



A QUICK GUIDE ON TIME & EFFORT

TIME DISTRIBUTION RECORDS



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Statement of Purpose

The purpose of this guidance is to assist subgrantees to understand what documentation they are to maintain at a minimum for time distribution records ("Time & Effort") . These requirements are set forth under Circulars Number A-87 and A-122, which are established by the White House's Office of Management & Budget (OMB). These circulars are Instructions or information issued by OMB to (all) Federal agencies such as the U.S. Department of Education and the U.S. Department of Agriculture.

When a subgrantee signs a General Statement of Assurance (GSA), it guarantees accountability to the United States of America and the State of Arizona by the recipients of federal and state assistance grants. Consistent with Title 34 of the Code of Federal Regulations (CFR), Sections 76-85, the local educational agency (LEA) assures if awarded a grant, subgrant, or contract, that the subgrantee will accept funds in accordance with applicable federal and state statutes, regulations, program plans and applications, and administer the programs in compliance with all provisions of such statutes, regulations, applications, policies and amendments. This includes the rules set forth for the support of salary and wages, specifically time distribution records.

This handbook is designed to provide guidance. Each LEA is responsible for implementing sufficient procedures to ensure they are in compliance with the appropriate OMB Circular.

Support of Salary and Wages

OMB Circular A-87, Attachment B, Item 8 (h) and OMB Circular A-122, Attachment B, Item 8 (m) — Support of Salary and Wages.

These standards regarding time distribution are **in addition to the standards for payroll documentation**. (1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit./organization.

What is payroll documentation?

Payroll, also called employee compensation, takes different forms. Some employees collect a *salary* (yearly, monthly, or weekly rate) or work for a *wage* (hourly rate). Some employees receive a *commission* (percentage of sales) and some are rewarded with a *bonus* (an amount above regular compensation). Many entities pay employee *fringe benefits*, which are a form of employee compensation.

Entities organize the payroll data in a special journal called a *payroll register* or payroll journal. It gives the employer the information needed to record payroll for the pay period. Other examples of payroll documentation include but are not limited to -

- Leave slips,
- Timesheets,
- Related correspondence (i.e. E-mails),
- Job descriptions,
- Employment contracts,
- Personnel Action Requests (i.e. an employee is transferred from a federal position to a non-federal position),
- Resignation letters and/or board minutes, and
- Payroll reports (see Appendix A).

Examples of Standard Payroll Documentation



Leave slips



Time cards



Employment contracts



E-mails



Board meeting minutes

Section I. State, Local, and Indian Tribal Governments

OMB Circular A-87, Attachment B, Item 8—Compensation for personal services. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this Circular, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities;
- (2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and
- (3) **Is determined and supported as provided in subsection h.**

Periodic Certifications

OMB Circular A-87, Attachment B, Item 8 (h) (3). Periodic Certifications are commonly known as Semiannual or Biannual Certifications. They are required to be completed *at least* every six-months. The only personnel that may utilize this method are employees who dedicate 100% of their time during a fiscal year to one federal program or cost objective. OMB Circular A-87, Attachment B, Item 8 (h) (3) specifically requires the following elements be address when these certifications are completed -

- Prepared at least semiannually,
- Signed by the employee *or* supervisory official having first hand knowledge of the work performed by the employee, and
- A statement that the employees **worked** solely on that program for the period covered by the certification.

What does this mean?

- The employee or her/his supervisor must sign the periodic certification **after** the work was performed.
- School districts often prepare certifications that cover the periods of July to December and January to June for a given fiscal year. These periodic certifications are signed shortly after December 31 and after June 30.
- These periodic certifications must be dated on the date they are signed by the employee or the employee's supervisor.
- These periodic certifications *cannot be prepared and signed before* the work has been completed.
- These periodic certifications cannot be completed by employees who are also paid from any other fund (i.e. Maintenance & Operations).
- Many periodic certifications have a statement such as "I Jane Doe certify that I have spent 100% of my time performing Title I duties from July 1, 2006 through December 31, 2006."
- The certification should identify the LEA's name, reporting period, employee's name, employee's position, and federal program.



Question. What about stipends? What if I pay stipends to regular education staff for professional development activities?

- See 'Section III' for more information.

Question. What about non-profit charter schools? Can non-profit charter schools fill out periodic certifications?

- No. See 'Section II' for more information.

Question. Doesn't a person who is a teacher under Regular Instruction (Fund 001) and under Title I (Fund 110) fall under the concept of a single cost objective and be able to complete a periodic certification?

Answer. No.

- A "cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. A Title I teacher provides supplemental services to *different student populations* and therefore the function/activity is not identical. Supplemental services are *additional academic instruction* designed to increase the academic achievement of students. These services, which are in addition to instruction provided during the school day, may include academic assistance such as tutoring, remediation and other supplemental academic enrichment services that are consistent with the content and instruction used by the local educational agency (LEA) and are aligned with the State's academic content and achievement standards.
- Additionally, Section 8 (h) (4) under this Circular specifically states that personnel activity reports are required when employees work on:

Periodic Certifications

- a. More than one Federal award,
- b. **A Federal award and a non Federal award,**
- c. An indirect cost activity and a direct cost activity,
- d. Two or more indirect activities which are allocated using different allocation bases, or
- e. An unallowable activity and a direct or indirect cost activity.

Question. I have a Special Education teacher who works on state funded and IDEA funded activities. Isn't this an example of a 'single cost objective'?

Answer. Yes.

- A special education teacher is considered to have a single cost objective because the teacher works only with special education and serves one student population. However, if this teacher performs any duties outside of the LEA's special education program, this teacher will be required to complete a personnel activity report.

Example: A teacher spends all of his or her time providing special education services. Her salary is budgeted and charged 50 percent to the federal IDEA, Part B program and 50 percent to state's or local special education funding sources, the teacher reports all of this time to a single cost objective because the student population being served is the same. However, another teacher provides services to students under the Federal IDEA, Part B program for 60 percent of his or her time and to students under the state's bilingual education program for 40 percent of his or her time. Since the student population that is being served is not the same, two cost objectives are reported and require that a personnel activity report be completed.

Question. What about schoolwide programs? What if I have employees at a school site with a schoolwide program?

- See 'Section IV' for more information.

Question. A teacher was solely (100%) a Title I teacher for the first half of the school year and changed positions mid-year. This teacher became a regular education teacher for the second half of the school year and did not work on any federal activities. Do we have to maintain time distribution records for this employee for the entire year?

- No. The teacher is required to complete a periodic certification for the period the work was performed and the LEA is required to maintain this documentation. However, the LEA is required to complete and maintain evidence of this change in position. Often LEAs call this a 'personnel action form' or 'personnel action request.' This would demonstrate to an outside observer why there is only a periodic certification for the first half of the year but not the second half.

Personnel Activity Reports

OMB Circular A-87, Attachment B, Item 8 (h) (4). Personnel Activity Reports are commonly known as Time and Effort Logs or Monthly Logs. They are required to be completed *at least* monthly. Personnel that must utilize this method are employees who dedicate their time to:

- a. More than one Federal award,
- b. **A Federal award and a non Federal award**,
- c. An indirect cost activity and a direct cost activity,
- d. Two or more indirect activities which are allocated using different allocation bases, or
- e. An unallowable activity and a direct or indirect cost activity.

OMB Circular A-87, Attachment B, Item 8 (h) (5) specifically requires the following elements be address when these reports are completed:

- They must reflect an after the fact distribution of the actual activity of each employee,
- They must account for the total activity for which each employee is compensated,
- They must be prepared at least monthly and must coincide with one or more pay periods, and
- They must be signed by the employee.

What does this mean?

- The employee must sign the report **after** the work was performed.
- School districts often prepare these reports monthly, such as for the period of July 1 through July 31. These reports are signed shortly after the end of each month.
- These reports must be dated on the date they are signed by the employee.
- These reports *cannot be prepared and signed before* the work has been completed.
- Even the non-federal time must be accounted for on this report.
- The reports should identify the LEA's name, reporting period, employee's name, employee's position, federal program, 100% of work activities, and employee's signature.
- If an employee works 9 months during a fiscal year, there must be 9 reports. If the employee works all 12 months of the fiscal year, there must be 12 reports. If an employee works 9.5 months, there must be 10 reports.



Question. What about stipends? What if I pay stipends to regular education staff for professional development activities?

- See 'Section III' for more information.

Question. What about schoolwide programs? What if I have employees at a school site with a schoolwide program?

- See 'Section IV' for more information.

Question. A teacher was solely (100%) a Title I teacher for the first half of the school year and changed positions mid-year. This teacher became a regular education teacher for the second half of the school year and did not work on any federal activities. Do we have to maintain time distribution records for this employee for the entire year?

- No. The teacher is required to complete a periodic certification for the period the work was performed and the LEA is required to maintain this documentation. However, the LEA is required to complete and maintain evidence of this change in position. Often LEAs call this a 'personnel action form' or 'personnel action request.' This would demonstrate to an outside observer why there is only a periodic certification for the first half of the year but not the second half.

Section II. Non-Profit Charter Schools

OMB Circular A-122, Attachment B, Item 8—Compensation for personal services includes all compensation paid currently or accrued by the organization (i.e. a non-profit charter school) for services of employees rendered during the period of the award (except as otherwise provided in subparagraph h). It includes, but is not limited to, salaries, wages, director's and executive committee member's fees, incentive awards, fringe benefits, pension plan costs, allowances for off-site pay, incentive pay, location allowances, hardship pay, and cost of living differentials.

Charter Schools (Circular A-122)

Employees at non-profit charter schools are required to complete Personnel Activity Reports. They are commonly known as Time and Effort Logs or Monthly Logs. These records must be maintained for:

- All staff members (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards.
- In addition, in order to support the allocation of indirect costs, such reports must also be maintained for other employees whose work involves two or more functions or activities if a distribution of their compensation between such functions or activities is needed in the determination of the organization's indirect cost rate(s) (e.g., an employee engaged part-time in indirect cost activities and part-time in a direct function).

OMB Circular A-122, Attachment B, Item 8 (m) specifically requires the following elements be address when these reports are completed:

- They must reflect an after the fact distribution of the actual activity of each employee,
- They must account for the total activity for which each employee is compensated,
- They must be prepared at least monthly and must coincide with one or more pay periods, and
- They must be signed by the employee.
- They may be signed by a responsible supervisory official having first hand knowledge of the activities performed by the employee.

What does this mean?

- The reports must be signed *by the individual employee, or by a responsible supervisory official* having first hand knowledge of the activities performed by the employee.
- Charter schools (LEAs) often prepare these reports monthly, such as for the period of July 1 through July 31. These reports are signed shortly after the end of each month.
- These reports must be dated on the date they are signed by the employee.
- These reports *cannot be prepared and signed before* the work has been completed.
- Even if all of the employee's time is spent on one federal program, the employee must complete this report monthly.
- The reports should identify the LEA's name, reporting period, employee's name, employee's position, federal program, 100% of work activities, and employee's signature.
- If an employee works 9 months during a fiscal year, there must be 9 reports. If the employee works all 12 months of the fiscal year, there must be 12 reports. If an employee works 9.5 months, there must be 10 reports.
- Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.



Question. What about stipends? What if I pay stipends to regular education staff for professional development activities?

- See 'Section III' for more information.

Question. A teacher was solely (100%) a Title I teacher for the first half of the school year and changed positions mid-year. This teacher became a regular education teacher for the second half of the school year and did not work on any federal activities. Do we have to maintain time distribution records for this employee for the entire year?

- No. The teacher is required to complete personnel activity reports for the period the work was performed and the LEA is required to maintain this documentation. However, the LEA is required to complete and maintain evidence of this change in position. Often LEAs call this a 'personnel action form' or 'personnel action request.' This would demonstrate to an outside observer why there are personnel activity reports for the first half of the year but not the second half.

Section III. Stipends, Supplemental Contracts, and/or Extra Hours

Question: Are time distribution records (time and effort) required for stipends, supplemental contracts, and/or extra hours?

Answer: Yes. A stipend is a fixed sum of money paid periodically for services or to defray expenses. Stipends (and other supplemental contracts) must also be reported per [OMB Circulars A-87 and A-122](#).

- Sign-in / attendance logs may be used as time and effort documentation for extra hour pay related to a work performed for a federal award program (e.g., pay for math/science training charged to Title II Eisenhower Award).
- A signed supplemental contract that stipulates a specific federal program job duty / assignment may be used as time and effort documentation (e.g., pay for supplemental, after school reading instruction charged to Title I, Part A).
- A stipend for performing a federal award job duty may be used as time and effort documentation so long as the employee signs either the stipend or an after-the-fact certification of performance (e.g., pay for supervision of a particular federal program charged to that program).
- **Multiple federal award program supplemental contracts / stipends must be supported by personnel activity reports** documenting actual time spent on each objective (e.g., pay for a supplemental contract to administer a summer school program serving Title I and Special Education eligible students may be charged to Title I and Special Ed only if supported by a personnel activity report).
- Additional documentation, includes brochures or event descriptions for professional development activities, lesson plans for Extended School Year (ESY)/summer school, etc...

Question: Is there a specific form to document these types of payments?

Answer: No. However, some LEAs in Arizona have developed their own form to help them with these types of payments (See Appendix E).

Question: Are guest (substitute) teachers required to keep time and effort records?

Answer: Yes. An LEA must have time and effort records for guest teachers. If a guest teacher works solely in one federal award program (a single cost objective), the guest teacher should sign a certification. It may be easier to have the guest teacher sign a certification at the end of the work assignment rather than semi-annually. Alternatively, the certification may be signed by a supervisor with direct knowledge of the guest teacher's activities, the principal. Guest teachers hired to permit regular education teachers to attend in-service training are working on a single cost objective.

If a guest teacher works during an assignment in one federal award program and for other programs (multiple cost objectives), the guest teacher must keep an activity report, recording the time spent daily on each cost object during the assignment. While personnel activity reports are required only monthly, it may be more convenient to have a guest teacher sign a report after each assignment. If an assignment continues beyond the end of the month, the teacher should sign an activity report at the end of each month.

Section IV. Schoolwide Programs

Schools with schoolwide programs use Title I funds to implement comprehensive strategies for improving the educational program of the whole school in schools with 40% or more poverty to increase the achievement of all students, particularly at-risk students.

In a Title I schoolwide school, Title I funds may be used to provide services to any student.

How does an LEA document employee time and effort in schools that operate schoolwide programs? The answer is: It varies.

[Non-Regulatory Guidance](#) (Page 63) from the U.S. Department of Education, specifically states the following:

1. If a school operating a schoolwide program **consolidates Federal, State, and local funds under section 1114(a)(3) in a consolidated schoolwide pool**, an employee who is paid with funds from that pool is not required to file a semi-annual certification. Because Federal funds are consolidated with State and local funds in a single consolidated schoolwide pool, there is no distinction between staff paid with Federal funds and staff paid with State or local funds.
2. If a school operating a schoolwide program **does not consolidate Federal funds with State and local funds** in a consolidated schoolwide pool, an employee who works, in whole or in part, on a Federal program or cost objective must meet the OMB Circular A-87 requirements as follows:
 - (a) An employee who works solely on a single cost objective (i.e., a single Federal program whose funds have not been consolidated or **Federal programs whose funds have been consolidated but not with State and local funds**) must furnish a semiannual certification that he/she has been engaged solely in activities supported by the applicable source in accordance with OMB Circular A-87, Attachment B, paragraph 8.h(3).
 - (b) An employee who works on multiple activities or cost objectives (i.e., in part on a Federal program whose **funds have not been consolidated in a consolidated schoolwide pool and in part on Federal programs supported with funds that have been consolidated in a pool or on activities funded from other revenue sources**) must maintain time and effort distribution records in accordance with OMB Circular A-87, Attachment B, paragraph 8.h(4), (5) and (6). The employee must document the portion of time and effort dedicated to:
 - (1) The Federal program; and
 - (2) Each program or other cost objective supported by either consolidated Federal funds or other revenue sources.

NON-REGULATORY GUIDANCE

TITLE I FISCAL ISSUES:
MAINTENANCE OF EFFORT
COMPARABILITY
SUPPLEMENT, NOT SUPPLANT
CARRYOVER
CONSOLIDATING FUNDS IN SCHOOLWIDE PROGRAMS
GRANTBACK REQUIREMENTS



REVISED
February 2008

Schoolwide Programs

Now that you read the guidance, what does it mean?

- If **all** of the funds (**federal, state and local**) are consolidated at a school site (the school site is operating a Schoolwide III program) than time distribution records (time and effort) are not required to be maintained for employees at the school site with a Schoolwide III program. If an employee is paid from any fund outside of the consolidated fund (i.e. Homeless Education), the employee must complete personnel activity reports.
- If **all of the federal funds** are consolidated at a school site (the school site is operating a Schoolwide II program) but not state and local, employees performing Schoolwide II related duties may fill out a periodic certification. Employees performing any duties outside of the Schoolwide II program may not use this method. (*School Districts only*)
- If **some of the federal funds** are consolidated at a school site (the school is operating a Schoolwide I program) and employees at that site perform Schoolwide I duties and duties outside of that program, employees must complete personnel activity reports (monthly logs) to account for 100% of their time.
- If **some of the federal funds** are consolidated at a schoolwide site (Schoolwide I) and employees at that site perform Title I duties only under the Schoolwide I program and no other duties for any other program, the employees may complete a periodic certification. (*School Districts only*)
- Instead of specifying "Title I" as the federal program/cost objective when completing time distribution records, the employee will specify "Schoolwide I/Title I" or "Schoolwide II" as the cost objective.

For more information on consolidating funds in schoolwide programs, please go online to the Arizona Department of Education's (ADE) financial information section in the [NCLB Document Library](#) and review Section E under ADE's "[Title I Fiscal Guidance](#)."

Appendixes

Appendix A—Payroll Report

Journal Distribution Detail by Account			Subtotals					
Fiscal Year: 2010-2011								
Employee	Period	Gross	Soc Sec Wages	Medicare Wages	Federal Wages	Social Security	Medicare	Feder Tax
Account: 113.100.1000.6150.500								
McFadden, Jane Doe	13	206.63	206.63	206.63	186.79	12.81	3.00	0
McFadden, Jane Doe	14	181.32	181.32	181.32	163.91	7.62	2.63	0
McFadden, Jane Doe	15	203.37	203.37	203.37	183.85	8.54	2.95	5
McFadden, Jane Doe	15	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	16	111.50	111.50	111.50	100.80	4.68	1.65	1
Account: 596.270.1092.6112.500								
McFadden, Jane Doe	16	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	17	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	18	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	19	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	20	84.53	84.53	84.53	76.42	3.55	1.23	0
McFadden, Jane Doe	20	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	21	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	22	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	23	371.96	371.96	371.96	336.25	15.62	5.39	10
McFadden, Jane Doe	24	371.96	371.96	371.96	336.25	15.62	5.39	10
GRAND TOTALS:		4,506.95	4,506.95	4,506.95	4,074.27	193.40	65.36	108

Appendix B—Individual Periodic Certification

Print Form

Federal Funding Compliance

Time and Effort Log

Fiscal Year Bi-annual Certification

Name of School District:

OMB Circular A-87 requires employees who are compensated by federal grant dollars and work solely federal award to submit at least semi-annual certifications that the employee worked solely on that program.

[OMB Circular A-87 Appendix B.8.\(8\).\(3\)](#) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

I, , certify that 100% of my work time from
(Employee Full Name)

to was spent on
(Beginning Date ex. Month/Date/Year) (Ending Date ex. Month/Date/Year)

duties and responsibilities.
(Federal Funding Source)

Employee Signature

Supervisor Signature

Date

Date

Appendix E—Payment for Additional Work

Some LEAs choose to develop forms to keep track of payments made to employees for additional work.

<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;">School Name Payment for Additional Work</div>	
Date: _____	
Employee Name: _____	<input type="checkbox"/> Stipends
Employee ID: _____	<input type="checkbox"/> Training
School/Department: _____	<input type="checkbox"/> ESY/Summer School
Position: _____	<input type="checkbox"/> Substitute
	<input type="checkbox"/> Other : _____
Type of work completed/reason for payment: _____	
Description of work completed (be specific): _____ _____ _____	
Work Start Date: _____ Estimated completion date: _____	
Hours Worked: _____ Rate of Pay: _____ Total to be paid: _____	
Account/Funding code: _____	
Employee signature: _____	
Date: _____	Supporting documentation <input type="checkbox"/> Copy of event description (brochures, etc.) <input type="checkbox"/> Sign in sheets <input type="checkbox"/> Supplemental Contracts <input type="checkbox"/> Other : _____
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Authorization of Completion of Additional Work</div> This confirms that the work as agreed to by _____ was (employee name) completed on _____ (Date of work completed) Final and total payment is due and approved by: Supervisor's Signature: _____ Date: _____	

Appendix F—Payment for Additional Work

Some LEAs choose to develop forms to keep track of payments made to employees for additional work.

ABC Elementary School District
Any Town, Any State USA

Sign-In Sheet

Grant: _____ Activity: _____

Date: _____ Start Time: _____ End Time: _____ Total Hours: _____

By signing this document, you affirm that you have participated and completed the activity above for the specified program.

No.	Employee Name (Printed)	Employee Signature
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		

Supervisor Signature (optional)

Please attached any supporting documentation such as event descriptions and/or brochures.



MAY 2012

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