



## **Time and Effort Requirements and Standards (2 CFR § 200.430)**

All employees who are paid in full or in part with federal funds must maintain sufficient documentation, known as time and effort records, to support the amount of time they spent on grant activities. 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. This also includes full and part-time employees, stipends for employees administering federal programs, and substitute teachers among others.

Accurate time and effort reporting may be accomplished in a variety of ways, such as Personnel Activity Reports (timesheets) or semi-annual certifications (see applicable scenarios below). Regardless of the style of report used, charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. At a minimum, according to [2 CFR § 200.430\(g\)](#), they must;

- be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated
- be incorporated into the official records
- reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities
  - Note: Budgeted estimates do not qualify but may be used for interim accounting purposes if the estimates are reasonable, identified to related work in a timely manner, and an after-the-fact review process occurs including any needed adjustments to the Local Education Agency’s (LEAs) records
- encompass not only federally funded activities but all other activities compensated by the LEA for each individual on an integrated basis;
  - As time and effort reporting is an after-the-fact process, reported hours need to cover 100% of the employee’s time, regardless of full-time vs. part-time work status
- comply with the established (and documented) accounting policies and practices of the LEA
- support the distribution of the employee’s salary or wages among specific activities or costs objectives.

Note: If the LEA’s time and effort reporting fails to meet these standards, the US Department of Education may require Personnel Activity Reports (PAR), including prescribed certifications or equivalent documentation that support the records.

### **Policies and Procedures**

How the LEA utilizes or applies the various steps in its time and effort process along the way will be unique to its situation; some portions may be more easily documented as a policy while others as a procedure. Some key elements to incorporate from [The US Department of Education's Cost Allocation Guide, Section VI](#) when documenting the time and effort process are:

- Instructions detailing:
  - Completion of time and attendance reporting (what types are used and when)
  - Approval cycle that is required (what, if any, signatures or documented approvals required)
  - Processing of personnel charges to federal awards, and
  - Internal review process that will be established to ensure effective internal control over the award (supervisor review, reconciliations, etc.)
- Procedures should provide sufficient detail to permit an employee's understanding of what they need to do if they are paid with federal funds from the point the time is worked to the point the time is recorded in the accounting records and charged to federal awards.

Additional details regarding the [creation and/or modification of policies and procedures](#) can be found on the [CDE Grants Fiscal webpage](#) under the *Guidance Documents* section.

## **Cost Objective**

[Cost objective](#) means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, and capital projects.

For example, a dedicated special education teacher working 100% of their time on special education duties would have a single cost object. However, a special education teacher who also spends some of their time as a General Education Reading Interventionist would have multiple cost objectives as they are serving two separate functions/roles.

In the world of time and effort, the documentation requirement for a single cost objective employee is typically satisfied with a semi-annual certification or similar document while the documentation requirement for a multiple cost objective employee is typically satisfied with a timesheet or similar document that follows the LEA's normal payroll schedule.

An example of both a timesheet and a semi-annual certification can be found on the [CDE Grants Fiscal webpage](#) under the *Guidance Documents* section.

## **Time and Effort Example Scenarios**

**Scenario 1:** A para educator has been hired as IDEA special education support for four hours a day. The same employee was also hired by the school as a general education para for one and a half hours per day (lunch recess duty and crossing guard). When necessary, the employee works the whole day providing special education support.

*Given that this employee is involved in multiple cost objectives, they should keep monthly time and effort reports detailing how each day was spent. Time and effort reporting should reflect time actually worked which will not necessarily be exactly what is budgeted. Ideally, time actually worked should be compared to time budgeted and any variations over 10 percent should be adjusted in the payroll records at least quarterly to reflect actual time worked. All variations must be adjusted by year end.*

**Scenario 2:** A classified employee is funded completely out of IDEA. This employee is now going to spend 30 minutes a day, 5 days a week working with migrant students on math prior to school. This will be funded out of Title I, Part C. The extra time is not being paid as a stipend.

*If the Title I, Part C work is part of the employee's base contract, monthly time and effort would be required. Semi-annual certifications may only be used when an employee works entirely on a single cost objective. In this case, the employee works part in IDEA and part in Title I, Part C, two cost activities. The monthly time and effort report must account for all time worked, coincide with payroll periods, and be signed and dated by the employee after the work for the **month** is completed. If the Title I, Part C work is supplemental to the base contract (stipend, additional contract, etc.) time and effort for that time could be kept separately for the additional time. There would be a semi-annual certification for the base (IDEA) contract and another semi-annual certification for the additional contract (Title I, Part C).*

**Scenario 3:** An employee is paid a stipend for extra duty out of federal funds.

*Stipends may be included in regular reporting or broken out separately. For example, if a teacher is paid the base contract out of basic education but has a stipend to do Title II, Part A activities, no time and effort would be needed for the base contract since it is not federal (unless basic education has been combined in a schoolwide program, in which case semi-annual certification would be needed). The Title II, Part A stipend could be reported separately with a semi-annual certification, if 100 percent of the stipend is for Title II, Part A.*

**Scenario 4:** Two semi-annual certifications need to be signed by an employee's direct supervisor but that individual has moved on and did not turn in the certifications before leaving.

*The semi-annual certifications may be signed by either the employee or direct supervisor. This means the employee(s) can sign the certifications. Tracking the supervisor down is an option, but it might be easier to get the employee's next level supervisor's signature. In either case, it is strongly encouraged for the school to document this deviation from standard practice.*

**Scenario 5:** An employee is performing duties that would normally be allowed on the federal award (e.g., special education teacher) but they are 100% funded through the general fund.

*Time and effort is a federal requirement and is needed only for staff spending some part of their time on federally funded activities, including schoolwide programs.*

**Scenario 6:** A special education preschool teacher is funded partially from IDEA Part B (Section 611) and partially from IDEA Preschool (Section 619) funds.

*Section 619 funds may be used for students aged 3–5 who are not in Kindergarten. Section 611 funds may be used for students aged 3–21. This would be a single cost objective only if the class is made up of 3–5 year old special education students not in Kindergarten and the teacher spends 100 percent of the time teaching this class. In this case, semi-annual certifications OR monthly timesheets would comply. Otherwise, only monthly timesheets would comply.*

**Scenario 7:** An employee attends a workshop during regularly scheduled hours and substitutes are paid from the federal award budget.

*Typically, substitutes do not need to complete a separate time and effort apart from the employee. However, CDE recommends in long term substitutes scenarios (extending an entire pay period or more) that the substitute completes the time and effort.*

**Scenario 8:** An employee is properly charged to a federal award (e.g., IDEA) for their duties throughout the school day. As part of that role, they perform general bus duty during a portion of the day.

*Generally, bus duty would be considered a separate cost objective in which case, monthly timesheets would be required. However, there may be cases where the federal award (e.g., Title I, Part A) specifically allows this activity. In those cases, assuming the entirety of that employee's duties are funded via that same award, semi-annual certifications could be appropriate.*

**Scenario 9:** An administrator works on multiple cost objectives and has their time budgeted within the payroll system using a set percentage for each award and typically budgeted specifically in the grant documentation.

*Time and effort reports should always be prepared without regard to an employee's payroll coding or budgeted amounts. It is the employee's responsibility to report actual work activities; it is the district's responsibility to adjust payroll expenditures to align with time and effort to ensure compliance with federal allocability and no-supplant requirements. This is particularly critical for administrators who do not have a fixed schedule.*

**Scenario 10:** An employee is hired to work full-time under two separate and distinct contracts.

*If both contracts are separate and distinct, each contract can be viewed independently. Each contract would be beholden to the federal rules specific to that contract as outlined in the many scenarios above.*

*If one contract is for a federal cost objective that is different from the federal cost objective supported by the second contract (e.g. Title III—language acquisition instruction and Title I, Part A—after-school supplemental instruction), then the employee should report time and effort using a timesheet which accounts for the total amount of time for each contract.*

*If both contracts are entirely allowable under a single cost objective (e.g. Title I, Part A—in-class supplemental instruction during each school day and Title I, Part A preschool center each day), then the employee may report time and effort using a semi-annual certification specifying Title I, Part A as the single cost objective. Note: If one of the contracts is funded only by non-federal funds, no time and effort is required for the hours worked under that contract.*