



Pennsylvania
Department of Education

Tips for Time & Effort Reporting



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Introduction to Time and Effort (T&E) Reporting



What is T&E Reporting?

- T&E Reporting is a process used to document the **amount of time** employees spend on various activities, specifically when their salaries are **funded by federal grants**.

Why is it Important?

- Facilitates **compliance** with federal regulations.
- Provides **accountability** and transparency in the use of federal funds.
- **Mitigates risk** of financial penalties and audit findings.

Who Should Report?

- Employees whose salaries are funded **wholly or partially** by federal grants.
- Both **full-time and part-time** employees, as well as **hourly workers**.
- Employees with **contracted hours** or **stipends**

Applicable Federal General / Entity Standards Guidance



2 CFR 200.430 – 431 highlights the requirements related to governance

Reference	Title	What You Need to Know
2 CFR 200.430(g):	Compensation - personal services (Time and Effort Reporting)	General. Non-Federal entities must maintain records that accurately reflect the work performed. These records must be supported by a system of internal controls, incorporated into the official records, reflect the total activity for which the employee is compensated, encompass all activities compensated by the entity, comply with established accounting policies, and support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on multiple Federal or non-Federal awards, indirect and direct cost activities, or unallowable activities.
2 CFR 200.431(a):	Compensation - fringe benefits	General. Fringe benefits are allowances and services employers provide to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefits. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, an organization-employee agreement, or an established policy of the recipient or subrecipient.

Payroll Policies, Procedures, and Documentation



Payroll Policies

Policies to have available:

- Collective Bargaining Agreement (CBA)
- Overtime Policy
- Payroll Policy and Compensation Policy
- Fringe Benefits Policies

Maintaining Payroll Records

Records to have available:

- Payroll Detail Report / Payroll Registers
- Activity Logs
- Timesheets
- General Ledgers
- Public School Employees Retirement System (PSERS) Quarterly Reports
- Employee Contracts

Reporting and Archiving

Checklist:

- Expenditures charged are backed up by payroll records
- Archive payroll documentation in a secure location (electronically and/or paper copy)

***Compliance with T&E requirements
begins with effective Payroll
Procedures and Application.***

Common Issues and Observations



Throughout monitoring, there have been noticeable trends across the Commonwealth of common compliance gaps in Payroll data and T&E Reporting

Knowledge Gaps

Documentation

Common issues: Insufficient payroll records, inability to provide contracts, stipends, etc.

Observations: No payroll records, Missing contracts or stipends, No time & effort documentation.

Duplication of Benefits

Common issues: Duplication of benefits.

Observations: PSERS reimbursement portion of benefits not removed from the grant.

General Ledgers

Common issues: Non-reconciled general ledgers, use of incorrect funding source or object codes.

Observations: No reconciliation to general ledger including reconciliation of funding and object codes.

Payroll and T&E Reporting – Leading Practices



Clock in with these steps:

1. Adopt the required policies and procedures tailored to the requirements of your operations.
2. Adopt a T&E policy and compliance checklist for Time and Effort requirements.
3. Outline procedures for documentation requirements for each employee category and funding type.
4. Documentation for each full-time or part-time employee's salaries and benefits charged to the federal award.
5. Align policies with overall reporting requirement and general Local Educational Agency (LEA) requirements.

Time & Effort Documentation



T&E Policy

Define the **circumstance** when time and effort documents are needed including **deviations** from policy and treatment of special circumstances

Create step-by-step **overview** of the time and effort procedures

Describe the **forms** to be used including templates

Outline procedures for the processing of **personnel charges** to federal awards

Outline the **approval process** and **internal review process**

Certification Types

Single Funding Certifications — employees working 100% on one cost objective

Personnel Activity Reports (PARs) — employees working on multiple cost objectives

Alternate Time Documentation — employees with a fixed schedule

Employment Documentation

Employee's Job Description — defines duties and aligns with federal funded activities

Collective Bargaining Agreements — outlines agreements (if applicable) affecting time allocation and compensation

Additional Documentation

Prior Approval Documents— refers to the requirement for obtaining formal authorization from a designated authority (e.g., a Regional Coordinator) before implementing or changing time and effort documentation methods

Activity Logs—records used to document the specific activities an employee engages in during their work hours

Timesheets—records used to document the hours an employee works on specific activities

Documents the LEA is Required to Obtain for Time & Effort

Single Funding Certification

Personnel Activity Report (PAR)

Fixed Scheduled Staff

Employees who work solely on a single federal program or cost objective and charge for their salaries and wages. Certification should be done at least twice a year.

100% of time documented for one Cost objective

Include time period covered

Signed and dated by employee and supervisor

Employees who are paid at least partially from federal sources and working on multiple cost objectives. The PAR should be submitted on a basis defined in the LEA's T&E Procedures.

Multiple cost objectives

Track 100% of employees time (Fed/non-Fed)

Signed & dated by employee

Reconciled to payroll records

Include time period (hours/percent)

For employees working on more than one cost objective with a fixed schedule and want to use a semiannual certification, the LEA is required to obtain approval from their Regional Coordinator. The recorded email should include:

Regional Coordinator approval

Employee name

Relevant cost objective / job description

Scenario Question 1



Baxter Margie is a salaried employee at Timely Elementary. Her salaries and benefits were 100% charged to the ESSER program for a year for allowable activities. Which certification is needed for Time and Effort purposes?

- A. Personnel Activity Reports (PARs)
- B. Fixed Scheduled Staff
- C. Budget Reports
- ☒ D. Single Funding Certification

Scenario Question 2



Jordan Smith is an hourly employee at Sundial Middle School. His wages were charged 25% to the ESSER program for February and 75% to the ESSER program for April. Which documents are required for Midnight Middle School to provide for time and effort verification?

- ☒ A. Personnel Activity Reports (PARs)
- ☐ B. Budget Reports
- ☐ C. Regional Coordinator Approval
- ☐ D. Single Funding Certification

Scenario Question 3



Emily Davis, a fixed schedule staff member at Tick-Tock High School, works 45% on ESSER and 55% on Title I program. She wants to calculate the required Time & Effort documentation. What certifications or other approvals are needed for Time and Effort purposes? Select the options that apply.

- ☒ Submit a Personnel Activity Report (PAR) on a bi-yearly with no prior approval
- ☒ Obtain prior approval from the Regional Coordinator to use Single Funding Certification
- ☐ Maintain time and attendance records
- ☐ Provide a job description and payroll records

Leading Time and Effort Practices for Contracted Hours and Stipends



Contracted Hours

Set Up Documentation

Create a timesheet or other documentation and state cost objectives (activities) for each employee.

Track Time

Employees track their time weekly or at the end of the pay period.

Calculate Time Spent

Review submitted timesheets and calculate the amount of time spent on each cost objective.

Allocate Hours

Charge total hours for each cost objective to the prescribed funding source.

Compliance

Follows the Subrecipient's written Time and Effort Procedures.

Don't forget that each hour charged to the grant has to be tracked! Make sure to clock in the details.

Stipends

Update Procedures

Time and Effort procedures should reflect time documentation for stipend-paid employees.

Use of Contracts

Utilize contracts discussing deliverables as effective documentation since stipends are a flat fee.

Scenario Question 5



Alex Johnson is a contracted hourly employee at Clocktower Middle School, working on after-school and summer school programs funded by the ESSER program. To be compliant with time and effort reporting, which documents should Midnight Middle School maintain for Alex's contracted hours? Select the options that apply.

- ☒ Semi-Annual Certification/PAR/Fixed Schedule Approval
- ☒ Time and Attendance Records
- ☐ Contract Agreement
- ☐ Budget Report

Scenario Question 6



Taylor Davis is a teacher at Timeless Elementary, who received a stipend for participating in professional development activities funded by the ESSER program. To be compliant with time and effort reporting, what should Timely Elementary make sure gets completed?

- A. Review time and materials contracts & rates
- B. A Single Funding Certificate
- C. PARs
- ☒ D. Document services were received according to T&E Policy



What are Cost Objectives?

Program, function, activity, award, organizational subdivision, contract or work unit for which **cost data** are desired and for which **provision** is made to accumulate and measure the **cost** of processes, products, jobs, capital projects, etc.

What about Multiple Cost Objectives?

- Includes more than one Federal award and a non-federal award
- An indirect cost objective + a direct cost activity
- More than one allowable activity

How to Track Cost Objectives



1. Position Description

- Review position description as each activity is able to be a cost objective

2. Timesheets

- Set up timesheets stating the cost object(s) for the employee
- Once submitted, calculate the amount time spent on each cost objective

3. Funding Source

- Charge total hours for each cost objective to the designated funding source
- Report to the payroll department to reconcile payroll records
 - Should be done periodically, NOT annually

DUPLICATION OF BENEFITS

1. PSERS reimbursements should be properly **deducted** from each grant as needed.
2. Avoid **duplication of benefits** by cross-checking state aid ratios and PSERS reimbursement.

PERSONAL IDENTIFIABLE INFORMATION

1. Protect **PII** in payroll documents.
2. Implement **secure storage and access controls** for T&E documentation.
3. **Train staff** on PII protection and data privacy policies, as well as required procedures.
4. Adopt a **PII policy** and process for responding to document requests.

Duplication of Benefits Considerations



With respect to Public School Employees Retirement System (PSERS), the goal is to mitigate the duplication of benefits.

LEA-paid Portion of PSERS Retirement Benefits

PSERS employee retirement contribution is an allowable expense allocated to the grant programs.

PSERS Reimbursement

PDE reimburses each LEA on a quarterly basis a previously calculated percentage of employee retirement contributions.

*Excludes Charter Schools.

PSERS Reimbursement Deduction

- LEAs should proactively deduct the PSERS reimbursement amount from the overall grant allocation amount for each employee.
- For example, if the LEA contributed \$2,000 in PSERS contributions, and the LEA's reimbursement rate is 50%, then \$1,000 should not be included in the grant allocation amount.

Scenario Question 7



Sarah Thompson is an employee at Minute Hand Middle School. The LEA contributes to Sarah's PSERS retirement benefits and receives quarterly reimbursements from PDE. Which documents should the LEA maintain for compliance? Choose the correct option.

- A. PARs
- B. Semi-Annual Certification
- C. Time and Attendance Records
- ☒ D. Payroll Records, Reimbursement Documentation, PSERS Quarterly Report (Act 29: Employer Salary Report), and Fringe Benefits

General Guidelines to Follow for Reviews



DOCUMENTATION

- General ledgers
- Payroll detail reports
- Time and Effort Documentation
- CBAs

GENERAL SAMPLING

- Breakout employee costs into **salaries and benefits** by each employee.
- **Random expensed employees** to be selected for review.
- **State benefits** based on the PA chart of accounts.

Be mindful of the following tips to be compliant for time and effort reporting:

1. Adopt the correct policies and procedures.
2. Proper documentation is crucial for accountability and transparency.
3. Deduct duplication of benefits to prevent non-compliance.
4. Protect PII in payroll documents to maintain data privacy.

For more information on the (the topic of the presentation) please visit PDE's website at www.education.pa.gov

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