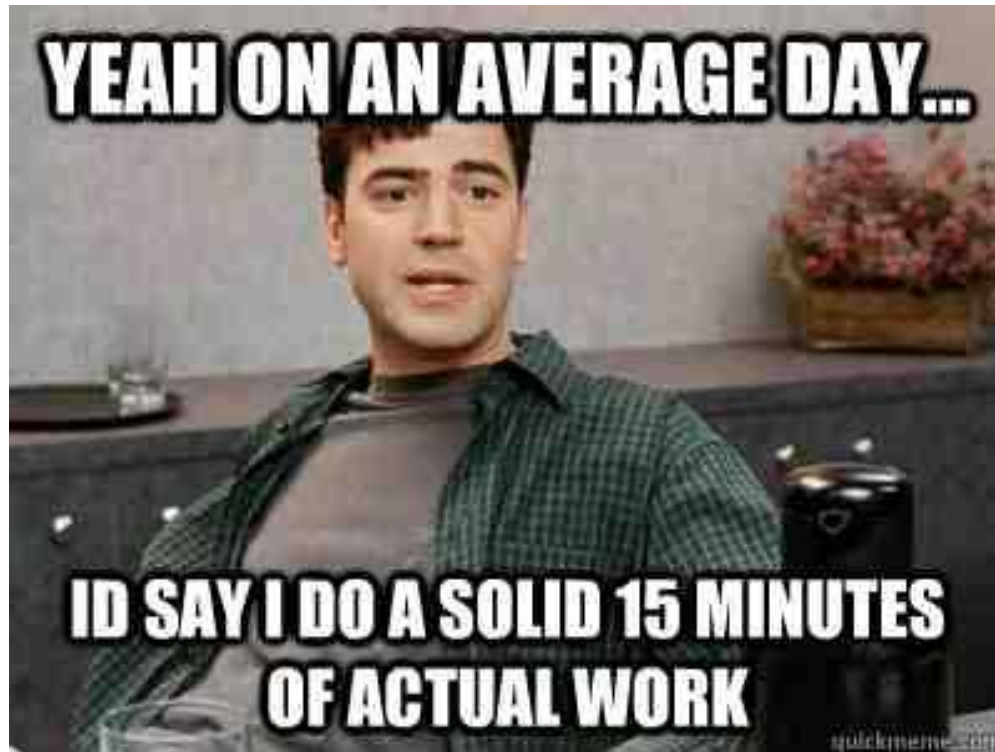


Tracking Effort Takes Time!



Time and Effort Reporting

Bonnie Graham

bgraham@bruman.com

www.bruman.com

Why does this issue matter?

Northeastern University

- **\$2.7 million settlement** to cover 9 years of mishandling federal research funds - including paying salaries without required documentation

Jackson State University

- **\$1.17 million settlement** over time and effort reporting

Why does this issue matter?

- Detroit Public Schools
- **\$47 million Time and Effort Finding (Audit July 2008)**
 - Personnel costs were not supported by adequate and timely time and effort certifications
- **Follow-up Audit (May 2018)**
 - During fiscal years 2012, 2013, and 2015, Detroit disclosed findings of incorrect or missing time and effort documentation.
 - Internal policy that supervisors had to approve timesheets.
 - Internal policy was not followed for 22 out of over 3,000 employees.
 - Corrective Action: Update its policies and procedures and information system controls to ensure that supervisory approval for all employees' timesheets is documented before the employees are paid.

What is Time and Effort Reporting?

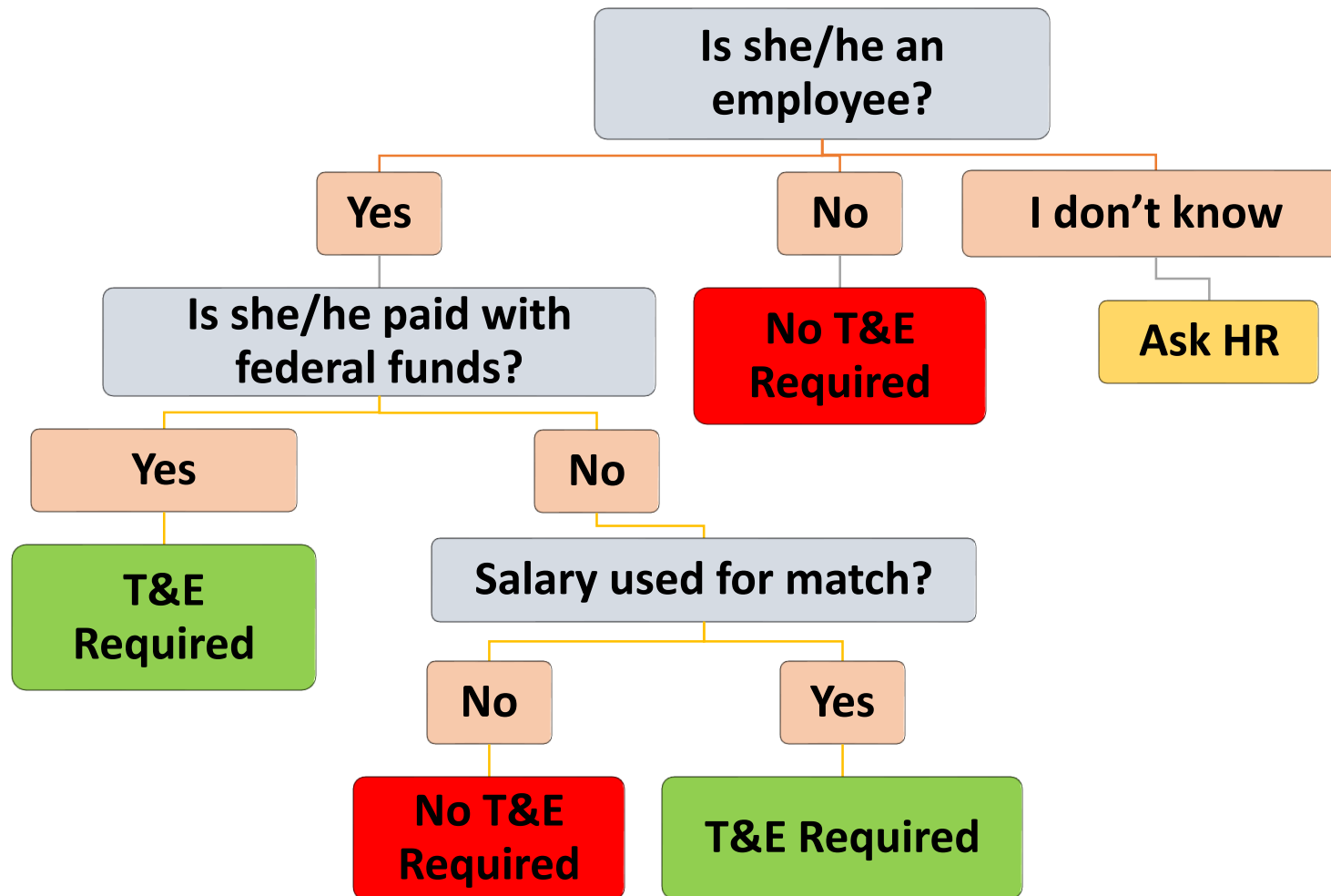
- Documents time spent on any activity
- More than HR timekeeping!
- Not just about source of funds! It's about the effort of the employee!



What is the point of time and effort reporting?

- Allocability
 - Any employee funded by federal grants must maintain documentation showing that their time is allocable to a federal program. 2 CFR 200.403(a)
- That documentation must be based on records accurately reflect the work performed. 2 CFR 200.430(i)

Does “X” Employee have to keep time and effort records?



Federal Stipends

If a State-funded employee is paid a stipend with federal funds for attending professional development, does time and effort documentation have to be kept?

A. Yes

B. No

Federal Stipends

- Federal funds can generally be used to pay for stipends for professional development or other extra-curricular activities.
- Time and Effort documentation must be kept.
- Maryland January 2013 ARRA Audit -
 - Documentation not kept for employees partially funded with federal funds.

What is required by law?

Under 200.430(i)(1), these records MUST:

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

Retains Capturing Time By Cost Objective

- What is a cost objective? 200.28
 - Activities
 - Mandated set-asides
 - Mandatory minimums
 - Anything that requires separate cost accounting
- Examples 200.430(vii):
 - More than one Federal award, a Federal award and a non-Federal award, an indirect and direct cost activity, etc.
 - 10% administrative set-aside, 1% mandatory minimum, etc.



How Many Cost Objectives Do You Work On?

I am the ESSA Title I professional development coordinator. My boss just added parental involvement coordinator to my job duties (lucky me!).

☐ Single Cost Objective

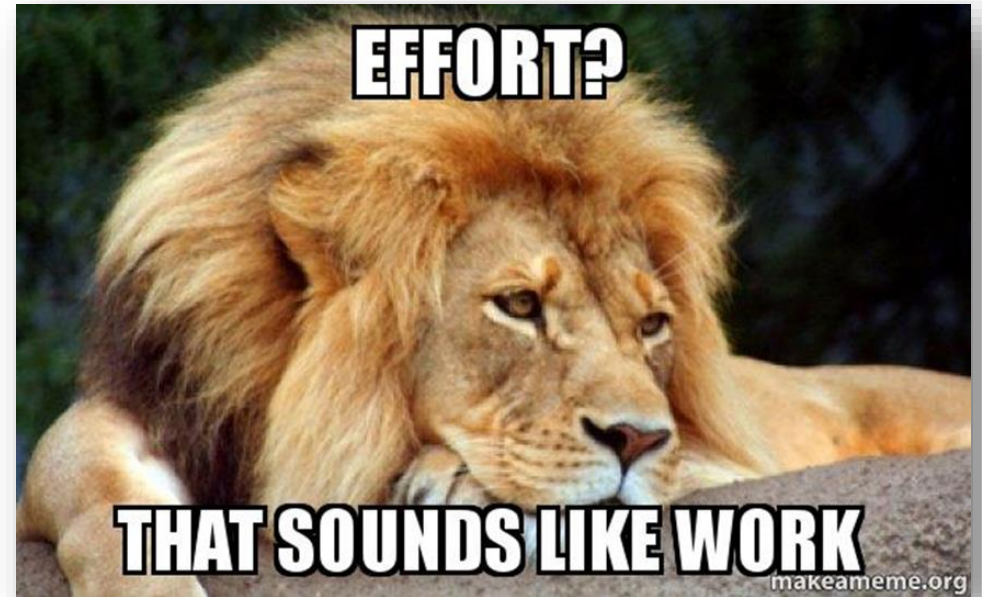
☐ Multiple Cost Objective

☐ Not a Cost Objective

How Many Cost Objectives Do You Work On?

I work in a schoolwide school that consolidates federal, State, and local funds, and I am paid with Title I Part A, and Title II admin funds.

- ☐ Single Cost Objective
- ☐ Multiple Cost Objective
- ☐ Not a Cost Objective



How Many Cost Objectives Do You Work On?

I am the ESSA Title I District Administrator who oversees the public and private school Title I, A program.

- ☐ Single Cost Objective
- ☐ Multiple Cost Objective
- ☐ Not a Cost Objective

How Many Cost Objectives Do You Work On?

I am the Federal Programs Director.

- ☐ Single Cost Objective
- ☐ Multiple Cost Objective
- ☐ Not a Cost Objective

Use of Budget Estimates

200.430(i)(1)(viii)



- Budget estimates alone do not qualify as support for charges to Federal awards.
- May be used for interim accounting purposes if:
 - Produces reasonable approximations
 - Significant changes to the corresponding work activity are identified in a timely manner
 - Internal controls in place to review after-the-fact interim charges based on budget estimates

What to do when effort does not match budget?

- Two Options:
- (1) Change job duties to ensure more time is spent on funded cost objectives
- (2) Change budget to ensure it is aligned with job duties

If a federally paid teacher works on a single cost objective but also has limited other responsibilities, such as cafeteria or bus duties. This teacher must keep:

- A. Monthly PARs
- B. Semi-annual certifications

De Minimus Benefit

- Limited work on another cost objective does not need to be captured in time and effort records.
- Employees may work 5% or less on another cost objective.
- The work performed on these limited duties cannot deprive a benefit from the intended beneficiaries.

The Montana Compact on Time Distribution, at p. 8, Q11.

Reconciliation

200.430(i)(1)(viii)(C)

- All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

How do we allocate costs?

200.405

- Any cost allocable to a particular Federal award **may not** be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons.
=Cost Shifting!
- But, still can shift costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal award.

What do we do when a cost benefits two or more projects?

- Cost should be allocated to the projects based on proportional benefit.
 - If you can determine this without undue effort or cost
- If proportions cannot be determined, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Percentages

200.430(i)(1)(ix)

- Because practices vary as to the activity constituting a full workload, records may reflect categories of activities expressed as a percentage distribution of total activities.

AEFFA Proposed T&E Flexibility

The Association of Education Federal Finance Administrator's (AEFFA) Proposals for New Time and Effort Systems (June 15, 2016)

1. Certification of Actual Time Worked
2. Blanket Certification
3. Official Record of Employee Activities
4. Electronic Submissions/Approvals
5. Roll-up Time and Effort Tracking
6. Allocation of Effort Using a Basis Other than Time

Located at: www.bruman.com/resources/

ED Cost Allocation Guide Draft

- Written policies and procedures are **essential** to implementing an effective time reporting system.
- The state and local unit of government should develop instructions for:
 1. the completion of time and attendance reporting;
 2. the approval cycle that is required;
 3. the processing of personnel charges to federal awards;
and
 4. the internal review process that will be established to ensure effective internal control over the Federal award.



Thinking about time and effort creatively...



Employees working in District Office

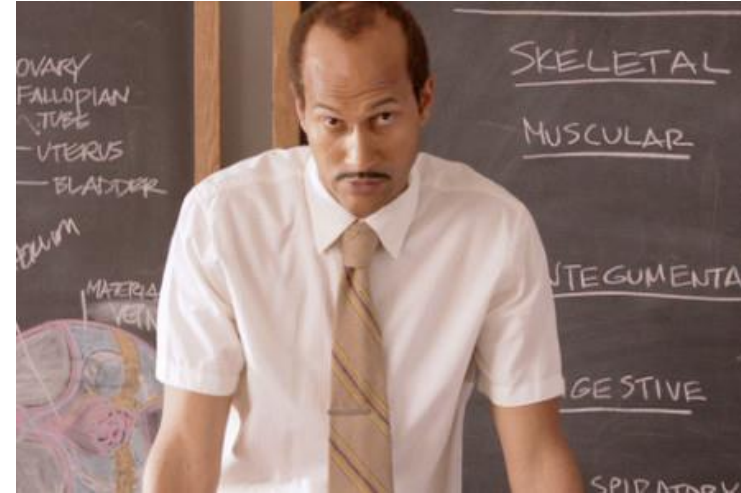
- Maintain more detailed records, such as monthly or quarterly PARs
- Schedule regular meeting to review work activity against budget
 - Two options for corrections:
 - Program fix – change corresponding work activity to align with budget
 - Fiscal fix – change budgeted compensation to align with actual work

Employees working in Schoolwide Schools

- For school-level employees working 100% on schoolwide programs:
 - Generate report listing all of those employees
 - Principals will review and sign reports to confirm those who worked exclusively on the schoolwide program
 - Principal must notify applicable office if any adjustments are needed

Substitute Teachers

- Track substitute teacher time and effort
- Have substitute teacher report to the school site and sign in and out of the site on each day of the assignment
- On a monthly basis, the Principal/Manager receives a time summary report which includes substitutes
 - The Principal/Manager verifies hours being reported



Substitute Teachers (cont.)

- Two options for charging:
- Allocation is charged to a specific grant for teacher **release time** to attend a professional development or training
- Allocation is based on that of the absent teacher.
 - If a teacher substitutes for a teacher paid 100% by Title I program funds, the substitute teacher's compensation for the assignment is also charged 100% to Title I program funds

Employees receiving extra pay

- Extra pay = compensation beyond base salary
 - (e.g., after-school or Saturday professional development activities, summer school or after-school tutoring programs)
- Each employee that works extra hours must fill out a time card in order to receive extra pay:
 - Completed after-the-fact
 - Indicates total number of extra hours the employee worked
 - Lists the cost objective/activity and corresponding funding source used for the extra pay
- Time cards are submitted for review by the employee's supervisor and entered into the payroll system.

School Site Custodians

- Create detailed daily schedule based on square footage and fixed structures (number of bathrooms, hallways, etc.)
- Allocate time spent on cafeteria and related food services areas to the cafeteria fund
- Time spent on custodial services to all other areas is charged to nonfederal funds
- Custodians review the pre-determined schedule at the end of each semester and confirm or revise schedule based on actual time and effort
- Conduct random sampling of pre-determined schedules to confirm times allotted for each room and/or activity



Time and Effort Documentation Examples

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certification

Name: Jessica Fletcher
Date: From July through December 2017
Office: Professional Development

I hereby certify that I spent 100% of my time working on Title II, A Administration
(cost objective)

during the time period indicated above.

Jessica Fletcher,
Name, Position

Professional
Development
Coordinator

12/29/17
Date

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certification

Name: PERRY MASON

Date: From JULY through DECEMBER 2017

Office: HUDSON MIDDLE SCHOOL

I hereby certify that I spent 50% / 50% of my time working on TITLE I Admin / SPECIAL EDUCATION Admin
(cost objective)

during the time period indicated above.

Perry Mason, Admin
Name, Position

12/22/17
Date

Dillon Elementary School

Personnel Activity Report

Employee: Tami Taylor Office: Federal Programs

Reporting Period: Sept. 1, 2016 - Sept. 30, 2016

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Cost Objective	Account Number	Distribution of Time
21st CCLC	500	30%
Title II Admin	700	60%

Signature: Tami Taylor Date: 10/1/16

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certification

Name: Veronica Mars
Date: From Dec 18 through Dec 29, 2017.
Office: Federal Programs

Date	Cost Objective: <u>SIG 1003</u>	Cost Objective: <u>Dir. St. Support 1003A</u>	Total Hours
	Hours	Hours	
12/18	4	4	8
12/19	5	3	8
12/20	5	3	8
12/21	4	4	8
12/22	8	0	8
12/25-27 th	(Break) —	—	—
12/28	4	4	8
12/29	4	4	8

I hereby certify that the above is an accurate representation of the work performed during the time period indicated.

Veronica Mars, SIG
Name, Position Coordinator

12/30/17
Date

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certification

Name: THOMAS MAGNUM
Date: From 12/18/17 through 12/30/17.
Office: Fed Programs

Date	Cost Objective: <u>Fed Programs</u>	Cost Objective: <u>STATE PROGRAMS</u>	Total Hours
	Hours	Hours	
12/18	4	4	8
	4	4	8
	4	4	8
	4	4	8
	4	4	8
	4	4	8
	4	4	8
	4	4	8
12/30	4	4	8

I hereby certify that the above is an accurate representation of the work performed during the time period indicated.

THOMAS MAGNUM
Name, Position

12/30/17
Date

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certifications

Name: Mickey Callaway
Date: From Aug. 2016 through May 2017
Office: Citi Field High School

The following employees spent 100% of their time working on schoolwide school objectives, goals and programs.

Employee Name
Jacob DeGrom
Matthew Harvey
Noah Syndergaard
Steven Matz
Zachary Wheeler

I hereby certify that the above is an accurate representation of the work performed during the time period indicated.

Mickey Callaway, Principal
Name, Position

6/1/17
Date

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certifications

Name: Cersei Lannister

Date: From Aug. 2016 through May 2017

Office: Westeros Elementary School

The following employees spent 100% of their time working on the identified cost objectives from Aug. 2016 through May 2017

Employee Name	Cost Objective/Description
Petyr Baelish	SW
Sansa Stark	SW
Jon Snow	Title III Coordinator
Jorah Mormont	SW
Davos Seaworth	21st CC LC
Brienne Tar-th	SW

I hereby certify that the above is an accurate representation of the work performed during the time period indicated.

Cersei Lannister, Principal
Name, Position

6/1/17
Date

Sherlock School District

221B Baker Street
Holmes, VA 12345



Time and Effort Certifications

Name: Jimmy McNulty
Date: From August through May
Office: Wire Elementary School

The following employees spent 100% of their time working on the identified cost objectives from August through May.

Employee Name	Cost Objective/Description
<u>William Rawls</u>	<u>SW</u>
<u>Rhonda Pearlman</u>	<u>21st CCLC</u>
<u>William Moreland</u>	<u>Title III Coordinator</u>
<u>Cedric Daniels</u>	<u>SW</u>

I hereby certify that the above is an accurate representation of the work performed during the time period indicated.

Jimmy McNulty
Name, Position

Date

Dr. John H. Watson

From: John H. Watson
Sent: Friday, December 28, 2017 3:45 PM
To: Elementary Smith
Subject: RE: Time and Effort Due

Hi Elementary, Sorry I forgot to fill out the form before I left for break, but as usual I spent the entire school year thus far (August to December) administering the Kids Eat Free Grant. Thanks

Have a great holiday! - Johnny

Dr. John H. Watson, Administrator
Sherlock Elementary School
221B Baker Street
Holmes, VA 12345
(800) 867-5309
watson@ses.edu

**This email is only intended for the identified recipient.*

From: Elementary Smith
Sent: Monday, December 18, 2017 10:00 AM
To: All staff <allstaff@ses.edu>
Subject: Time and Effort Due

Don't forget to submit your time and effort certifications back to me before you leave for break!

Thanks,
Elementary Smith, Assistant
Sherlock Elementary School
221B Baker Street
Holmes, VA 12345
(800) 867-5309
esmith@ses.edu

Dr. John H. Watson

From: John H. Watson
Sent: Friday, December 28, 2017 3:45 PM
To: Elementary Smith
Subject: RE: Time and Effort Due

Hi Elementary, My bad on not filling it out, but ya I spent my time like I usually do.

Have a great holiday! - Johnny

Dr. John H. Watson, Administrator
Sherlock Elementary School
221B Baker Street
Holmes, VA 12345
(800) 867-5309
watson@ses.edu

**This email is only intended for the identified recipient.*

From: Elementary Smith
Sent: Monday, December 18, 2017 10:00 AM
To: All staff <allstaff@ses.edu>
Subject: Time and Effort Due

Don't forget to submit your time and effort certifications back to me before you leave for break!

Thanks,
Elementary Smith, Assistant
Sherlock Elementary School
221B Baker Street
Holmes, VA 12345
(800) 867-5309
esmith@ses.edu

|Grey-Sloane Elementary School
Official Record of Employee Activities

Employee: Miranda Bailey

Position: Teacher

Employee Schedule

Class Period	Accounting Code	Class	Program
1	400	English	Non-Federal
2	300	Special Education	IDEA, Part B
3	300	Special Education	IDEA, Part B
4	400	English	Non-Federal
5	300	Special Education	IDEA, Part B

LITTLE SCHOOL DISTRICT
MULTI-FUNDED CATEGORICAL PERSONNEL CERTIFICATION

School Year: 2017-18

Employee Name: Richard Weber

Position: Program Director

Resource / Program	Daily Hrs.	%
0100 General Fund	.94	14
3010 Title I	5.81	86
4035 Title II		
Total	6.75	100



Employee Signature



Date

Compliance

200.430(i)(2)

- For records which meet the standards, the non-federal entity will not be required to provide additional support or documentation for the work performed.

Noncompliance 200.430(i)(8)

- For a non-Federal entity where the records do not meet these standards:
 - USDE may require personnel activity reports (PARs), including prescribed certifications or equivalent documentation that support the records as required in this section.
 - PARs are not defined!!

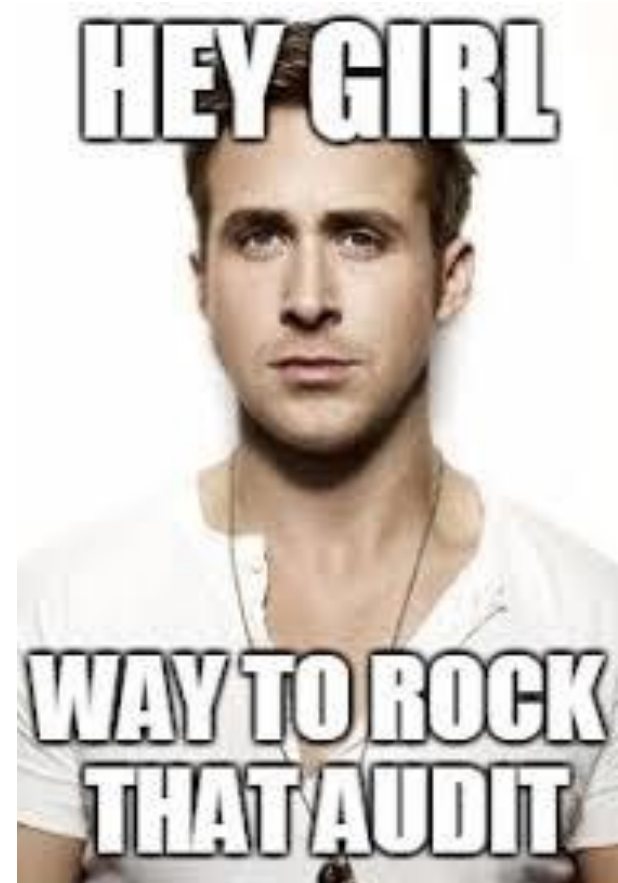
Time and Effort Training

- Update Policies and Procedures with time and effort requirements
- Train staff (annually) on time and effort



Auditing of Time and Effort Documentation

- Interview employees
- Sample documentation
- Example of reconciliation
- Auditor red flags!



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