

Under the new Uniform Grant Guidance (UGG), some changes have been made to the implementation of Federal education program administration. This document serves as guidance for time and effort certification requirements.

Time and Effort Standards

All employees whose compensation is paid in full or in part with Federal funds must keep specific documents to demonstrate the amount of time spent on grant activities. Compensation may include salaries and allowable stipends, Covered employees include staff working at the LEA-level, such as program directors, central-level administrators, and business officials, as well as staff working at the school-level, such as classroom teachers. These time and effort records are maintained in order to charge the costs of personnel compensation to Federal grants.

**The new Uniform Grant Guidance (UGG) does not identify specific rules requiring certain signatures or certain periods of certification; however, since auditors may interpret the requirement that records “must be supported by a system of internal controls which provides reasonable assurance” as including the need for certain signatures or periods of certification, Brustein & Manasevit, PLLC Attorneys at Law, recommend no change to district’s time and effort system if the district believe it is in compliance with the previous rules until such time auditors begin to interpret the new UGG standards.

- I. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. Records must:
 - Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated (i.e. signatures, periods of certification);
 - 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 of costs objectives.

- II. Changes to Federal awards for salaries and wages include the development of written policies, procedures, and processes:

Note: Because all employee compensation charges must be consistent with a subgrantee’s established policies it is important for subgrantees to ensure their human resources policies are up-to-date and carefully followed.

1. The LEA has a written procedure for describing time and effort requirements. (1) The LEA has a written process to include type of documentation maintained and what the requirements are for the documentation, such as who has to sign the documentation, how often the certifications are completed, whether the certifications are completed on paper or electronically, if the certification is reviewed by a supervisor, timeframe for reviewing the certification, and sample certifications; and (2) a description of the close-out procedure that is conducted at the end of the fiscal year addressing that the certifications are annually collected and reviewed for accuracy and appropriate signatures and dates.

2. The LEA has a written process to reconcile actual costs to budgeted distributions. Payroll charges must match the actual distribution of time recorded on the monthly certification documents. Budget estimates may be used for interim accounting purposes; however, there is a requirement to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. There must be a system of internal controls to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated. The process description should include: the position/office that performs the reconciliation; how often the reconciliation is completed (recommend at least quarterly); the difference between the actual costs and budgeted distributions before adjustments are made (recommend annual adjustments only if (1) the quarterly comparisons show the differences between budgeted amounts and actual costs are less than 10%; and (2) the budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances and (3) if not performed annually, quarterly adjustments should be made.

3. The LEA has a written procedure for an employee that is separating service from the LEA that addresses when the employee is required to submit final certification.

4. The LEA has written Human Resource Policies that cover (1) how employees are hired; (2) the extent to which employees may provide professional services outside the LEA; (3) the provision of fringe benefits, including leave and insurance; (4) the use of recruiting expenses to attract personnel; and (5) reimbursement for relocation costs.

Sample Time and Effort Documentation

Employee: _____ Position: _____

Reporting Period: _____

EXAMPLE

Cost objective (program activity)	Fund Code-Program Function Code	Program	Distribution of Time (percentage or hours)
Targeted Assistance Program paraprofessional	251-500	Title I-A	65%
General education aide	100-500	Non-Federal	35%
Sick time			
Vacation time			

Employee's Signature _____ Date _____

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Reviewed by supervisor: _____ Date _____