ROCKWELL CHARTER SCHOOL

Time and Effort Policy

Purpose

The Board of Directors of Rockwell Charter School has established this policy to comply with Federal Elementary and Secondary Education Act (ESEA) and Individuals with Disabilities Education Act (IDEA) rules and regulations. The policy also satisfies the requirements of the Uniform Guidance for Federal Awards, 2 CFR §200.430(a)(1) and Special Education Rules Section S.T.1, which require that official records be kept for employees compensated with federal funds in order to ensure transparency and to reduce the risk of waste, fraud, and abuse. As a recipient of federal funds, the school must require certification of effort to document salary and wage expenses charged directly against federally funded programs.

The Utah State Board of Education (USBE) also requires that Local Education Agencies (LEAs) have an established written time and effort policy that applies to both federal and non-federal activities where required.

Definitions

<u>Cost Objective</u>: means 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 CFR §200.28).
<u>Effort</u>: means the amount of time spent on a particular activity including the time spent working on a sponsored project in which the salary is directly charged or contributed (cost-shared effort).
<u>Effort Reports</u>: means written accounts or written statements which must be performed twice a year and must be certified by either the employee or the employee's direct supervisor, or in other words, individuals who have first-hand knowledge of 100 percent of the employee's compensated activities.
<u>Individual Effort</u>: means a percentage of the total amount of time spent on work-related activities for which the school compensates an individual.
<u>Semi-Annual Report</u>: Certifications prepared twice annually and signed by the employee and the Executive Director with first-hand knowledge of the work performed by the employee.

Time and Effort Standards

All employees who are paid in full or in part with federal funds, or paid by state funds requiring similar accounting, must keep specific documents to demonstrate the amount of time they spent on grant activities (2 CFR § 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 documents (2 CFR § 200.430 (i)(4)).

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performance. In accordance with 2 CFR § 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;
- Support the distribution of the employee's salary or wages among specific activities or cost objectives.

Time and Effort Procedures

All employees who are paid in full or in part with federal funds, or as required by state funds, must keep specific documents to support the amount of time they spent on grant activities as reflected in each time and effort certification form. This requirement also applies to employees 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 to charge the costs of personnel compensation to federal grants or applicable state grants.

- Time and effort reporting shall reasonably reflect the percentage of distribution of effort expended by school employees involved in federally funded programs, grants and/or contracts, and shall be incorporated into the records of the school.
- These records shall reasonably reflect the activity for which the employee is compensated and shall encompass all activities on an integrated basis.
- Employees who are compensated in whole or in part from a federally funded program (Title I, II-A, III, Special Education, etc.) are required to complete semi-annual certifications.
- The school uses an "after-the-fact" reporting system indicating that the distribution of salaries will be supported by the school's semi-annual certification reports signed by the staff member and the Executive Director after the completion of the report period.

- The Business Manager is responsible for the identification of, distribution, collection, and retention of all employee time and effort reports relative to federal funding.
- The time and effort report must represent, in percentages totaling the agreed upon contractual amounts, the total activity for which each employee is compensated.

Semi-Annual Certification

An employee whose work is funded fully (100%) by a single cost objective or grant award will complete a semi-annual certification which must be:

- Completed every six (6) months or twice a year;
- Be signed by the employee and the Executive Director who has a direct knowledge of the work being performed;
- Reflect an after-the fact distribution of the actual activity; and
- Account for the total activity for which the employee is compensated

An employee whose work is partially funded on one (1) or more grant cost objectives must provide 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. A Personnel Activity Report (PAR) or similar form must be used to support the distribution of the employee's salaries/wages that meet the following standards:

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

A semi-annual certification of time and effort will identify:

- The employer's name;
- The employee's name;
- The federal program;
- The reporting period;
- The employee's position;
- The employee's and Executive Director's dated signature.

Allowance for Budget Estimates and Reconciliation Procedures

Payroll charges must match the actual distribution of time recorded on the monthly certification documents. Budget estimates, or other distribution percentages determined before services are performed, do not qualify as support for charges to federal awards.

However, these estimates may be used for interim accounting provided that the system for establishing the estimates produces reasonable approximations of the activity performed (2 CFR § 200.430 (i)(4)(viii)).

When using budget estimates for interim accounting, the Business Manager will identify and enter into the records in a timely manner any significant changes in the corresponding work activity. All necessary adjustments must be made such that the final amount charged to the federal or state award is accurate, allowable, and properly allocated.

Reviewed: November 20, 2024