



Uniform Grant Guidance - Changes in Time and Effort



OMB A-87 Current Rules

(Grants awarded prior to Dec. 26, 2014)

Semi-Annual Certification

(100% federally funded staff – single cost objective)

- ☑ Completed at least every 6 months
- ☑ After-the-fact record (must be dated)
- ☑ Signed by employee or supervisor with firsthand knowledge of activity performed
- ☑ Accounts for the total activity for which the employee is compensated

Personnel Activity Reports

(Partially federally funded staff working on multiple cost objectives)

- ☑ After-the-fact record (must be dated)
- ☑ Accounts for the total activity for which employee is compensated
- ☑ Completed at least monthly
- ☑ Signed by employee
- ☑ Must coincide with one or more pay periods

Uniform Grant Guidance

Federal Register pg. 78647, (i) Standards for Documentation of Personnel Costs (Grants awarded after Dec. 26, 2014)

- ☑ 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%
- ☑ Encompass all activities (Fed and non-Fed)
- ☑ Comply with established accounting policies and practices
- ☑ Support distribution of salaries among specific activities or cost objectives, if applicable
- ☑ Charges for nonexempt employees must also be supported by records indicating total number of hours worked each day

- ✓ Must have written processes
- ✓ Document time and effort, if no effort (holiday or LEA is closed), then no recording is necessary
- ✓ Auditors determine what documentation is necessary for review
- ✓ Calendars with activities may be sufficient for back-up documentation
- ✓ Other documentation may be determined by each LEA

Note: New regulations do not require the same specificity as the OMB A-87 circular.

What are consequences for not keeping federal grant time and effort reports?

The lack of time and effort reporting is the single largest audit finding by the US Office of Inspector General (OIG). Costs that do not have adequate documentation are deemed “unallowable” and subject to repayment. An OIG audit report posted in November 2008 for the Harvey School District (Illinois) listed \$277,207 in questionable costs due to a lack of documentation. Harvey School District has a student population of 3,537. After the audit, OIG made the following recommendations:

- Provide documentation adequate to support the allowability of \$277,107 in federal expenditures or return that amount to the US Department of Education;
- Provide periodic certifications and after-the-fact personnel activity reports documenting personnel costs charged to Title I, Part A, Reading First, Title II-Teacher Quality, and IDEA, Part B for all employees who OIG did not review and were paid with program funds for the 2005-2006, 2006-2007, and 2007-2008 grant years, or return those funds to the US Department of Education;
- Develop and implement written policies and procedures for periodic certifications and personnel activity reports;
- Develop and implement written policies and procedures for properly allocating costs to the federal programs and properly train staff on the new procedures.

The entire Harvey audit report can be viewed at <http://www.ed.gov/about/offices/list/oig/auditreports/fy2009/a05h0025.pdf>. It is an excellent example of how all school districts, not just large ones, are subject to the rules set forth by the OMB circulars.