


 West Virginia Department of
EDUCATION

Keeping Time Takes Effort



Terry Harless, CPA
Chief Financial Officer


 **ONE VOICE**
ONE FOCUS
All Students Achieving


 West Virginia Department of
EDUCATION

Previous Guidance-

OMB Circulars
A-21, A-87, A-110, A-133, etc.

**Super Circular/
Omni Circular**


 **ONE VOICE**
ONE FOCUS
All Students Achieving




COFAR

**Council on Financial Assistance Reform
And Other Partners**

Developed...




ONE VOICE
ONE FOCUS
All Students Achieving




Current Guidance-

**OMB Uniform Guidance:
Administrative Requirements,
Cost Principles and Audit
Requirements for Federal
Awards**





ONE VOICE
ONE FOCUS
All Students Achieving

 **West Virginia** Department of
EDUCATION

i.e., Uniform Guidance or UG

**Issued December 2014 to
eliminate duplication, streamline
and provide consistency**


 **ONE VOICE**
ONE FOCUS
All Students Achieving


 **West Virginia** Department of
EDUCATION

Time and Effort


Became...


**Standards for Documentation of
Personnel Expenses**

 **ONE VOICE**
ONE FOCUS
All Students Achieving

 West Virginia Department of
EDUCATION

**Standards are found in
subparagraph (i) of section 200.430
“Compensation—Personal Services”
in the Cost Principles Section of the
UG**

 **ONE VOICE**
ONE FOCUS
All Students Achieving


 West Virginia Department of
EDUCATION


Time & Effort

Who and Why?

Any employee paid from federal funds

Serves as a receipt for federal funds spent

 **ONE VOICE**
ONE FOCUS
All Students Achieving

 West Virginia Department of
EDUCATION

Why is T&E Typically Problematic?


A large percentage of federal funds are used for staffing


Staff turnover

Complexity

Lack of communication


Too busy. No one likes to do it


 **ONE VOICE**
ONE FOCUS
All Students Achieving


 West Virginia Department of
EDUCATION

Time & Effort , er...

Standards for Documentation of Personnel Expenses

A Look Back 



 **ONE VOICE**
ONE FOCUS
All Students Achieving



Two Types of Documentation

Employees who work on more than one cost objective complete monthly Personnel Activity Reports (PARS)


Employees who work solely on a single federal cost objective complete semi-annual certifications

Multiple Cost Objective (monthly Personnel Action Report (PAR) documentation)

Employees whose work effort is split between more than one federal program or multiple cost objectives

An employee who works on **more than one federal program**, or on a combination of a federal programs and a non-federal program, must maintain PARs that accurately reflect the **percentage of time/hours** the employee **spends** performing the **federal work activity and any other duties**



West Virginia Department of EDUCATION


PAR Reconciliations

Assumed versus actual must be compared quarterly

If the difference is 10% or more, adjustments must be made

If the difference is less than 10%, no action is required until year end

BUT at year end, adjustments must be made to reflect actual time spent



WV Department of Education
Daily Time Record

Month/Year: January

Employee: _____ Position: _____ Program #: _____

Week 1					Week 2				
	Hours Worked	Sick Hours	Annual Hours	Total		Hours Worked	Sick Hours	Annual Hours	Total
Monday					Monday				
Grane 12245				0	Grane 12245				0
Grane 12246				0	Grane 12246				0
Grane 12247				0	Grane 12247				0
Grane 12248				0	Grane 12248				0
Grane 12249				0	Grane 12249				0
Tuesday					Tuesday				
Grane 12245				0	Grane 12245				0
Grane 12246				0	Grane 12246				0
Grane 12247				0	Grane 12247				0
Grane 12248				0	Grane 12248				0
Grane 12249				0	Grane 12249				0
Wednesday					Wednesday				
Grane 12245				0	Grane 12245				0
Grane 12246				0	Grane 12246				0
Grane 12247				0	Grane 12247				0
Grane 12248				0	Grane 12248				0

Monthly Grand Total

	Hours Worked	Sick Hours	Annual Hours	Total
Grant 12345	#REF!	#REF!	#REF!	#REF!
Grant 12346	#REF!	#REF!	#REF!	#REF!
Grant 12347	#REF!	#REF!	#REF!	#REF!
Grant 12348	#REF!	#REF!	#REF!	#REF!
Grant 12349	#REF!	#REF!	#REF!	#REF!
Total	#REF!	#REF!	#REF!	#REF!

Employee's Printed Name and Title

Employee's Signature

Date

I certify that this report represents a true recording of effort expended for the period indicated and that I have full knowledge of those activities.

Supervisor's Printed Name and Title

Supervisor's Signature

Date

WV Department of Education
Quarterly Time Record
1st Quarter (January - March)
Year _____

Employee: _____ Position: _____ Program(s): _____

January Grand Total

	Hours Worked	Sick Hours	Annual Hours	Total
Grant 12345	#REF!	#REF!	#REF!	#REF!
Grant 12346	#REF!	#REF!	#REF!	#REF!
Grant 12347	#REF!	#REF!	#REF!	#REF!
Grant 12348	#REF!	#REF!	#REF!	#REF!
Grant 12349	#REF!	#REF!	#REF!	#REF!
Total	#REF!	#REF!	#REF!	#REF!

February Grand Total

	Hours Worked	Sick Hours	Annual Hours	Total
Grant 12345	0	0	0	0
Grant 12346	0	0	0	0
Grant 12347	0	0	0	0
Grant 12348	0	0	0	0
Grant 12349	0	0	0	0
Total	0	0	0	0

March Grand Total

	Hours Worked	Sick Hours	Annual Hours	Total
Grant 12345	0	0	0	0
Grant 12346	0	0	0	0
Grant 12347	0	0	0	0
Grant 12348	0	0	0	0
Grant 12349	0	0	0	0
Total	0	0	0	0

1st Quarter Grand Total

	Hours Worked	Sick Hours	Annual Hours	Total
Grant 12345	#REF!	#REF!	#REF!	#REF!
Grant 12346	#REF!	#REF!	#REF!	#REF!
Grant 12347	#REF!	#REF!	#REF!	#REF!
Grant 12348	#REF!	#REF!	#REF!	#REF!
Grant 12349	#REF!	#REF!	#REF!	#REF!
Total	#REF!	#REF!	#REF!	#REF!

Employee's Printed Name and Title

Employee's Signature


Date

I certify that this report represents a true recording of effort expended for the period indicated and that I have full knowledge of those activities.

Supervisor's Printed Name and Title

Supervisor's Signature

Date



Semi-Annual Certification

Statement that an employee worked solely on activities related to a single cost objective

Completed every six months

Signed by employee *but highly recommend signature by supervisor too*



WV Dept. Of Education


Time and Effort Documentation
Semi-Annual Certification

In accordance with federal guidelines, when employees work solely on a single federal award or cost objective, charges for the employee's salary and wages must be supported by a certification signed by an employee or supervisory official having first hand knowledge of the work performed by the employee.

I hereby certify that for the period of January 1, 2016 through June 30, 2016, I worked solely on the single cost objective of:

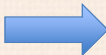
Title I Part B (example)


Employee Printed Name	Title	Employee Signature	Date
Supervisor Printed Name	Title	Supervisor Signature	Date


 West Virginia Department of
EDUCATION

New Uniform Guidance...


**Standards for Documentation of
Personnel Expenses**


A Look Forward 

 **ONE VOICE**
ONE FOCUS
All Students Achieving


 West Virginia Department of
EDUCATION

- **Compensation — To prevent duplicating efforts in entities that have good internal controls, the final guidance allows for alternatives to the current reporting requirements for salaries and wages. Auditors must test these internal controls.**
- **Federal agencies can also now approve alternative accounting methods for salaries and wages based on the achievement of performance outcomes. This includes areas that blend funding from multiple programs.**


 **ONE VOICE**
ONE FOCUS
All Students Achieving




Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the non-Federal entity




ONE VOICE
ONE FOCUS
All Students Achieving





Overall, OMB has shifted the focus toward an internal control framework as opposed to requiring specific documentation and standardized forms, like the prior requirement for personnel activity reports (PAR). All charges to federal awards for salaries and wages must have recorded evidence to accurately reflect the work performed. The guidance does not state how the documentation must be maintained, allowing organizations more freedom to tailor controls and processes to their needs.




ONE VOICE
ONE FOCUS
All Students Achieving



There are several criteria that an organization's documentation of personnel expenses must follow. Note that these are more principles-based, rather than rules-based, criteria. Charges to Federal awards for salaries and wages should be reflected in documentation that must:

- Be supported by a system of internal controls that provides reasonable assurance that the time being charged to grants is accurate, allowable, and properly allocated.
- Be incorporated into the official records (payroll records or journals) of the non-Federal entity.
- Reasonably reflect the total activity for which the employee is compensated.
- Encompass both federally assisted and all other activities compensated on an integrated basis, but may include the use of subsidiary records.
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award or splits time between Federal and non-Federal activities.
- Comply with already-established accounting policies and practices of the organization receiving Federal awards.



- **The new principles-based, internal-controls-focused criteria allow organizations more flexibility to design internal control systems that suit their needs as long as they comply with the underlying criteria. However, the lack of specific requirements may make it harder for Federal agencies to determine whether an organization's internal controls are suitably designed.**
- **If a Federal agency determines that an organization's records do not meet the standards described above, the Federal government may require personnel activity reports or equivalent documentation that supports the records.**
- **Pass-through entities may require continued use of PARs even though the OMB does not. Because the pass-through entities must monitor subrecipients, PARs could be considered an easier method of monitoring.**
- **Organizations that are already utilizing personnel activity reports may not want to change systems if the use of PARs is already well-established and working well.**



Compliance with this framework should not necessarily require a major overhaul of reporting systems. Many organizations may already have strong internal controls over documentation of personnel compensation. Going forward, organizations should review the criteria, determine whether the existing internal control systems meet the framework, and decide whether strengthening controls over time and effort reporting to ensure compliance with the overarching requirements is required.



Common Missed-Steps


1. No Time and Effort System at all
2. Certifying the semi-annual certification on an annual basis rather than semi-annually as required
3. Employee or Supervisor failing to sign the form
4. Forms were not dated “after-the-fact”
5. Not including the detailed activities as required on the monthly log
6. Monthly log does not incorporate the employees total effort
7. Stipends
8. Supplemental pay
9. Substitutes
10. Training/Professional Development
11. Extended School Year



Standards for Documentation of Personnel Expenses **FAQ's** –

- Q.1 Who should sign timesheets?
- Q.2 How do I submit 100% of my time when I only work three days a week?
- Q3. Can I use a substitute system?
- Q4. What about supplemental contracts, stipends, and overtime?
- Q5. Can superintendents' and principals' salaries be charged to federal programs?
- Q6. I am 100% committed to a program but I am occasionally asked a non-program question. And what about time spent at staff meetings?
- Q8. My duties always match my funding. So I don't need to make adjustments, right?







.431-2 Charging Payments of Unused Leave to Employees Terminating or Retiring

Q. In accordance with section 200.431(b)(3)(i), can unused leave (payments to employees that retire or are terminated) be charged directly to Federal programs?

A. No. Charging all unused leave costs for separating employees in the same manner as it had charged the employees' salary costs (i.e., directly to the activities on which the employees were working at the time of their separation) would result in inequitable distribution of the unused leave costs, because the leave costs were accumulated over the entire period of employment while working on various programs. In addition, having the last program bear the burden of these unbudgeted costs creates an unfair distribution of costs to this program. Therefore, charge payments for unused leave, when an employee retires or terminates employment, in the year of payment as a general administrative expense. However, the costs can be included in developing indirect cost rates.






.431-2 Charging Payments of Unused Leave to Employees Terminating or Retiring


A Final Word About The Elevated Role of Internal Control, ie., there is opportunity for flexibility and change -

Those processes by which you assure objectives are achieved efficiently, effectively, and with reliable, compliant reporting:

- ✓ **A Control Environment** that sets the tone for the organization.
- ✓ **A Risk Assessment** process that involves the identification and analysis of relevant risks.
- ✓ **Control Activities** that include the policies and procedures that help ensure management directives are carried out and documented.
- ✓ **Information and Communication** systems or processes that support the exchange of information.
- ✓ **Monitoring** processes used to assess the quality of internal control performance over time.



West Virginia Department of
EDUCATION



Questions?

ONE VOICE
ONE FOCUS
All Students Achieving