

Policy

BOARD OF EDUCATION
HORTONVILLE AREA SCHOOL DISTRICT

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TIME AND EFFORT REPORTING

As a recipient of Federal funds, the District shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation-fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. Is reasonable for the services rendered, conforms to the District's established written policy, and is consistently applied to both Federal and on-Federal activities; and
- B. Follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

Unless specifically authorized by the Department of Public Education (pass-through entity), including during unexpected or extraordinary circumstances, all salaries and wages charged to Federally sponsored projects must be based on records (time and effort reports) that accurately reflect the work performed by the employee. A time and effort report is required regardless of whether such time is paid by a Federally sponsored agreement, a private foundation, or is an unpaid contribution, i.e. cost share match. Committed cost sharing, either voluntary or mandatory, must be included in effort reports.

Employee Compensation During Unexpected or Extraordinary Circumstances

Under unexpected or extraordinary circumstances, such as a public health emergency, the District shall continue to charge the compensation (including but not necessarily limited to salaries, wages, and fringe benefits) of its employees who are paid by a currently active Federal grant consistent with the organization's policies and procedures for paying compensation from all funding sources, Federal and non-Federal.

In the event of an extended school closure, if the District chooses to continue to pay similarly situated employees whose compensation is paid with non-Federal funds, those paid with Federal grant funds may also continue to be paid.

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The District Administrator will assure that the procedures for documenting time and effort per the Federal Uniform Grant Guidance include documenting the funding source of the personnel before the circumstance and the funding source of the personnel during the extended closure. This documentation will be maintained for auditing or monitoring purposes.

Through the process of documenting time and effort under unexpected or extraordinary circumstances, the District Administrator will verify that employees who are being paid with Federal grant funds while the program grant activities are closed in whole or in part due to the circumstance are not additionally being paid for working on other activities that are not closed down.

The procedures and requirements for charging compensation to grant funds described in this policy shall be subject to modification as necessary to provide for application consistent with Federal or State agency requirements or guidance as may be revised during any unexpected or extraordinary circumstance which justifies or necessitates a deviation from required Federal grant procedures.

The reports:

- A. Are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. Are incorporated into the official records of the District;
- C. Reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
- D. Encompass both Federally assisted and other activities compensated by the District on an integrated basis;
- E. Comply with the District's established accounting policies and practices;
- F. Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The District will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Business Office along with the specific grant coordinator is responsible for the distribution, collection, and retention of all employee effort reports.

Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the District may use budget estimates for interim accounting purposes. The system used by the District to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the District and entered into the District's records in a timely manner.

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The District's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Applicable Laws, Regulations, and Guidance:
2 C.F.R. 200.430, 200.431

NEOLA 2020