

Book	Policy Manual
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6116 - TIME AND EFFORT REPORTING

As a recipient of Federal funds, the School Corporation shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of Title 2 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects, **as well as internal controls.** 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 also may include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation-fringe benefits. **Anticipated employee compensation amounts, including hourly costs and/or stipends, shall be approved by the School Board before any costs are incurred.** 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 Corporation's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. follows an appointment made in accordance with the Corporation's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

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 Corporation;
- C. reasonably reflect the total activity for which the employee is compensated by the Corporation, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the Corporation on an integrated basis;
- E. comply with the Corporation'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 (1) 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 Corporation also shall 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 Payroll Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data shall be made available only to authorized auditors.

Reconciliations

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

The Corporation'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.

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2 C.F.R. 200.430, 200.431