

Testing Your Time and Effort Allowability Rules and Recent Updates

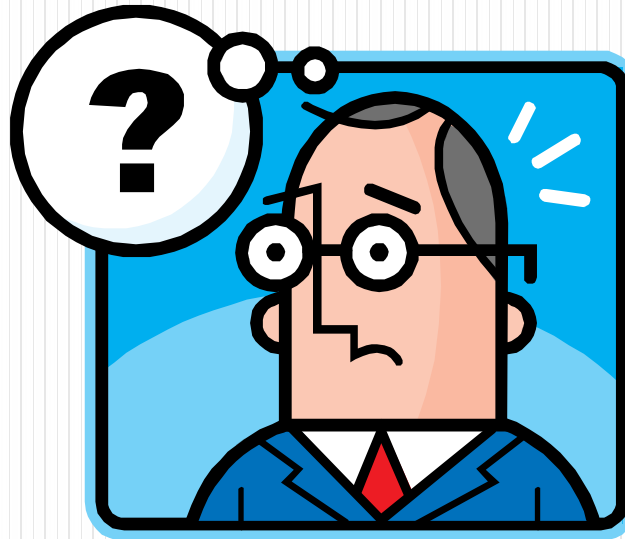
Tiffany R Winters, Esq.

twinters@bruman.com / @Trwinters

Brustein & Manasevit, PLLC

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How Much Do You Know About Time and Effort??



Question

A district administrator works approximately half time on NCLB Title I, Part A, and half on IDEA. She is required to keep:

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

Question

A district administrator works approximately half time on NCLB Title I, Part A, and half on Title I, Part C (Migrant). She is required to keep:

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

Question

It is not possible to work on a single cost objective if an employee is paid out of multiple funding sources (i.e. Title I, A and state funds).

- A. True
- B. False

Question

A district administrator works approximately half time on NCLB Title I, Part A, and half on non-federal activities, but is paid 100% from Title I, Part A. She/He is required to keep:

- A. Monthly PARs
- B. Semi-annual certifications
- C. Bail money on hand

Question

The district's NCLB Director works on Title I, Part A, Title II, Part A, and 21st Century. The district consolidates its NCLB administrative funds. The Director is required to keep:

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

Question

The district has a contract with a vendor for afterschool tutoring of Title I students. The contract is paid with Title I funds. Do the contractor's employees need to keep time and effort records?

- A. Yes
- B. No

Question

A Title I paid classroom teacher in a targeted assistance school must keep time and effort records.

- A. True
- B. False

Background on Time and Effort Rules



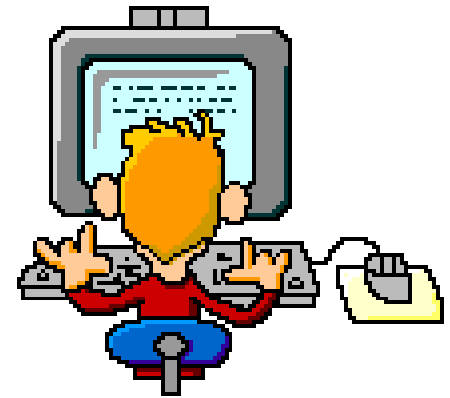
OMB Circular A-87 Time and Effort Rule

Compensation for Personnel Services:

- If federal funds used for salaries, then time distribution records are required.
- Must demonstrate – If employee paid with federal funds, then employee worked on that specific federal program/cost objective.

Who must participate?

- ▶ *Any **employee** who is **working** on a federal program*
 - Not contractors
 - All employees paid with federal funds
 - Some employees paid with non-federal funds



A-87: If employee works 100% on single cost objective

- Semi-Annual Certification
 - Completed at least every six months
 - Signed by a supervisor with knowledge of the employee
 - After-the-fact record (dated)
 - Accounts for the total activity for which employee compensated
 - Must coincide with one or more pay periods

A-87: If employee works 100% on single cost objective

- Semi-Annual Certification
- “This is to certify that Tiffany Winters has worked 100% of her time for the period July 1, 2012, through December 31, 2012, on Title I Admin.”
Signature of employee: /s/
Date: January 5, 2013

A-87: If employee works on multiple cost objectives



Personnel Activity Reports

- After-the-fact record (dated)
- Accounts for the total activity for which employee compensated
- At least monthly
(unless substitute system)
- Signed by the employee
- Must coincide with one or more pay periods

A-87: PARs

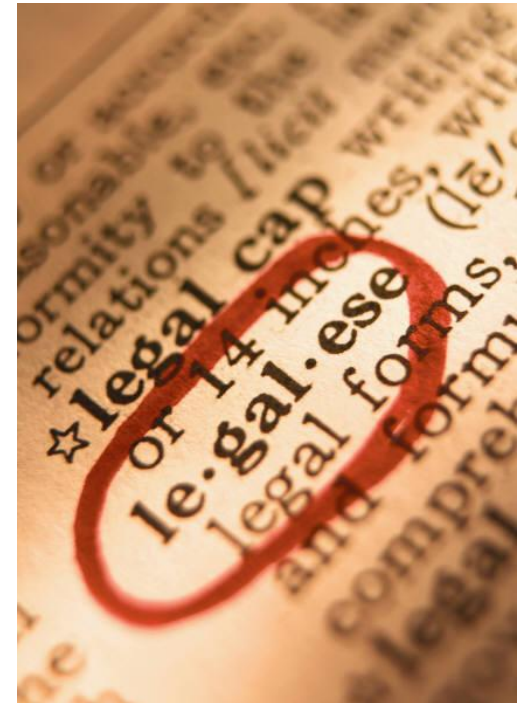
- Personnel Activity Reports (PAR)
- “For the month of August 2012, I, Tiffany Winters, spent my time 50% on Title I Program Services and 50% on non-federal programs.”

Signature of Employee: /s/

Date: September 1, 2012

What is a “Cost Objective”?

- A-87 Definition: A function, organizational subdivision, contract, grant or other cost activity for which cost data are needed and for which costs are incurred.



Examples of Cost Objectives

- A Minimum Set-Aside or Maximum Cap:
 - Title I – LEA Parent Involvement minimum (at least 1%);
 - Title III – Cap on administration (no more than 2%)
- Program services
 - Title I program services
- Flexibility
 - Consolidated Administration
 - Schoolwide Program

New Time and Effort Guidance by OCFO!!

<http://www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html>



WHAT IS A SINGLE COST OBJECTIVE???

OCFO: “The criteria for whether an employee may document time and effort using a semiannual certification or must fill out a monthly PAR can be confusing.”

OCFO Guidance

- It is possible for multiple programs to have the same cost objective, which creates confusion over whether the presence of a single cost objective or being funded by multiple programs should determine what time-and-effort documentation an employee must complete.

OCFO Guidance (cont.)

- It is possible to work on a single cost objective even if an employee works on more than one Federal award or on a Federal award and a non-Federal award.
- *The key to determining whether it is a single cost objective is whether the employee's salary and wages can be supported in full from each of the Federal awards on which the employee is working or from the Federal award alone if the employee's salary is also paid with non-Federal funds.*

OCFO Guidance Examples of Single Cost Objectives:

Title I, Part A funds and State compensatory education funds

- An LEA supports a supplemental math teacher to serve low-achieving students with 50 percent Title I, Part A funds and 50 percent State compensatory education funds.
- Teaching math to low-achieving students is a single cost objective because it can be fully supported under Title I, Part A.
- Only a semiannual certification, therefore, is required even though the employee's salary is supported by a Federal award and a non-Federal award.

OCFO Guidance Examples of Single Cost Objectives:

Title I, Part A funds and local funds

- An LEA supports an elementary school teacher with local funds but pays her with Title I, Part A funds to provide after-school tutoring for low-achieving students.
- Although the teacher could not be paid with Title I, Part A funds to provide elementary education, the portion of her time spent on after-school tutoring is easily separated from her teaching position by her schedule.
- Accordingly, the teacher's after-school tutoring is a single cost objective and she need only file a semiannual certification for the time she works in the after-school program supported by Title I, Part A funds.

Bruman Game: Why Are These Examples WRONG?



Semi-Annual Certification Examples

I, Justin Beiber, certify that I worked solely on the Federal Grant program from January 1, 2013 to June 30, 2013.

Signature of Employee

_____/s/_____

Date: September 1, 2013

Semi-Annual Certification Examples

I, Taylor Swift, certify that I worked 100% of my time on Title I, A Administration from January 1, 2012 to June 30, 2013.

Signature of Employee

_____/s/_____

Date: June 20, 2013

Semi-Annual Certification Examples

I, Julia Roberts, certify that I worked 100% of my time on Title I,A program teaching class from January 1, 2013 to June 30, 2013.

Signature of District Superintendent

_____/s/_____

Date: July 2, 2013

Semi-Annual Certification Examples

January 1 through June 30, 2013

I, Barack Obama, certify that I worked solely on project, initiatives, and issues which have implications and consequences based and/or related to Federal programs and policies.

Signature of Employee

_____/s/_____

Date: June 30, 2013

Signature of Supervisor

_____/s/_____

Date: August 2, 2013

PAR Examples

I certify that for the month of December 2012 I, Lady Gaga, spent my time working on the following programs:

Title I, Admin	100%
State programs	<u>100%</u>
Total	200%

Signed: _____ /s/ _____

January 5, 2013

PAR Examples

I certify that for the month of August 2013 I, Michelle Obama, spent my time working on the following programs:

Title I, Admin	20%
State programs	<u>30%</u>
Total	50%

Signed: _____ /s/ _____

September 10, 2013

PAR Examples

Dear Employee: Please sign the pre-populated form if accurate.

I certify that for the month of July 2013, Ashton Kutcher, spent my time working on the following programs:

Title I, Admin	75%
State programs	<u>25%</u>
Total	100%

Signed: _____ /s/

August 5, 2013

Substitute Systems and OCF0 Changes



Substitute Systems Generally

- OMB Circular A-87 authorizes the use of substitute systems for allocating salaries and wages.
- ED must approve SEA' s system.
 - Can include:
 - Random moment sampling
 - Case counts
 - Other quantifiable measures of employee effort

Substitute Systems Changes

- An SEA would be permitted to allow an LEA to use alternative documentation through approved substitute system.
- For example, could use a teacher's course schedule (instead of PARs) for an individual who works on multiple activities or cost objectives but does so on a predetermined schedule.
- An individual documenting time and effort under the substitute system would be permitted to certify time and effort on a semiannual basis, provided certain requirements are met.

Substitute Systems Changes (cont.)

- The SEA must obtain from the LEA a management certification certifying that:
 1. Only eligible employees will participate
 - Employees must –
 - Currently work on multiple activities or cost objectives (require PARs);
 - Work on specific activities or cost objectives based on a predetermined schedule; and
 - Not work on multiple activities or cost objectives at the exact same time on their schedule.
 - Not work on multiple activities or cost objectives at the exact same time on their schedule.
 2. Sufficient controls are in place to ensure that the schedules are accurate
 3. The certification must disclose any known deficiencies

New Substitute Systems Requirements

- (1) System Guidelines.
- (2) In lieu of PARs, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule that meets the standards under section (3).
- (3) Each Employee's work schedule must indicate the cost objective(s) that the employee worked on and account for the total hours compensated:
 - Be certified at least semiannually; **and**
 - Signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.
- (4) Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified.
- (5) PARs must be used when there is a significant deviation.

What about OMB's proposed Super Circular??



General Requirements

- The distribution of salaries and wages must be supported by certifications of the consistency of charges with the work executed.
- All required certifications may be provided electronically
- Reports may use percentages to reflect categories or total activities

Semi-Annual Certifications

“Periodic Certifications”

- Expected to work on a single federal award or cost objective
 - Must be supported by periodic certifications;
 - That the employee worked solely on that program;
 - Prepared at least semi-annually; AND
 - Must be signed by the employee or responsible supervisory official.

Certified Reports

- Certified reports reflecting the distribution of charges within the payroll for each employee (professional and nonprofessional) whose compensation is charged, in whole or in part, directly to Federal awards must be maintained.
- Report can be integrated with or separate from payroll
 - If integrated duplication of reports is not required.

Certified Reports (cont.)

- There is no single best method... but any method must meet the following requirements:
 - Must be after-the-fact
 - Unless a mutually satisfactory alternative is approved by the awarding agency.
 - Certification periods are to be established as appropriate to provide adequate oversight
 - But can not exceed 12 months

Certified Reports (cont.)

- Budget estimates do not qualify as certified reports.
- Certified Report **MUST** be signed by the individual employee or an individual responsible for verification that the work was performed.
 - If work under multiple awards and certification is performed by supervisory panel, each certifier need address only elements relevant to their function, but will have access to activity reports compliance with this section.

Certified Reports (cont.)

- For systems that meet these standards, the recipient **WILL NOT BE REQUIRED** to provide additional support or documentation for the effort actually performed.
- Practically, what does this mean??

Substitute Systems

- Substitute systems may be used in place of these reports if approved by the cognizant agency.
 - These systems are subject to approval if required by the cognizant or oversight agency.
- May include random moment sampling, “rolling” time studies, case counts, or other quantifiable measures of employee effort.

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