



Time & Effort Reporting Requirement - Federal Grants

Last Updated 7/28/2025, ADA Title II compliant

NOTE: Prior to July 1, 2015, subrecipients of Federal grants were to maintain semi-annual certifications and personnel activity reports (PARs) for individuals whose salaries were charged to grants. Under the new regulations, the maintaining of semi-annual certifications and PARs are no longer required and have been replaced with 2 CFR §200.430(g) Standards for Documentation of Personnel Expenses.

What is time and effort reporting?

The salaries and wages of any employee charged to a Federal grant must be supported by some form of time and effort documentation that accurately reflects the work performed. It does not matter if it is IDEA funding, or Title funding, or Perkins - formula or discretionary - for any employee funded by a federal grant, the subrecipient must have supporting documentation that the amount claimed on the grant reflects the amount of time the employee spent working on the grant's objectives. The requirement to keep time and effort documentation does not apply to contracted individuals. In those situations, the contract is the time and effort documentation and should outline the time and work that will be provided to the subrecipient.

Time and effort records for employees are housed by the subrecipient and not submitted to the awarding agency. Time and effort records become subject to review during audits, monitoring, or other situations that require the subrecipient to provide evidence that time funded by the federal grant was spent working towards the grant's objectives.

The level of detail needed for the supporting documentation is dependent on the job responsibilities of the employee. In the world of Federal grants, the employee is considered to either have a "single cost objective" or "multiple cost objectives."

Cost Objectives

Cost objectives are dependent on the objectives of the Federal funding source. An individual who has a "single cost objective" has a position that is dedicated to a singular purpose in respect to a grant's objectives. For instance, a special education teacher is considered to have a single cost objective under IDEA because the teacher works only with special education and students

with disabilities. All of the special education teacher's salary and benefits could be eligible for IDEA funding.

A position which does not fit neatly into this scenario is considered to have "multiple cost objectives." As an example, a school psychologist may work with both students with disabilities and students without – but only the portion of time working with students with disabilities would be eligible for IDEA funding per that Federal grant's objectives. Another example would be a Title I teacher in a Targeted Assistance School. If the teacher only works part of the day with eligible students, then the other part of the day would not be eligible for Title I funding.

It is key to know the cost objectives of the Federal grant program in order to determine if the position being charged to the grant has a single or multiple cost objective, and in turn, what type of supporting documentation would meet the standard.

Federal Time and Effort Reporting Requirements

The Uniform Grant Guidance regulates in §200.430(g) that all salaries charged to a Federal grant must be based on records that accurately reflect the work performed; and that these records are incorporated into the official records of the subrecipient. To meet this requirement, the subrecipient must have an established agency-wide system for determining that the charges are accurate, allowable, and properly allocated.

To meet this standard, each subrecipient must:

- Understand the objectives of the Federal grant program.
- For each employee charged to the Federal grant program, determine and document if the position is a single cost object or a multiple cost objective.
 - If 100% of the position could be charged to the Federal grant program then the position is a single cost objective (this is not based on the amount of funding actually available, if enough funds were available, could the position be 100% funded?)
 - If only a portion of the position meets the requirements of the grant's cost objective, then the position is considered to have multiple cost objectives.

For a position considered a single cost objective under a grant program, the only necessary supporting documentation would be a position description verifying the position's responsibilities.

For a position with multiple cost objectives under a grant program, the subrecipient must be able to demonstrate that the amount of time charged to the grant is at least the amount of actual time the position worked on the grant's objectives. Suggested supporting documentation includes a schedule that reflects actual work, personnel activity reports (not required), time sampling, or

any type of time tracking system. Not acceptable supporting documentation includes pro-ration based on student population or program budget size, budgeted or projected figures, or percentages written into a position description.

For positions that have multiple cost objectives, the question to ask is, “How did we determine that this amount of salary and benefits for this position could be charged to the grant?” The supporting documentation must be such that an individual reviewing it could be reasonably assured that the costs were accurate and properly allocated.

For short-term work that is charged to a grant, such as short-term substitute teachers, substitute paraprofessionals, stipends, extended contract time, etc., the approved time sheet or similar type documentation would suffice as appropriate time and effort reporting.

Subrecipients develop a grant budget prior to the obligation period with estimates on the amount of time an individual with multiple cost objectives may spend working on the grant’s objectives. The budgeted amounts would never qualify as supporting documentation, but may be used for interim accounting purposes if the system for establishing the estimates has a proven track record that budgeted amounts are close to actual amounts. The subrecipient’s system of internal controls must include processes to review after-the-fact interim charges made to the Federal grant based on budget estimates.

For example, in the prior fiscal year, the school psychologist worked with behavioral interventions 40% of the year. The plan is to continue those services, so the subrecipient budgets for this activity in the new CEIS grant at .40 FTE. As the fiscal year begins, the subrecipient may claim salary and benefits for this position at the .40 FTE without the need to reconcile with time sheets, schedules, etc. However, the subrecipient must have an established system in place so that if there are significant changes in the employee’s work activity and the result is less time dedicated to the grant’s objectives, the amount charged to the grant is changed. Short-term (such as one or two months) fluctuation between cost objectives need not be addressed as long as the distribution of salary charges to the grant is reasonable over the longer term. However, all necessary adjustments must be made so the final amount charged to the Federal grant is accurate and supported by reliable time and effort documentation.

Federal Time and Effort Reporting Recommendations

Since salary and benefit expenditures fall under allowable costs to a federal grant, the steps for documenting time and effort must be incorporated into the subrecipient’s written procedures. Thus, a subrecipient must use the same time and effort reporting procedures for all of its federal grants, and the documentation incorporated into the official documents.

Many subrecipients have spent years implementing a time and effort reporting system under the former OMB A-87 Circular regulations. These systems, if properly managed, meet the standards

under the Uniform Grant Guidelines and there is no need to eliminate or recreate an existing system. However, the subrecipient should ask these questions:

- Is the existing system reliable?
- Are there written procedures, and are they being followed?
- Are the supporting documents part of the subrecipient's official records?
- Is the same process being used by all programs receiving Federal grants?
- Is the process overly complicated, and could it be simplified under these more flexible requirements?

And lastly, just because a position could be charged to a grant, does not mean it should. Subrecipients should analyze if the time necessary maintaining supporting documentation for a position with multiple cost objectives is worth charging as a direct cost on the Federal grant. For example, a set schedule outlining a staff person's work is easy to convert to FTE percentages (special education in the morning / behavioral interventions for all students in the afternoon). Time sheets for substitute teachers also translate well to charges on a grant. A bookkeeper who works on four different Federal grants plus local budgeting would need to keep time spent working on each funding type to determine allowable grant charges. The amount of effort accurately documenting this would not be reasonable, and would be very vulnerable to insufficient record keeping resulting in unsupported costs being charged to the Federal grant.