. Be incorporated into official records.
4. Reasonably reflect total activity for which employee is compensated.
5. Encompass all activities (federal and non-federal).
6. Comply with established accounting policies and practices.
7. Support distribution among specific activities or cost objectives.

If the non-federal entity meets the standards, the entity will NOT be required to provide additional support or documentation for the work performed. If the “records” of grantee do not meet new, standards, USED may require PARs. There is no definition of PARs provided. Given that the existing Semi-Annual Certifications and PARs currently maintained by the SDP are functioning and compliant, no change will be made to the SDP’s Time and Effort documented policies and procedures.

Policy Requirements
Time and effort supporting documentation must be prepared for all District staff with wages and/or benefits that is charged:

- To a single federal award or single cost objective;
- To multiple federal awards or multiple cost objectives
- To any combination of a federal award and other federal, state or local funding sources
- To meet matching or cost-sharing requirements of federal awards

To meet the time and effort certification requirements of the UGG, the District uses two time and effort forms and a supplemental pay process: the Time and Effort Certification (CERT), the Personnel Activity Report (PAR), and a PD / EC payroll TPER with an event attendance sign-in sheet as backup certification. There are also one-time supplemental payments made to employees. Which of these forms
and process is used depends on whether the employee works on one or multiple cost objectives and on whether the employee is being compensated for time over-and-above his or her base pay (e.g., for professional development or extra-curricular instruction):

1. **One cost objective** – The CERT applies to staff that work solely (100%) on a single cost objective, and must be completed at least twice a year (usually at the end of each semester). The CERT is prepared, signed and dated by either the CERT-qualifying employee or the supervisory official (usually a Program Manager or a school Principal) with first-hand knowledge of the work performed by each CERT-qualifying employee.

2. **Multiple cost objectives** – The PAR applies to employees that work on multiple cost objectives, and must be completed after the end of every pay period (usually bi-weekly). The PAR must be prepared, signed and dated by the PAR-qualifying employee.

3. **Extra-curricular (EC) or professional development (PD) hours outside the normal base compensation** – The PD / EC payment request must be approved prior to the event or activity when personnel costs are charged to grant funds for PD or EC activities outside normal base compensation. In cases of one-time payments after the fact, the grant eligibility will be assessed for eligibility and the charges moved if deemed ineligible. All PD / EC events and activities must include employee signed attendance forms as support for the supplemental payments.

CERTs and PARs must be prepared after the time and effort have been incurred, within a reasonable amount of time after the period ending.

**Variances of budgeted, expensed, and reported time and effort**

The placement of personnel on District grant payrolls is based on a budgeted estimate of chargeable time and effort to the grant. For school based positions, the budgeted salary is based on an average cost for the position, and all personnel paid from federal grant programs are either in a “School-Wide” plan, or work on a single federal cost objective, and therefore only complete semi-annual certifications. The actual cost of the employee is dependent on the seniority and other attributes of the employee in the position. After school opening, the District reconciles the school personnel allotment with the Principal to ensure the correct employees are funded against the correct grants given the employee’s responsibilities and work on federal cost objective(s). This process is repeated after “School Leveling” in October when final personnel adjustments are made. The District ensures that the personnel are funded correctly and, if changes to position funding were required, the funding change is retroactive back to the start of the fiscal year (July 1st) or the employee’s start date, if later.

For employees using PAR forms, at least once each quarter, actual payroll wage costs charged to the grant (based on payroll accounting records) must be compared to the time and effort allocated by employees to the grant (based on PARs) and also compared to the previously budgeted time and effort. Depending on the results, necessary adjustments may need to be made to both the grant program budget and to the grant program financial records.

Failure to adequately follow this policy and related procedures could result in audit findings, questioned costs consisting of salaries, wages, and related benefits, or potential repayment of disallowed costs. Individuals with roles and responsibilities in the time and effort certification process are held responsible for any instances of non-compliance. All employees involved in certifying time and effort must understand that severe penalties and funding disallowances could result from inaccurate, incomplete, or untimely effort reporting.
Responsibilities

Grant Program Managers (and Principals) have the responsibility to ensure that the time and effort of District and subgrantee employees funded by each federal award is certified in compliance with this policy. Grant Program Managers (GPMs) are to verify that each employee who meets the requirements defined above completes an appropriate time and effort certification. Program Managers also must ensure that a supervisor with first-hand knowledge of the work performed by employee(s) completes or signs the certifications as needed.

If an employee's effort is not properly certified, the GPM must remove salary and fringe benefit charges from all federally funded programs from which the individual is paid. Improperly certified time charges must be moved to the program’s operating account and these charges cannot be counted toward any cost sharing commitment (charges that are unallowable in the grant-funded account are unallowable as cost sharing).

GPMs should request and keep on file copies of all completed time and effort documentation.

GPMs must review any certifications of actual charges provided by GFS and OMB Position Control (described below) and understand and agree to any changes that may be required in accordance with the District’s Budget Amendment and Journal Voucher Management policies and procedures.

Employees working on multiple cost objectives are responsible for certifying their time and effort on a timely basis, and to communicate any concerns to the Program Manager (or Principal) on a timely basis.

Grant Fiscal Services (GFS) shall certify and provide documentation quarterly to GPMs that the time allocated by central office personnel on Personnel Activity Report (PAR) forms to their grants were in fact charged pursuant to the PAR forms. GFS will also perform the budgeted to actual expense to PAR allocated time variance analysis and initiate any needed budget and / or expenditure adjustments with the GPMs in accordance with the District’s Budget Amendment and Journal Voucher Management policies and procedures.

OMB Position Control shall certify and provide documentation semi-annually to school Principals that the personnel contained on the semi-annual Time and Effort Certification forms they provided were in fact charged to the funds and locations contained on the Certification forms. OMB Position Control will work with GFS Grant Budget Analysts as necessary to analyze and perform any expenditure adjustments that may be necessary in accordance with the District’s Journal Voucher Management policies and procedures.

OGDC Grant Compliance Monitors (GCMs) will monitor schools and program offices to ensure that appropriate time and effort documentation is maintained. Grant Compliance Monitors will provide training and technical assistance to program managers and principals on requirements for documentation of time and effort.

Procedures

- GP1200.1 Determining Employee Cost Objective Status
- GP1200.2 Completing the Time and Effort Certification (CERT) Form
- GP1200.3 Completing the Personnel Activity Report (PAR)
- GP1200.4 Supplemental Pay
- GP1200.5 Performing Reconciliations and Documenting Charges (in process)
Forms

- **Time and Effort Certification form (CERT)**
- **Personnel Activity Report (PAR) form**
- **Supplemental Pay Forms (S-313 / S-316 / S-324 / EBARs)**

Definitions

**Cost objective** - A function, organizational subdivision, contract, grant or other cost activity for which cost data are needed and for which costs are incurred. In many cases, a single federal program may have two or more cost objectives that SDP must document to demonstrated compliance with federal program requirements. For example, Title I, Part A administration is a separate cost objective from Title I, Part A professional development activities.

**Effort** - Effort is generally defined as the proportion of time spent on any activity and expressed as a percentage of the total professional activity for which an individual is compensated. Total effort for an employee must equal 100% (+ or - 1% due to rounding). An individual's total time compensated by base salary serves as the basis for determining their total effort. In other words, if an individual who is being compensated for a 100% appointment works 40 hours in a week, then 20 hours would represent 50% of his/her professional effort. If another individual only works 20 hours in a week, then 10 hours represents 50% of his/her professional effort.

**Funding source** - The federal grant or other funding source (e.g., operating fund) which is the source of personnel compensation.

**Personnel Activity Report (PAR)** – A type of time and effort certification used by an employee working on multiple cost objectives which records the percent of that employee’s actual effort for each cost objective. PARs must be created after the work has been executed, must account for the total activity for which an employee is paid through their normal base compensation; must be prepared at least monthly and coincide with one or more pay period; and must be signed by the employee.

**Time and Effort Certification (CERT)** – A type of time and effort certification used for an employee working on a single cost objective that confirms effort has been spent solely on the single cost objective for the entire period covered by the certification. CERTs must be prepared at least every six months and must be signed by the employee or a supervisor with first-hand knowledge of the work performed.

Schoolwide Program is a single cost objective – CERTs are required for employees charged to federal funds who work 100% on the schoolwide program. If an employee’s time is split between activities in a schoolwide program and those not in the schoolwide program, then monthly PARs would be required.

Contacts

- **Grant Fiscal Services**
- **Office of Management and Budget**
- **Grant Compliance Office**
- **Office of Grant Development**

Frequently Asked Questions
Related Information

- **GP0800 Allowable Use of Funds and Adherence to Cost Circulars**
- **Uniform Grant Guidance 2 CFR Part 200.430**
- **GP0200.3 Budget Amendments**
- **GP1500 Journal Voucher Management**

History

Amended:

- Amended on 4/27/2015 to updates policies per the Uniform Grant Guidance and to make technical adjustments.