

Intended Audience

This guidance pertains to local educational agencies (LEAs), specifically independent school districts, open-enrollment charter schools, and education service centers, governed by the cost principles in the new version of the Education Department General Administrative Regulations (new EDGAR) for current grants or the Office of Management and Budget (OMB) Circular A-87 for grants awarded prior to December 26, 2014.

Time and Effort Requirements under the New EDGAR

The new OMB regulations, codified as Title 2 of the Code of Federal Regulations (2 CFR) Part 200, were incorporated into federal regulation on December 26, 2014. The new regulations govern all federal grants awarded by the US Department of Education (USDE) to the state or to an LEA on or after that date. Grants awarded before December 26, 2014, continue to be governed by the OMB circulars that were in effect when the grant was awarded. Visit the [New EDGAR](#) page of the TEA website for more information on all of the new requirements.

In the area of time and effort, the new EDGAR provides a description of the seDC BT1 0cb del.94e-O82 6the h

Consolidating funds is not the same as coordinating funds, which is when a campus pays for an activity using multiple fund sources and tracks each portion to an allowable program expenditure. Coordinating program funds in this manner does not provide the same level of flexibility as does consolidating funds.

For more information about schoolwide programs, refer to the [Schoolwide Programs](#) page of the TEA website.

Handbook Focus: Federal Requirements

This handbook is published by the Department of Grants and Federal Fiscal Compliance (DGFFC). Within DGFFC, the Federal Fiscal Monitoring Division monitors LEA compliance with federal time and effort reporting requirements, and the Grants Administration Division communicates federal time and effort guidance. Thus, this handbook focuses on time and effort reporting requirements for employees funded in part or in whole with federal dollars.

Time and effort reporting requirements may differ for employees funded entirely with state and local funds or for LEAs that receive no federal grant funding. Guidance for those employees and LEAs is communicated by

[34 CFR 80.20\(b\)\(5\)](#) requires federal grantees to apply applicable OMB cost principles and agency program regulations and to follow the terms of grant and subgrant agreements in determining the reasonableness, allowability, and allocability of costs.

Maintenance of Supporting Documentation

[34 CFR 80.20\(b\)\(6\)](#) requires grantees to maintain records supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, and contract and subgrant award documents.

Accounting for Time and Effort

Time and effort reporting requirements under [OMB A-87](#) are applicable to independent school districts, open-enrollment charter schools, and education service centers.

While [OMB A-87](#) permits payroll expenditures and [34 CFR 80.20\(a\)\(2\)](#) requires them to be tracked precisely, additional regulations applies to the way LEAs must document the hours their employees spend working under one or more federal grant programs. The purpose of these additional regulations, which are also found in [OMB A-87](#), specifically in [Attachment B, Section 8h](#), is to enforce accountability on both the employee and LEA level for all payroll charges made to federal grants.

The deadlines are announced by several means:

To the Administrator Addressed letter, posted to the [TEA Correspondence](#) page
Regular, repeated bulletins delivered via the GAFPC email update system (sign up
through the [Texas Education Agency Updates](#) page)

The [Substitute System](#) page of the TEA website

The management certification form is posted on the [Substitute System](#) page of the TEA website.

Once the LEA has submitted its management certification by the appropriate publicized deadline, eligible employees may begin using the substitute system to document their time and effort

LEA's time and effort policies and procedures, an auditor or monitor will check to ensure the following are documented:

A specific administrative procedure that describes the circumstances under which employees are required to prepare periodic certifications (semiannual, at least) or PARs

A specific administrative procedure that prescribes the frequency, form, and content of a semiannual certification or PAR

Procedures that include a sample semiannual certification and a sample PAR

A specific administrative procedure that requires that employees disclose on the PAR an after-the-fact distribution of 100 percent of the actual time spent on each activity and each fund source

A specific administrative procedure that requires the allocation of payroll costs to federal awards based upon the actual time reported by each

Job Descriptions

Under its Ed-Flex waiver, Texas has the authority to waive some federal education requirements for [certain NCLB grant programs](#). One of the requirements Texas has chosen to waive is the time and effort reporting requirement for employees who are 100% funded under those programs. Those employees are not required to submit semiannual certifications to document their time and

Appendix 1: OMB Circular A-87, Attachment B, Section 8h

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix unless a statistical sampling system (see subsection 8.h.(6) of this appendix) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non-Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after-the-fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other di

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