The Uniform Guidance (2 CFR Part 200), which is applicable to all entities that receive federal funds and is included in EDGAR (Education Department General Administrative Regulations), requires LEAs (ISDs and Open-Enrollment Charter Schools) to maintain documentation to support the charges of salaries and wages to federal funds. This documentation is commonly referred to as Time-and-Effort.

The regulations outlined in 2 CFR §200.430(i) require that the personnel charges to the Federal award must be accurate, allowable, and properly allocated.

**What Does it Mean to be Properly Allocated?**

To be allocable, the charges must be assigned to one or more cost objectives in reasonable proportion to the benefit provided. In simpler terms, this means the Federal grant must not be overcharged.

For example, if an employee’s salary is budgeted to be paid 50% from IDEA-B and 50% from Title I, Part A (because the employee is expected to spend half their time on special education activities and half their time on Title I Part A activities) but the employee actually spends 70% of their time on special education activities and only 30% of their time on Title I, Part A activities, the IDEA-B grant would be undercharged by 20% and the Title I, Part A grant would be overcharged by 20%. This would be an improper allocation.

The regulations allow LEAs to use budget estimates to produce reasonable approximations of the percentages from each fund source prior to the work being performed, but you must have a system in place to review actual, after-the-fact personnel expenses records and make all necessary adjustments so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

**Cost Objectives**

Understanding cost objectives is essential to ensuring charges for personnel expenses are accurate, allowable, and properly allocated. Documentation for an employee working on a single cost objective will be much simpler than documentation for an employee working on multiple cost objectives.

Whereas an employee working on a single cost objective can simply certify that 100% of their time was spent on the single cost objective, an employee working on multiple cost objectives must notate how much of their time was spent on each, separate cost objective.

The definition of cost objective is found in 2 CFR §200.28. A simpler definition is included in guidance from the U.S. Department of Education (USDE), "Actions to Ease the Burden of Time-and-Effort Reporting" (September 7, 2012). According to this guidance, a single cost objective can be a single function, or a single grant, or a single activity. However, it is possible to work on a single cost objective even if an employee works on more than one Federal award or on a Federal award and a non-Federal award.

For example, if an employee is teaching preschool students with disabilities, part of their salary may be paid from IDEA-B Formula and part of their salary may be paid from IDEA-B Preschool. Even though the
employee is paid from more than one Federal award, the employee is working on a single cost objective of teaching preschool children with disabilities.

In another example, if an employee is teaching students with disabilities, part of their salary may be paid from IDEA-B Formula and part of their salary may be paid from state or local funds. Even though the employee is paid from a Federal award and a non-Federal award, the employee is working on a single cost objective of teaching children with disabilities.

“The key to determining whether an employee is working on a single cost objective is whether the employee’s salary and wages can be supported in full from each of the Federal awards on which the employee is working, or from the Federal award alone if the employee’s salary is also paid with non-Federal funds.”

“Actions to Ease the Burden of Time-and-Effort Reporting” (USDE, 09/07/12), Enclosure C

An example of an employee working on multiple cost objectives is an employee who works part of their time on IDEA-B activities and part of their time on Title I, Part A activities. Since neither Federal award may pay for the employee’s salary or wages in full, the employee must provide after-the-fact documentation to illustrate how much of their time was actually spent on each cost objective. These personnel expenses records must then be reviewed and adjustments made, if necessary, to ensure that the final amount charged to the Federal award is accurate, allowable, and allocable.

Time Distribution Records

Time distribution records (commonly referred to as time-and-effort records) must reasonably reflect the total activity (100%) for which the employee is compensated, including activities paid from Federal funds and activities paid from non-Federal funds.

Previous EDGAR regulations were more prescriptive on the type of personnel documentation required to ensure charges to the Federal award are accurate, allowable, and allocable. With the release of the Uniform Guidance 2 CFR Part 200, LEAs are given more flexibility to determine the type of documentation to use. However, the LEA must ensure they are in compliance with 2 CFR §200.430(i). If the records do not meet these standards, the Federal government may require the LEA to use prescribed reports or certifications.

Therefore, to ensure compliance, it is recommended to use the previous EDGAR documentation standards.

Recommended Documentation

Employees working under a Single Cost Objective

Semi-Annual Certification Form with the following elements:

- Employer’s Name
- Employee’s Name and Position
- Name of Single Cost Objective under which the employee worked
- Reporting Period (may be less than six months, but not exceed six months)
- Statement that the employee worked solely (100% of the time) on that single cost objective
Dated signature (signed after-the fact, on or after the ending date of the certification period, by the employee or supervisor with first-hand knowledge of the employee’s activities)

**Employees working under Multiple Cost Objectives**

Monthly PARs (Personnel Activity Reports) with the following elements:

- Employer’s Name
- Employee’s Name and Position
- Identification of each cost objective under which the employee worked
- Percent of Time worked on each cost objective
- Sum of cost objectives must equal 100% to account for the total activity for which the employee is compensated
- Reporting Period (monthly)
- Dated signature (signed after-the fact, on or after the ending date of the certification period, by the employee
  - If employee departed and failed to sign the PAR, the supervisor with direct knowledge of the employee’s schedule signs the form and notates that the employee is not available

**Alternative to Monthly PARs for Certain Employees**

If an employee works on multiple cost objectives AND has a pre-determined, set schedule AND works on only one cost objective at a time, you have an opportunity to use TEA’s Substitute System for Time-and-Effort in lieu of a monthly PAR. The certification associated with the Substitute System for Time-and-Effort only needs to be completed semi-annually.

- LEA must have completed and submitted to TEA the Management Certification by the deadline established by TEA for using the substitute system for that school year
- Employee completes the Employee Schedule and Certification semi-annually, which is maintained locally; Employee and supervisor sign the certification, after-the-fact
- Employees who are **not eligible** to use the substitute system include:
  - Employee who works on a Single Cost Objective
  - Multiple Cost Objective employee whose schedule changes regularly
  - Multiple Cost Objective employee who works on the same cost objectives on a regular basis but doesn’t know from day to day how much time will be spent on each cost objective

**Time and Effort Workshop September 9, 2019**

If you would like to learn more about Time and Effort, please attend the workshop on 9/9/19:

**Time and Effort Federal Fiscal Requirement (ISDs and Charter Schools)**

09/09/2019  Registration Fee: $75  9:00 a.m. – 4:00 p.m.

Session #58217 to attend in-person  Session #60997 to attend via ZOOM (webinar)