

CRITERIA AND PROCEDURE	
BROAD SUBJECT: FINANCIAL MANAGEMENT	NO: FM-01-03
TITLE: Time and Effort Documentation	EFFECTIVE DATE: February 21, 2008 Revised June 12, 2009

PURPOSE OF THIS CRITERIA/PROCEDURE –

Compensation for personnel services includes all remuneration paid currently or accrued, for service rendered during the period of performance under federal awards, including but not necessarily limited to, wages, salaries and fringe benefits. The cost of such compensation is allowable to the extent that it satisfies the specific requirements of OMB Circular A-87, and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established policy of the governmental unit and is consistently applied to both federal and non-federal activities;
2. Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirement required by federal law, where applicable; and
3. Is determined and supported as provided in Sub Section h.

OMB Circular A-87, Attachment B, Paragraph 11, h. Support of Salaries and Wages, (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.

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 (5) unless a statistical sampling system (see subsection[6]) 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
- e. a allowable activity and a direct or indirect cost activity.

Subsection (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.

Subsection (6) - Substitute systems for allocating salaries and wages to federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random-moment sampling, case counts, or other quantifiable measures of employee effort.

KEY TERMS AND DEFINITIONS –

Approval or Authorization of Awarding or Cognizant Federal Agency: documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a state/local-wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

Award: grants, cost reimbursement contracts and other agreements between a state, local and Indian tribal government and the federal government.

Cognizant Agency: the federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under Circular A-87 on behalf of all federal agencies. OMB publishes a listing of “cognizant agencies”.

Cost: an amount as determined on a cash, accrual, or other basis acceptable to the federal awarding or cognizant agency. It does not include transfers to a general or similar fund.

Cost Objective: a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

CRITERIA AND/OR PROCEDURES –

1. Time sheets signed by the manager for the School Nutrition Program employees are adequate documentation and will meet OMB Circular A-87 requirements.
2. Employees, managers and directors who might have split duties must meet the requirements as stated.

AUTHORITY – FEDERAL

OMB Circular A-87

Semi Annual Certifications

_____ 1, 20__ to _____ 30, 20__

I _____ certify that I work solely on the _____ program.

Signature of Employee

Signature of Supervisor
(Employee not available)

Date

Date

Requirement:

A-87, Attachment B, Paragraph 11(h)

h. Support of salaries and wages

(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 indicating that the employees worked solely on that program for the period of time 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.