

Quick Tips

Essential information and/or interesting facts from Special Education Services, Alabama State Department of Education...

for Fiscal Responsibility



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TIME AND EFFORT REPORTING

What is Time and Effort Reporting?

Federal regulations require that any salaries and benefits charged to a federal award(s) must be based on documentation that meets the following criteria in order to be allowable charges to the award(s):

- The employee's time must be documented in writing.
- The documentation should reflect the actual time spent by the employee on activities of the federal program(s) being charged.
- The period covered by the documentation may not exceed one month unless an approved substitute system is in place.
- The documentation should account for all of the employee's time for the period covered (including state/local activities).
- The documentation should be signed by the employee and the employee's supervisor.

Is time and effort reporting required for all employees?

Time and effort reporting should be prepared for any employee whose salary is paid with federal funds or any combination of a federal award and other federal, state or local funds sources or used to meet a match/cost share requirement. Contractors are not required to participate in time and effort reporting.

How often is time and effort reporting required?

If an employee works on a single cost objective, time and effort reporting may be completed semi-annually, referred to in the federal regulations as "Semiannual Certification." District policy may require employees to report monthly. If an employee works on multiple cost objectives, time and effort reporting must be prepared at least monthly and coincide with one or more pay periods. Federal regulations refer to this reporting as a "Personnel Activity Report (PAR)."

What is a "cost objective?"

A cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.

What is a "multiple cost objective?"

A multiple cost objective means more than one federal award, a federal award and a non-federal award, an indirect cost activity and a direct cost activity, two or more indirect activities are allocated using different allocation bases, and an unallowable activity and a direct or indirect cost activity.

What are standards for documentation of personnel expenses?

Charges for salaries must be based on records that accurately reflect the work performed:

- Must be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated
- Be incorporated into official records
- Reasonably reflect total activity for which employee is compensated
- Not to exceed 100%

(<http://www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html>)