

## **Time and Effort**

### **Time and Effort Standards**

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. (2 C.F.R. Part 200.430(i)(1)) In addition, employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching, must also keep time and effort documentation. (§ 200.430(i)(4)) Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with § 200.430(i)(1), 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 agency on an integrated basis;
- Comply with the established accounting policies and practices of the agency; and
- Support the distribution of the employee's salary or wages among specific activities or cost objectives.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. (§ 200.430(i)(1)(viii))

### **Time and Effort Procedures**

To meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below. The type of form depends on the number of cost objectives that an employee works on.

A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. (2 C.F.R. Part 200.28)

All employees whose work is funded fully (100%) by a single cost objective or grant award must complete a semi-annual certification. The semi-annual certification must be:

1. Completed at least every six (6) months (twice a year);

2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
3. Reflect an after-the-fact distribution of the actual activity; and
4. Account for the total activity for which each employee is compensated.

A PAR must be completed if an employee is funded partially on one (1) or more grant cost objective(s). It provides a written record of an employee's work activities used to document that employee's time to grants or projects. It must be completed monthly and supported by a daily calendar of activities. All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity, not a budget estimate;
2. Account for the total work activity for which each employee is compensated;
3. Be prepared at least monthly (a separate PAR for each month) and coincide with one (1) or more pay periods; and
4. Be signed by the employee.

All employees who are paid in full or in part with federal funds must keep specific documents to support the amount of time they spent on grant activities as reflected in each PAR. This includes an employee whose salary is paid with state or local funds but is used to meet a required "match" in a federal program. These time and effort records should be maintained in order to charge the costs of personnel compensation to federal grants. Examples of records used to support the time entered in a PAR include desk calendars or written records of activity for each day/week, etc.

See Appendix for Sample PAR and Semi-Annual Certification forms

### **Reconciliation Procedures**

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates for interim accounting purposes, EDGAR requires recipients to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. Additionally, the federal program office must have 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.

In order to reconcile actual costs to budgeted distributions, the federal program office will conduct semi-annual reconciliations of Semi-Annual Certification forms and quarterly reconciliations of PAR forms with budgeted distributions. This will include review of form ratios versus budgeted distributions after each review.

All the time and effort certifications are collected by the federal program office, reviewed for accuracy, appropriate signatures, dates and copied to the Grants Accounting Office.

## APPENDIX

### SAMPLE Semi-annual certification format

**South Carolina Department of Education  
Division of College and Career Readiness  
Office of Special Education Services**

#### **Semi-Annual Certification for Salaries & Wages Charged to Grants**

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. (2 C.F.R. § 200.430(i)(1)) Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

This is to certify that \_\_\_\_\_ has worked 100% of his/her time for the period of January 1, 2018, to June 30, 2018, on the Special Education–Grants to States grant program.

The information recorded on this form is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Printed Name of Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Supervisor

\_\_\_\_\_  
Printed Name of Supervisor

\_\_\_\_\_  
Date

**SAMPLE Semi-annual certification – Blanket format**

**South Carolina Department of Education  
Division of Innovation and Effectiveness  
Office of Special Education Services**

**Semi-Annual Certification for Salaries & Wages Charged to Federal Grants**

Grant Title: Special Education–Grants to States

Grant Number: H63010100918

Funding Source: U.S. Department of Education

Supervisor: Rebecca Davis

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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. (2 C.F.R. § 200.430(i)(1)) Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

I understand that the positions(s) filled by the following employees are supported entirely by funds from the federal award listed above. I certify that 100% of the job duties of the employee(s) were related to activities in compliance with this grant award during the period from January 1, 2018, through June 30, 2018.

The information recorded on this form is true and correct to the best of my knowledge.

Employee Name

Position Title

Funding %

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Supervisor Signature\*

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Date

\*Must be signed by a supervisor official having firsthand knowledge of the work performed by the employee.

Holly Hadden	Title	Office of General Counsel	Month	July	Year	2018
Name First/Last	Signature		Supervisor's Initial			

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. (2 CFR 200.430-431)  
Time must be documented in hours, not percent.  
This form is to be completed only by staff that are "split-funded": partially funded through a federal grant award and partially funded through another funding source (such as general funds, another federal grant such as special education funds or Title III, etc.)