Utah State Office of Education
Special Education
Fiscal Compliance & Monitoring Training

Time & Effort Certification
Allowable Costs

- Necessary & Reasonable
- Consistent Treatment
- Authorized
- GAAP
- Not Used as Match
- Policies & Procedures

OMB Circular A-87, A-122
Allocable Costs

- Can be charged or assigned to a cost objective
- Cost is incurred specifically for the award
- May not be charged to other awards

OMB Circular A-87, A-122
Using Federal $$ for Salary

- Payroll must be documented
- Charges must be approved
- Time & Effort records must be kept
- Demonstrate that employees worked on the specific program charged
- Applies to ALL employees paid with federal funds

OMB Circular A-87, A-122
Who Must Participate?

- Any employee working on a federal program
  - NOT contractors

- *Every* employee paid with federal funds

- Some employees paid with non-federal funds
  - Matching (not IDEA, but may apply to other grants)
Cost Objective

- A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred
  - IDEA preschool
  - IDEA school age
  - Title I
  - IDEA Coordinated Early Intervening Services
  - IDEA Private School Proportionate Share
  - Corporation grant
Using Cost Objectives

- Each purchase (including salary) must be connected to the cost objective.
- If an employee works on more than one project, their payroll shows more than one cost objective.
- If you have more than one cost objective, you need more documentation.
Single Cost Objective

- Title I Consolidated Administration
- Special Education
  - State funding
  - Federal funding

Job is the same, can be paid by either source
Semi-Annual Certification

- Districts and District Charters ONLY
- Signed by employee or supervisor every 6 months
- Supervisor – must have **direct** knowledge
- Certify that 100% of time and effort from (date) to (date) was spent on (project)
Multiple Cost Objectives

- More than 1 Federal award
- Federal & non-Federal
- Indirect cost activity & direct cost activity
- Federal award with matching requirements
- Direct activity & unallowable activity
Personnel Activity Report (PAR)

- After the fact
- Account for total activity
- Signed by employee or supervisor
- Prepared at least monthly

OMB Circular A-122
If your employee is nonexempt under the Fair Labor Standards Act, the PAR must include total hours worked per day.

Documentation of overtime pay.
Failure to Document

- 2006  Columbus  $2.3 Million
- 2008  Detroit  $49 Million
- 2009  Houston  $238 Million
- 2010  Philadelphia  $123 Million
Making it Easier

- Use cost accounting
- Integrate PARs in your payroll system
- Semi-Annual certification for all 100% special educators, even if they’re paid out of state $
- Use time sheets
- Limit assignment to multiple cost objectives
- Provide training on the requirements of PAR
- Blanket certifications
Review of single audits

- Sample collected from LEAs
  - Based on reimbursement request submitted in UCA