

Procedure:  <b>Determining Employee Cost Objective Status</b>	Policy: <b>Certification of Employee Time and Effort</b>	Number: <b>GP1200.1</b>
	<input type="checkbox"/> Complete Revision <input type="checkbox"/> Partial Revision <input checked="" type="checkbox"/> New	Supersedes:

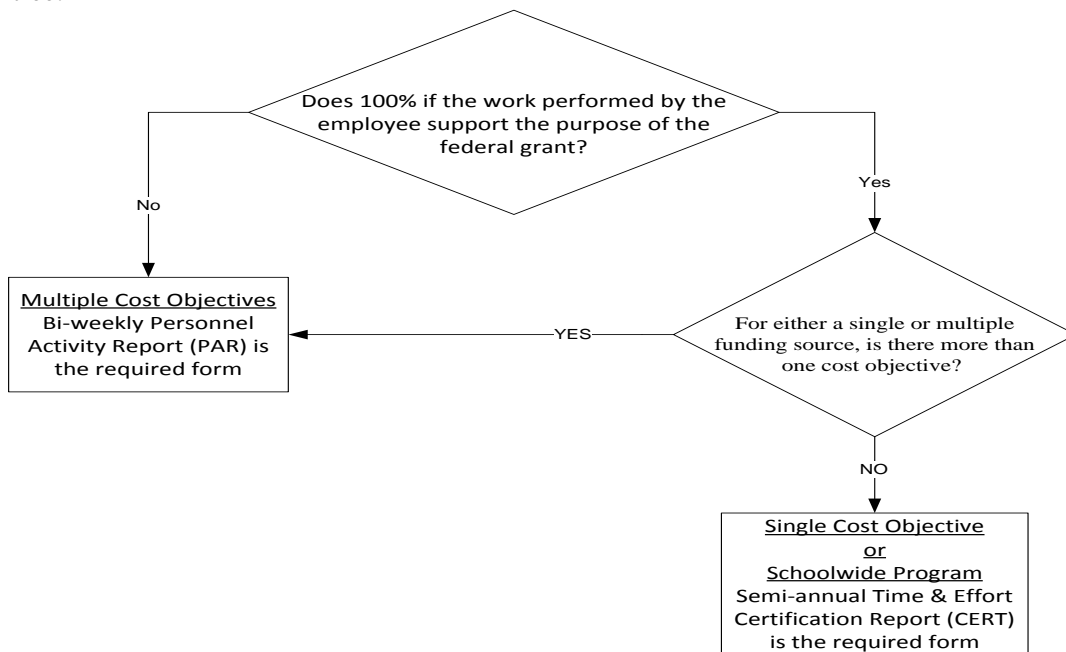
## Overview of Procedures

The federal government requires time and effort certification to be completed when individuals are compensated by or have agreed to contribute time (in kind/match) to a federally-funded program or project. To meet the time and effort certification requirements of 2 CFR Part 200.430, the District uses different time and effort reporting forms. The form used depends on how many cost objectives the employee works on. Cost objectives are “a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.” Generally, a specific federal title or program will have a one-to-one relationship with a cost objective. However, under certain circumstances, a federal title or program may relate to more than one cost objective/activity.

## Procedure Details

Within the timeframes prescribed in the procedure below, each Grant Program Manager (GPM) will review the positions that are funded by or dedicated as part of a formal matching contribution to the grant(s) they oversee and determine whether each employee will be working on a single cost objective or multiple cost objectives. Additionally, throughout the course of the year, the GPM will determine the cost objective status of any new employee or employee whose salary allocation has been modified to be paid fully or partially under their program. The program manager must submit to the Grant Compliance Office (GCO) the employee status determination and submit any subsequent additions or modifications for review based on the procedure timeframes described below.

To determine whether an employee is working on a single or multiple cost objectives use the following decision tree:



Employees Working on a Single Cost Objective

Employees who work solely (100%) on a single cost objective will have their time and effort confirmed twice annually (usually at the end of each semester) through the use of a *Time and Effort Certification* form. Employees who are funded 100% by the Schoolwide Program will also complete a Time and Effort Certification form semi-annually. The single Time and Effort Certification form is used in both cases; check boxes are provided on the form to indicate the type of Certification required.

The employee or supervisor with first-hand knowledge of the employee's work (usually a Program Manager or a Principal) will certify that all time and effort expended in the prior six-month period was in accordance with the Schoolwide Program or the cost objective identified on the form. See *GP1200.2 Completing a Time and Effort Certification (CERT)* procedures.

Employees Working on Multiple Cost Objectives

Under federal Office of Management and Budget (OMB) Circular A-87, Attachment A, Paragraph C.1 (b), all federal grant award expenditures must be allocable to the grant program. Federal grant funds must be expended in proportion to the federal program's benefit. For example, if a computer is bought with 50% Title I, Part A funds and 50% nonfederal funds, the computer must be used at least 50% of the time for Title I, Part A purposes. This principle also applies to personnel costs. If an employee's salary and benefits are funded in part by a federal program, the employee must spend a proportionate amount of time and effort on activities that benefit the federal program. The proportional time and effort expended on each cost objective is recorded using a Personnel Activity Report (PAR) form which allows the employee to capture their time and effort on a bi-weekly pay period basis. See the *GP1200.3 Completing a Personnel Activity Report (PAR)* procedure. The PAR must be prepared, signed and dated by the PAR-qualifying employee and certified by the supervisor with first-hand knowledge of the employee's work (usually a Program Manager or a Principal). Employees that are paid from multiple funding sources must report their hours worked according to the activities actually performed during a given pay period, and not according to how their salary is budgeted.

In some circumstances, a function or activity within the government organization that benefits two or more federal programs may be set up as a single cost objective. Costs allocable to that cost objective would be allowable under any of the involved programs which benefit from those activities. An LEA can make a business decision regarding what combination of funds made available under those programs would be applied to this cost objective.

Therefore if an activity is allowable under multiple programs, the agency has discretion in determining which authorized program(s) may be charged. According to the Education Department's General Administrative Requirements (EDGAR), a state or subgrantee may use funds under more than one program to support different parts of the same project if (1) the state or subgrantee complies with the requirements of each program with respect to the part of the project assisted with the funds under that program, and (2) the state or subgrantee has an accounting system that permits identification of the costs paid for under each program. In such cases, the employee could simply report time on the substantive activity (i.e., professional development, curriculum development, etc), not on the specific federal program at issue. It is important to note that this flexibility is only available to activities that are allowable under multiple programs. To be allowable, the activity must not only meet the requirements under OMB Circular A-87 (reasonable, necessary and allocable), but also meet the specific program requirements.

**Cost Objective Examples**

**A federal award is equal to a single cost objective/activity:**

**Example:** A teacher providing only supplemental services under Title I, Part A, with 100 percent of the day charged to Title I.

**Time and Effort Reporting Required:** Semi-annual Time and Effort Certification (CERT)

**A federal award and state award equal a single cost objective/activity:**

**Example:** A teacher spends time providing services under Title III and a state-funded English Language Learner program. Assuming the services provided by the state-funded program are also allowable under Title III, it is not necessary to distinguish the teacher’s time between the programs. This is reported as a single cost objective.

**Time and Effort Reporting Required:** Semi-annual Time and Effort Certification (CERT)

**Two separate federal programs equal a single cost objective/activity:**

**Example:** A school-based staff member is assigned to work full-time on providing professional development to teachers as part of the school’s overall improvement plan. The staff member’s salary is budgeted and charged 50 percent to Title I and 50 percent to a federal School Improvement Grant. Since there is no difference in the activities funded by the two fund sources (i.e., professional development as part of an overall school improvement plan), the employee reports all time to a single cost objective.

**Time and Effort Reporting Required:** Semi-annual Time and Effort Certification (CERT)

**A federal award is equal to multiple cost objectives/activities:**

**Example:** IDEA, Part B, specifies amounts that may be used for administrative purposes and for direct services for eligible students. A Coordinator spends 20% of his/her work time on administrative tasks and 80% providing supplemental special educational services directly to eligible students. To ensure accurate reporting of expenditures in the two categories, the employee must distinguish between time worked/salary paid for administrative activities and for direct services to students, and complete reports on how his/her actual work has been divided between the two cost objectives on a bi-weekly basis.

**Time and Effort Reporting Required:** Personnel Activity Report (PAR)

**A federal award and state award equal multiple cost objectives/activities:**

**Example:** A teacher provides services to students under Title I, Part C 60 percent of the time and to students under the state bilingual program 40 percent of the time. Since the services are not the same, two cost objectives are reported.

**Time and Effort Reporting Required:** Personnel Activity Report (PAR)

**A schoolwide program equals a single cost objective/activity:**

**Example 1:** The following programs have been combined into a schoolwide program: Title I, Part A; Basic Education Allocation (BEA); local levy; Title II, Part A (Teacher and Principal Training); and Title III (Language Instruction for Limited English Proficient and Immigrant Students). Since a schoolwide program may be treated as a single cost objective, a teacher or paraprofessional working only (100 percent) under the schoolwide plan reports that time as a single cost objective.

**Time and Effort Reporting Required:** Semi-annual Time and Effort Certification (CERT)

**Example 2:** Using the example above, a teacher or paraprofessional provides services to students under the schoolwide plan 40 percent of the time and serves under the State Transitional Bilingual Instructional Program (TBIP) 60 percent of the time. Since TBIP is not included in the schoolwide program, the employee tracks and reports the time between two cost objectives—schoolwide program and TBIP.

**Time and Effort Reporting Required:** Personnel Activity Report (PAR)

**Two separate federal programs as multiple cost objectives/activities:**

**Example:** A paraprofessional provides services as follows: 50 percent to special education students under IDEA, Part B and 50 percent to other students eligible for service under Title I. Since the two fund sources are intended for different purposes, the paraprofessional reports to two cost objectives.

**Time and Effort Reporting Required:** Personnel Activity Report (PAR)

**Single cost objective chargeable to multiple grants:**

**Example #1:** An employee works 100% of his/her time on the development of a cross-cutting policies and procedures manual that applies to all grants (i.e., benefiting multiple federal programs). The development of the policies and procedures manual is considered a single cost objective. The District may make a business decision regarding what combination of funds (one or more) made available under the programs benefitted would be applied to this cost objective (see Implementation Guide for OMB Circular A-87, Q&A 2-16). It is important to note that this example assumes that the single cost objective (the development of the federal policies and procedures manual) is allowable under the multiple grants.

**Time and Effort Reporting Required:** If the employee is working 100% of his/her time for an extended timeframe on the manual, they could do a Semi-annual Time and Effort Certification (CERT). However, if the 100% time is for a limited number of pay periods, the employee should complete a Personnel Activity Report (PAR). Any time captured by a CERT or a PAR for work on a single cost objective chargeable to multiple grants (in this example, the development of the manual) may be charged to either a single federal grant or multiple federal grants that benefit from the activity, as long as the costs are reasonable, necessary and allocable, and are allowable and consistent with the requirements of the grant(s).

**Example #2:** An employee works (1) a portion of his/her time on specific grants, (2) a portion of his/her time on cross-cutting federal grant compliance, and (3) a portion of his/her time on other non-federal grant management and technical issues. The cross cutting federal grant compliance (benefiting multiple programs) is considered a single cost objective and the District may make a business decision regarding what combination of funds (one or more) made available under these programs would be applied to this cost objective (see Implementation Guide for OMB Circular A-87, Q&A 2-16). The time and effort spent on non-federal grant management and technical issues would not be chargeable to federal grants.

**Time and Effort Reporting Required:** Personnel Activity Report (PAR). The employee, when completing the PAR, should distinguish the time spent on (1) each specific grant, (2) cross cutting federal compliance, and (3) other non-federal grant issues. See procedure *GP1200.2 Instructions for Completing the Personnel Activity Report (PAR) Form* for more details.

To implement the last example, the SDP Employee PAR Timetracker database contains, in addition to the ability to choose specific funds, the following categories which employees can chose to produce their PAR forms:

#### *Specific Fund Allocations*

- For time spent on management or administrative meetings or where technical support is provided for a specific fund, record that time to the specific fund.

#### *Cross-Cutting Categories*

- ***Federal grant compliance management, administration and technical support*** – Defined as management, administration, and technical support benefitting more than one federal cost objective and for which any of the cost objectives could be charged. Activity in this category would not be occurring if it were not for federal grant compliance and management activities. For example, the development of cross-cutting policies and procedures for grant administration and compliance. Other examples are management meetings to discuss the effectiveness of grant compliance controls, the training of compliance staff regarding grant control activities and procedures, meetings to discuss and train staff regarding the reimbursement of earned interest payable back to federal funds, etc. It's management's prerogative to determine which federal cost objective to charge.
- ***Non-federal grant compliance, management, administration and technical support*** – Defined as general grant management support activities that might benefit multiple grants, but where no *federal* grant compliance, management, or administration issues are the direct focus of the activity. For example, meetings where state grant compliance or funding issues are discussed, including the preparation for multiple state grant (non-federal) monitoring visits. Costs in this category may be chargeable to state and local grant funds. Given the work flow and nature of District operations, this category will likely incur little use.

#### *Other Categories*

- ***Development of new grants*** – Defined as time spent working on a new grant to the District and for which there is not yet an award and thus no charge to a grant can be made. The Office of Grant Development staff would use this category more than most offices. However, it is possible that personnel from other offices, notably Grant Fiscal Services (GFS), may also allocate time to this category if time were spent supporting Office of Grant Development staff on a new grant application. A distinction also needs to be made for time spent on “expanding” an award that in fact constitutes a “new” award. For example, time spent working on an application to expand the

existing Small Learning Communities (SLC) program to a new grant that serves a different set of schools and for which there is not yet an award would be categorized as a “development of new grants” and would not be allocable to the existing SLC program.

For time spent working on a renewal of an existing formula grant, the time spent would be allocated to the existing grant in the SDP Employee PAR Timetracker system. Time spent on the renewal of a competitive grant is not chargeable to the grant, unless prior approval has been requested and received by the grantor allowing such costs.

The allocation of employee time to a formula grant renewal should indicate the purpose of the allocation in the “Comments” section of the SDP Employee PAR Timetracker system.

- **ORE – Research Review Process** – For use by the Office of Research and Evaluation (ORE) only. Used to allocate time to research performed by outside entities, which may be charged for the services provided. ORE personnel should include in the “Comments” section of the SDP Employee PAR Timetracker database the proposal number, the name of the entity for which the work was performed, and a brief description of the work.
- **ORE – Internal Research Activities and Support** – For use by the Office of Research and Evaluation (ORE) only. Used to allocate time to internal research and support that is not chargeable to a specific grant.

#### Allocation of Personnel Costs on a Basis Other than Time

As discussed in guidelines issued by the United States Department of Education (USDE) Office of the Secretary in 1992, employees may allocate personnel charges among cost objectives on a basis other than the time spent on each cost objective<sup>1</sup>. Specifically, where an employee performs administrative, training, classroom teaching, technical assistance or other functions on a specific project that benefits more than one program or cost objective and the employee is unable to divide the time between each of the programs or cost objectives because of the nature of the project, costs may be charged to the programs or cost objectives on a basis other than the time spent, provided that charges are equitably distributed among funding sources.

For example, a special education teacher provides specialized instruction to a class composed of special education students and general education students suspected of having a disability and receiving coordinated early intervening services (CEIS). Under IDEA Part B, an LEA must track costs related to CEIS separately from program costs to ensure that the LEA does not exceed the 15% statutory cap on CEIS. The class is not structured in a way that permits allocation of time between groups, but rather the teacher provides specialized instruction to the class as a whole. The special education teacher, at the end of the reporting period, may prorate time equitably based on the proportion of special education students and general education students receiving CEIS. The allocation to each cost objective would change each month as the class roster and proportion of special education and general education students changed. The district must justify the use of this method and the basis for the cost allocation at the time the method is adopted.<sup>2</sup> The justification must be maintained in accordance with recordkeeping requirements.

In another example, employees in an accounts payable function process payments from all funding sources, but the accounting system does not allow employees to track their time spent on processing

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<sup>1</sup> See Guidelines for Support of Salaries and Related Costs under Programs of the U.S. Department of Education for Entities Governed by OMB Circular A-87, (3)(f), April 28, 1992, available at <http://www.eric.ed.gov/PDFS/ED344343.pdf>.

<sup>2</sup> See Guidelines for Support of Salaries and Related Costs under Programs of the U.S. Department of Education for Entities Governed by OMB Circular A-87, (3)(f).

payments charged to grants because employees do not know the funding source at the time the payments are processed. Costs for time and effort on the single activity of processing payments could be charged to grants on a basis other than time spent, such as the number of transactions processed in the pay period by funding source compared to all transactions processed. The costs of such employees' time that is chargeable to any single grant would be based on the proportion of the number of transactions processed under the single grant to the entire number of transactions processed for that pay period. The district must justify the use of this method and the basis for the cost allocation at the time the method is adopted.<sup>3</sup> The justification must be maintained in accordance with recordkeeping requirements.

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<sup>3</sup> See Guidelines for Support of Salaries and Related Costs under Programs of the U.S. Department of Education for Entities Governed by 2 CFR Part 200.430.

**Procedure Steps**

<b>RESPONSIBLE POSITION</b>	<b>Step</b>	<b>ACTION TAKEN</b>
GCO	1	<p style="text-align: center;"><b>CENTRAL OFFICE LOCATED PERSONNEL</b></p> <p>For Central Office located personnel perform, at a minimum, an annual review of offices to ensure that all federally funded personnel are compliant. More frequent reviews may be necessary with grant program manager turnover. As new employees are added, or existing employee duties are modified, or change occurs as the result of reorganizations, GCO shall re-assess the employee(s) cost objective status and take appropriate action if necessary.</p>
		<p style="text-align: center;"><b>SCHOOL LOCATED PERSONNEL</b></p>
GCO	2	<p>Review school based positions through the SMS position allocation and school principal budgeting process to ensure compliance. Continue the SMS review post Leveling for compliance and require changes as may be necessary. Continue to review actual employee work during the year to be sure it's consistent with their job description and funding source and initiate compliance JVs where appropriate.</p>



**Forms**

- *Time and Effort Certification Form*

**Definitions**

**Contacts**

- *Grant Compliance Office*
- *Grant Fiscal Services*
- *Office of Grant Development*

**Frequently Asked Questions**

**Related Information**

- *2 CFR Part 200.430 (UGG)*
- *GP1200 Certification of Employee Time and Effort*
- *GP1200.2 Completing a Time and Effort Certification (CERT)*
- *GP1200.3 Completing a Personnel Activity Report (PAR)*

**History**

**Amended:**

- **Amended on 4/27/2015 to update references to the UGG and make technical adjustments.**

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