



Business Administrator Training, Fall 2024

TIME AND EFFORT REQUIREMENTS

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Time and Effort in the News

- Harvard University
 - Faculty time was also found to be overstated. \$2.4 million repayment.
- Johns Hopkins University
 - Knowingly overstated time work on grant. \$2.6 million repayment.
- Northwestern University
 - Failure to comply with reporting standards. \$5.5 million repayment.



Why Time and Effort?

- Required as condition of receipt of federal funds
- Demonstrates that salaries and benefits charged to program/project accurately reflects effort performed
- Allows oversight of wages and benefits being charged to program/projects
- Validates that wages and benefits are an allowable cost consistent with [2 CFR 200.403](#).



Recent Time and Effort Findings

- No time and effort policies and procedures
 - Policies and procedures are required as part of internal control framework. [2 CFR 200.303](#), [2 CFR 200.430\(i\)](#)
- Policies and procedures are not board approved.
 - LEA policies and procedures must be board approved. [R277-113-5\(8\)\(a\)](#), [R277-113-6\(a\)](#)
- Time and effort forms were not collected
- Time and effort forms were signed just prior to monitoring visits



Analysis of Time and Effort Findings

- No policy or procedure.
 - Lack of policy or procedure does not allow LEAs to have an operational understanding of time and effort requirements.
- Procedure does not assign duties to specific position.
 - Unclear which staff member that is responsible to generate forms and also which staff member should collect forms.
- Time and effort forms missing for staff members
 - No reconciliation between payroll charges and which staff members are required to sign time and effort forms.



Which Programs Require Time and Effort

- Child Nutrition Program (CNP)
- ESEA Programs (Title I – VII)
- IDEA Programs
- State Special Education
- Career Technical Education (CTE)



The Rules of The Game

Old Rules

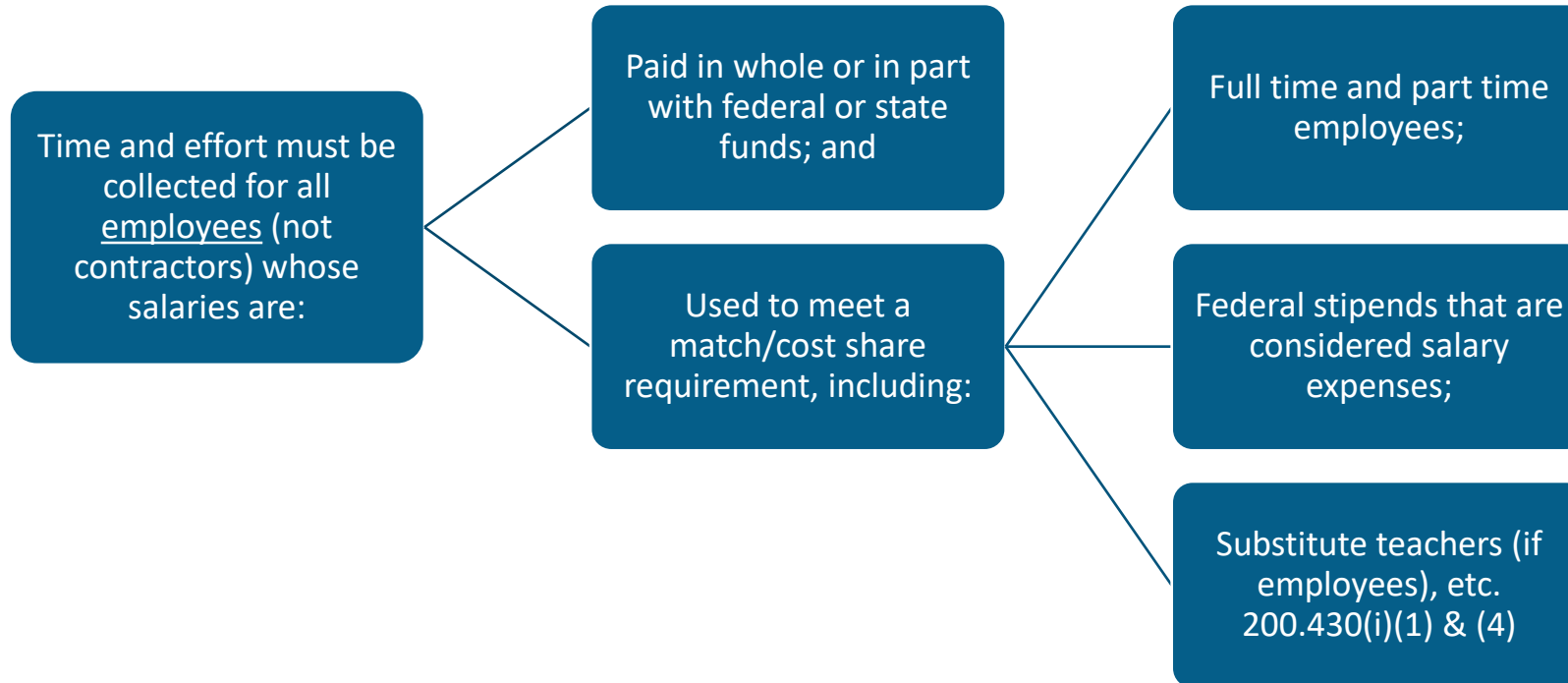
- OMB CIRCULAR A-87
- OMB CIRCULAR A-122
- OMB CIRCULAR A-21

New Rules

- [Uniform Grants Guidance 2 CFR 200.430\(i\)](#)



Time and Effort Requirements





Basic Requirements

Charges to Federal or State awards for salaries and wages must be based on records that accurately reflect the work performed.



How employees demonstrate allocability 200.403(a)

If employee paid with federal or state funds, then must show that the employee worked on that specific federal program cost objective. Also applies to any employee whose salary is used for a match.



Documentation

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



Internal Controls



Strong internal controls ensure reliability and accuracy



Verifiable documentation



Signatures. Electronic signatures are allowable!



Documentation from person with first-hand knowledge



Backup documentation such as schedules, calendars, meeting notes.



Time To Be Counted?

Must include
entire time
“working”

- Regardless of part-time or full time.
- Includes time compensated with federal and non-federal funds

Options

- Clearly split functions or jobs? (teacher, coach, tutor)
- Stipends, separate from regular pay



The Process

Must comply with established accounting policies and practices.

Time distribution records **MUST** conform to current procedures.

- Salary expenses, tracking and reconciliation should all
- follow the entity's standard accounting practices.

Anomalies are red flags to auditors.

For subrecipients, may have specific requirements from the pass-through entity



Cost Objectives

What is a cost objective?

- 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.



Key Concerns

Periodic reconciliation is a must

All necessary adjustments must reflect actual work performed and use of funds

Must ensure that costs are accurate, allowable, and properly allocated

Budget estimates can only be used for interim purposes

Estimates must be reconciled

Must have a system of allocation when more than one cost activity is used

Training is critical to implementation



Outcomes

Compliance

- LEAs will not be required to provide additional support or documentation for the work performed
- Monitoring field work will be reduced

Non-Compliance

- Findings
- Repayment of allowable costs
- More stringent documentation requirements



Resources

- [USBE Time and Effort Policy Guidance](#)
- [Time and Effort Policy Example](#)
- [Time and Effort Procedure Example](#)
- [Time and Effort Procedure Example #2](#)
- [Multi-Program Form- Excel](#)
- [Single Program Form](#)
- [Multi-Program Form – Word](#)