

This policy is amended to clarify time and effort reporting requirements and to include references to EDGAR.

## **PURPOSE**

This policy and its accompanying procedure establish school district requirements and guidelines for time and effort reporting and management of effort commitments for all federally-funded programs/projects.

Federal requirements provide that salaries and benefits charged to a federal award(s) must be based on appropriate documentation. All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. Covered employees include staff working at the District level, such as program directors, central-level administrators, and business officials, as well as staff working at the school level, such as classroom teachers. This also includes an employee whose salary is paid with state or local funds but is used to meet a required “match” in a federal program. Effort reporting is a required process by the federal government to verify that direct charges for salaries and benefits to federally sponsored programs are reasonable and reflect actual work performed. This requirement applies to all federal awards and sub-awards, including those received directly from the federal government, unless specifically exempted by the Office of Management and Budget (OMB). Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records 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 official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally assisted and all other activities compensated by the district on an integrated basis;
- Comply with the established accounting policies and practices of the district; and
- Support the distribution of the employee’s salary or wages among specific activities or costs objectives.

## **TIME AND EFFORT REPORTING REQUIREMENTS**

Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages must be supported by semi-annual certifications that the employees worked solely on that program for the period covered by the certification. These

semi-annual certifications must be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation unless a statistical sampling system or other substitute system has been approved by the federal agency granting the funds.

Failure to verify time and effort within the certification period or improper allocation of employee's time according to contractual agreement can lead to breach of contractual agreement, loss of future awards, and adverse public image. Criminal charges may be brought against an individual who certifies a falsified report (Federal False Claims Act).

*The district's time and effort reporting procedure is set forth in Policy 877P1 and in forms 877F1, 877F2 and 877F3.*

**LEGAL REFERENCE:**

Education Department General Administrative Regulations (EDGAR), 2 CFR 200 *et seq.*

**ADOPTED: September 18, 2013**

**AMENDED: March 22, 2017**