

# Wyoming Department of Education (WDE)

## Time Distribution Policies

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### **Time and Effort Documentation Requirements**

For personnel costs to be allowable, they must be necessary, reasonable, and allocable to the federal cost objective to which they are being charged and appropriately documented. *See* Office of Management and Budget (OMB) Circular A-87, Appendix A § C(1) and OMB Circular A-21, Appendix A § C(2). Federal law establishes specific rules for ensuring that costs related to the compensation of employees meet these criteria. For any salary or related benefit to be allowable to a federal award, the OMB Circulars require that time distribution records (also referred to as time and effort documentation) be maintained.

To ensure costs are allowable, all employees who are paid in full or in part with federal funds must keep specific documentation to demonstrate that the amount of time they spent on federal grant activities is allocable or chargeable to the grant. This includes an employee whose salary is paid with state or local funds but is used to meet a required “match” in a federal program. *See* EDGAR 80.24 or 74.23. This also includes all salary costs, including federally funded stipends paid to employees. Therefore, all employees paid with federal funds, whether part time or full time, and employees whose salaries are used for match purposes, must keep time distribution records, as further described below. These time distribution records are *in addition to* the standards for payroll documentation.

These documents, known as time and effort records, must be maintained in order for the Wyoming Department of Education (WDE) and its sub grantees, to charge the costs of employee salaries to federal grants. Noncompliance with time and effort policies may result in WDE staff and/or its sub grantees being subject to disallowed costs and audit exceptions.

The rules are different for state and local governments, including school districts, and institutions of higher education (IHEs). WDE, its school districts and public schools, including charter schools, follow OMB Circular A-87, while IHEs follow OMB Circular A-21. Accordingly, agencies must make certain that they follow their correct rules as outlined below.

### ***The Omni Circular***

On December 26, 2013, OMB published the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* written by the Council on Financial Assistance Reform. The grant reform consolidates eight OMB circulars including key cost circulars covering the federal cost principles (A-87, A-21, A-122), the federal administrative rules (A-110, A-102) codified in EDGAR Parts 74 and 80, and federal audits (A-133 and part of A-50 regarding Single Audit Requirements).

This new circular has been termed the “super circular” or the “omni circular”. The U.S. Department of Education has until December 26, 2014 to codify these requirements into the Education Department General Administrative Regulations (EDGAR). Until then, or even possibly as late as July 1, 2015, the current rules will still apply to the administration of the federal grants, including applicable rules related to time and effort documentation. Once the new EDGAR is published, this policy will be updated with any new requirements or changes. Accordingly, this policy applies until any formal updates are released.

## **I. State and local governments (including school districts, public schools, and charter schools).**

### ***General Time Distribution Requirements***

All WDE employees and school district employees paid in whole or in part with federal funds must keep time distribution records.

A semi-annual certification is required of employees who spend 100% of their time working on a single cost objective. A monthly personnel activity report (PAR) is required of employees who split their time working on multiple cost objectives.

OMB Circular A-87 considers the cost of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, to be allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including federal awards; and (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit. *See* OMB Circular A-87, Attachment B § 8(d)(2).

### ***Cost Objectives***

There are two types of certification documents used, depending on whether an employee works on a single cost objective or multiple cost objectives. OMB Circular A-87, Attachment B § 8(a).

A cost objective is defined as a function, organizational subdivision, contract, grant or other cost activity for which cost data are needed and for which costs are incurred. OMB Circular A-87, Attachment A, § B(11). There may be several cost objectives under one grant program. Under a single grant program, in addition to tracking basic program service costs, a recipient must also track costs associated with all mandated set-asides, statutory caps, and statutory reservation amounts, which may include administration, school improvement, parental involvement, etc.

For example, Title I, Part A of the Elementary and Secondary Act (ESEA) is not in itself a cost objective. Title I, A at the school district level includes numerous mandatory and discretionary set-asides which are each their own cost objective. For example: equitable services, homeless, neglected and delinquent, administration, parental involvement, professional development, etc. are each a separate cost objective. Each set-aside requires that the agency track specific cost information to ensure the funds are being spent in an allowable manner. Therefore, time and effort

reports must reflect the amount of time the employee spent on each cost objective and not on the grant as a whole for allowability purposes.

Generally, an employee is considered to work on multiple cost objectives if he or she works on:

1. More than one federal award;
2. A federal award and a nonfederal award;
3. An indirect cost activity and a direct cost activity;
4. Two or more indirect cost activities which are allocated using different cost bases; or
5. An unallowable activity and a direct or indirect cost activity. *See* OMB Circular A-87, Appendix B (8)(h)(4).

### ***Cost Objective Examples***

Determining the number of cost objectives that an employee works on can often be difficult. Below are some examples demonstrating when an employee works on a single or multiple cost objectives and the type of time and effort documentation required.

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

**Example:** A teacher, supported 100 percent with IDEA, Part B funds, provides only special education services 100 percent of the day to students with disabilities eligible under IDEA, Part B.

**Time and Effort Reporting Required:** Semi-annual Certification

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

**Example:** A supplemental math teacher serves low-achieving students and is supported 50 percent with Title I, Part A funds and 50 percent with state compensatory education funds. Assuming the services provided by the state compensatory education funds are also allowable under Title I, Part A, 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 Certification

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

**Example:** A teacher works with low-achieving students and is supported with 60 percent Title I, Part A funds and 40 percent CEIS (coordinated early intervening services) funds under IDEA. Since teaching low-achieving students can be fully supported under both Title I, Part A and CEIS, the teacher reports all time to a single cost objective.

**Time and Effort Reporting Required:** Semi-annual Certification

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

**Example:** A teacher or paraprofessional spends 20 percent of the time performing duties related to Title I, Part A parental involvement and 80 percent providing Title I, Part A program services to students. Even though the employee works fully on Title I, Part A, to capture the cost of the time spent on parental involvement and ensure the district set-aside is met, the employee must distinguish time worked/salary paid for parental involvement activities from other Title I, Part A program services. To do this, monthly tracking and reporting of the two cost objectives/activities is needed.

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

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

**Example:** A counselor provides general counseling services to students 60 percent of the time and provides counseling services for students with disabilities pursuant to an IEP 40 percent of the time. Because the counselor benefits the IDEA, Part B program only when providing IEP counseling services to students with disabilities, the counselor must report on two cost objectives, tracking time spent with the special education population separately from the general counseling services provided.

**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 consolidated into a schoolwide program: Title I, Part A; 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 100 percent under the schoolwide plan reports that time as a single cost objective.

**Time and Effort Reporting Required:** Semi-annual Certification

**Example 2:** Using the example above, a teacher or paraprofessional provides services to students under the schoolwide plan 40 percent of the time and career and technical education services under Perkins 60 percent of the time. Since Perkins is not included in the schoolwide program, the employee tracks and reports the time between two cost objectives—schoolwide program and Perkins.

**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 low-achieving students under Title I, Part A. Since the two federal programs are intended for different purposes and neither program could fully support the paraprofessional's total activity, the paraprofessional reports to two cost objectives.

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

However, if an employee spends a very brief amount of time working on a cost objective that is not part of his or her ordinary duties, the time can be considered to be *de minimus* and would not need to be captured as a separate cost objective in the time and effort records. See *The Montana Compact on Time Distribution: Working Draft Only*, at p. 8, Q11. This doctrine generally uses 5% as the limit, meaning that employees may work 5% or less on another cost objective without having to account for this time and documenting it in a PAR. Additionally, this *de minimus* amount of work cannot detract from the program intended to benefit from the employee's work.

### *Types of Time and Effort Documentation*

#### *a. Semi-annual Certifications*

A semi-annual certification is required of employees who spend 100% of their time working on a single cost objective.

A semi-annual certification must be after-the-fact documentation that covers a period not to **exceed** 6 months. It must be signed by the employee or a supervisor with first-hand knowledge of the activity performed. See OMB Circular A-87, Appendix B (8)(h)(3). Once the semi-annual certification is completed, it should be submitted to the LEA Federal Program Coordinator for reconciliation.

An example of a semi-annual certification can be found in Attachment 1.

- If certifying every 6 months, semi-annual certifications **MUST** be certified no later than July 10<sup>th</sup> (for the period covering January 1<sup>st</sup> through June 30<sup>th</sup>) and January 10<sup>th</sup> (For the period covering July 1<sup>st</sup>- December 31<sup>st</sup>).
- It is permissible to complete the semi-annual certification for periods **shorter** than 6 months, which may be helpful when an employee's contract is for less than 6 months, if preferred; however all time worked must be accounted for regardless of the time period selected.
- **EITHER** the employee **OR** direct supervisor must sign the semi-annual certification.

**WDE requires** the LEA to use the sample forms provided in the attachments. A time and effort log may be used in lieu of a separate semi-annual certification, provided it meets the requirements

herein. Once the semi-annual certification is completed, it must be submitted to the LEA Federal Program Coordinator for reconciliation.

If a stipend is paid to employees out of federal funding, time and effort documentation is required. Determination of the type of time and effort required would be the ability to separate the employee's extra job duties from his/her primary job duties. If the extra job duties that are paid with the stipend are easily separated from the primary job duties of the employee, a semi-annual certification should be completed. If professional development is offered and multiple employee attendance is paid with federal funds, a blanket certification may be used. *See attachment 3.*

### *b. Personnel Activity Reports*

Employees working on multiple cost objectives must maintain personnel activity reports (PARs). PARs must meet the following standards:

1. Reflect an after the fact distribution of the actual activity of each employee;
2. Account for the total activity for which each employee is compensated;
3. Prepared at least monthly and coincide with one or more pay periods; and
4. Signed by the employee. *See OMB Circular A-87, Appendix B (8)(h)(5).*

Once the PAR is completed, it should be submitted to the LEA Federal Program Coordinator for reconciliation.

An example of a PAR can be found in Attachment 2.

- All cost objectives must be included. Non-federal cost objectives may be included as a single "non-federal activities" cost objective.
- Signed by the employee. If the employee is no longer employed or is otherwise unable to sign the form, the direct supervisor should note that on the employee signature line (along with why the employee is unable to sign) and then the direct supervisor must sign the form.

**WDE requires** the LEA to use the sample forms provided in the attachments. A time and effort log may be used in lieu of a separate PAR provided it meets the requirements herein. Once the PAR is completed, it must be submitted to the LEA Federal Program Coordinator for reconciliation.

If a stipend is paid to employees out of federal funding, time and effort documentation is required. Determination of the type of time and effort required would be the ability to separate the employee's extra job duties from his/her primary job duties. If the extra job duties paid with the stipend are not easily separated from the primary job duties of the employee, he/she should account for his/her time spent on the federally funded duties in a PAR.

*c. Reconciliation*

It is critical for payroll charges to match the actual distribution of time recorded on the semi-annual certifications or PARs. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

At least quarterly, the LEA must review the time distribution records and compare actual costs to budgeted distributions. When percentages of time are distributed differently than planned, modifications must be made to distribute the charges so they will be a perfect match to the actual time worked on each cost objective.

Adjustments may be recorded annually if the quarterly comparisons show the differences between budgeted amounts and actual costs are less than ten percent. Otherwise, the budget estimates or other distribution percentages must be revised at least quarterly to reflect changed circumstances. *See* OMB Circular A-87, Attachment B § 8(h)(5)(e)(ii).

## Attachment 1: Semi-annual Certification

Name of School District (or School)

I, \_\_\_\_\_ certify that I worked 100% of my time, from the  
period of \_\_\_\_\_ through \_\_\_\_\_<sup>1</sup> on \_\_\_\_\_.

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(Employee Signature)

(Date)<sup>2</sup>

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(Name Direct Supervisor)

(Signature)

(Date)

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<sup>1</sup> If certifying every 6 months, semiannual certifications MUST be certified no later than July 10<sup>th</sup> (for the period covering January 1<sup>st</sup> through June 30<sup>th</sup>) and January 10<sup>th</sup> (For the period covering July 1<sup>st</sup>-December 31<sup>st</sup>). If certifying for less than 6 months please include the applicable time frame and certify within 10 days after the end of the work period.

<sup>2</sup> This must be signed and dated after the end date of the certification period.



## Semi-annual Certification Example

Name of School District (or School)

I, John Smith, certify that I worked 100% of my time, from the period of August 1, 2014 through January 31, 2015<sup>1</sup> on IDEA Part B Programmatic activities.

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(Employee Signature)

(Date)<sup>2</sup>

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(Name Direct Supervisor)

(Signature)

(Date)

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<sup>1</sup> If certifying every 6 months, semiannual certifications MUST be certified no later than July 10<sup>th</sup> (for the period covering January 1<sup>st</sup> through June 30<sup>th</sup>) and January 10<sup>th</sup> (For the period covering July 1<sup>st</sup>-December 31<sup>st</sup>). If certifying for less than 6 months please include the applicable time frame and certify within 10 days after the end of the work period.

<sup>2</sup> This must be signed and dated after the end date of the certification period.

## Attachment 2: Personnel Activity Report

I, \_\_\_\_\_ certify that I worked on the  
following cost objectives during the month of \_\_\_\_\_.

Name of Cost Objectives	Percent of Time Worked
1. <sup>1</sup>	
2.	
3.	
4.	
5.	
Total Time Worked	%

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(Employee Signature)

(Date)<sup>2</sup>

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(Name Direct Supervisor)

(Signature)

(Date)

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<sup>1</sup> All cost objectives must be included. Non-federal cost objectives may be included as a single “non-federal activities” cost objective.

<sup>2</sup> This must be signed and dated after the end date of the certification period.

## Personnel Activity Report Example

I, Jane Smith, certify that I worked on the following cost objectives during the month of October  
1<sup>st</sup> – October 31<sup>st</sup>, 2014.

<b>Name of Cost Objectives</b>	<b>Percent of Time Worked</b>
1. Title I, Part A Schoolwide <sup>1</sup>	30%
2. Title I, Part A Parent Involvement	20%
3. Regular Education (Non Federal)	50%
Total Time Worked	100 %

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(Employee Signature)

(Date)<sup>2</sup>

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(Name Direct Supervisor)

(Signature)

(Date)

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<sup>1</sup> All cost objectives must be included. Non-federal cost objectives may be included as a single “non-federal activities” cost objective.

<sup>2</sup> This must be signed and dated after the end date of the certification period.

Attachment 3: Multiple Employee Certification Form  
(Blanket Certification)

Supervisor:

Title:

Reporting Period:

This is to certify that the following individuals<sup>1</sup> have spent 100% of their time on (insert professional development activity and date(s)) and were paid out of (insert federal program).

Position:	Printed Name:

\_\_\_\_\_  
(Supervisor Signature)

\_\_\_\_\_  
(Date)

<sup>1</sup> If multiple participants need to be listed that the table does not allow for, please attach the sign-in sheet that was provided at the Professional Development Activity.

Multiple Employee Certification Form Example  
(Blanket Certification)

Supervisor: Jo Schmoe

Title: Professional Development Coordinator

Reporting Period: July 1-3, 2015

This is to certify that the following individuals<sup>1</sup> have spent 100% of their time on common core standards training and were paid out of Title II, Part A.

Position:	Printed Name:
Teacher	Tina Smith
Tutor	Fred Clark
Teacher	John Nelson
SpEd Teacher	Tom Jones

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(Supervisor Signature)

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(Date)

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<sup>1</sup> If multiple participants need to be listed that the table does not allow for, please attach the sign-in sheet that was provided at the Professional Development Activity.