Substitute System of Time-and-Effort Reporting: Frequently Asked Questions

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New and updated information is indicated with blue type.

OFFICE OF THE
CHIEF GRANTS ADMINISTRATOR

Forms

1. **Does the time-and-effort reporting requirement apply to federal programs only? Or are employees who work on state-funded programs also required to do time and effort?**

   For the purposes of this document, time-and-effort reporting applies to personnel paid in any part with federal funds.

2. **What if the employee needs more than two rows to manually enter programs that are not included on the dropdown program list?**

   Consolidate all state or local funds into one line.

3. **Why doesn't the form that TEA developed list the fund codes of the programs on the dropdown program list?**

   This is a quality assurance cross-check to verify that the LEA is using correct fund codes in their accounting for the federal funds.

4. **What is meant by the requirement that the semiannual certification "coincide with one or more pay periods"?**

   Coinciding with one or more pay periods means that the timing of the monthly PARs (or semiannual certifications) would "match" the timing of your pay periods as closely as is practical.

   Example 1: Let's assume you pay staff once a month, on the 25th of each month. Auditors would look to see that the monthly PARs would be signed as close as practical to the 26th of each month (weekends and holidays can move that date, and auditors will take that into consideration). Auditors will likely have an issue if the monthly PARs in this example were done on the 15th of every month (in the middle of the pay period). For your semiannual certifications, auditors will likely look for those to be signed on the 26th of the month that represents the mid-point of your school year.

   Example 2: Let's assume you pay some staff monthly on the 25th, and other staff on the 15th and the last day of the month. In this scenario, auditors will likely look for your monthly certifications to be signed on the first of the next month (March 1st for the February monthly PAR for example). For your semiannual certifications, auditors would likely look for those to match the closest pay period ending date to the middle of the year (so you would choose the closest date after the closest pay period ending at the midpoint).

5. **How do you access the employee schedule and certification spreadsheet and the LEA management certification form?**

   Both the spreadsheet and the management certification are posted on the Substitute System page of the TEA website, along with this FAQ, under the headings "Employee Schedule and Certification" and "Management Certification for Substitute System of Time-and-Effort Reporting," respectively.

6. **Why does the schedule cover a week when the certification period is six months?**

   The schedule must be consistent from week to week for the employee to use the substitute system, which explains why the form requires the employee to specify activities in one work week.

7. What should the LEA do if the dropdown list of programs does not include a program?

The employee would use the manual entry fields (lines F and G) to indicate any program not included on the dropdown list.

Charter Schools

8. How does this guidance apply to charters operated by a nonprofit organization? Normally, those charters are governed by the cost principles in 2 CFR Part 230 (OMB Circular A-122), while the substitute system is based on 2 CFR Part 225 (OMB Circular A-87).

According to the additional guidance TEA received from the US Department of Education, the substitute system is available to all LEAs. That includes ISDs, all open-enrollment charter schools, and ESCs.

9. The requirements make it clear that the substitute system applies to open-enrollment charter schools, which means that employees who work on multiple activities supported by a single cost objective can now submit semiannual certifications, rather than PARs. Does this mean that charter school employee who work 100% of the time on the same activity may also now submit semiannual certifications?

Yes, USDE has clarified that 100% employees at charter schools may also use the semiannual certification.

10. If a charter school chooses to use the substitute system, would both their single cost objective and multiple cost objective employees (with consistent schedules) use the substitute system?

Yes.

Ed-Flex and ESEA Requirements

11. How does the substitute system of time-and-effort reporting (substitute system) apply to Texas's Ed-Flex authority?

Ed-flex waives the submission of semiannual certifications for the programs eligible under the Ed-Flex waiver. (See the Ed-Flex Waivers page of the TEA website for more information.) Employees are required to complete the schedule, which both the employee and the supervisor with direct knowledge of the employee's schedule then sign. The schedule is kept on file at the local business office. Per the Ed-Flex waiver, the employee is not required to complete or submit the certification. However, in lieu of the semiannual certification, the employee is required to maintain signed and dated job descriptions identifying the funding source and job duties attributed to the program.

Split Funding and Single Cost Objective

12. If the LEA is a small campus-wide school district with only one position per grade, and teachers are paid out of local and federal funds but job duties are predetermined and unchanging, is the LEA eligible to use the substitute system?

Yes, however, the key to determining whether an employee is working on a single cost objective is whether the employee's salary and wages can be supported *in full* from the federal award alone if the employee's salary is also paid with non-federal funds. In your example, the employee is paid with federal and local funds, but the job duties are the same. As long as those duties could be paid in full from the federal source, then the employee has a single cost objective, and only semiannual certification is required.

13. **An LEA has a middle school special education teacher who also teaches two regular ed classes. The teacher is funded out of state special ed and local funds. Is this teacher eligible for the substitute system? And if so, how does the teacher differentiate the percentage of the day taught, given that the TEA-developed schedule lists state and local together?**

    To be eligible to document time and effort under the substitute system, employees must meet the following three tests:

    1. Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports
    2. Work on specific activities or cost objectives based on a predetermined schedule
    3. Not work on multiple activities or cost objectives at the exact same time on their schedule

    The employee passes all three tests and is eligible for semiannual certification. On the TEA-developed schedule, Program F and Program G are available to manually enter the program name. Use one of these programs as the state portion and the other program for the local portion (and make sure to clearly state in that box that the program is state funded or locally funded).

14. **A teacher paid by IDEA-B proportionate share funds serves special education students in both public and private schools. As long as the student is serving students with disabilities 100% of the time, would this be considered a single cost objective, making the teacher eligible to use the substitute system?**

    No, the LEA must differentiate between public school services and private school services.

15. **A speech therapist works with students age birth through age 2 and supervises two assistants. The therapist is paid with IDEA-B Preschool and local special education coop funds. His schedule is regular and consistent. Does he qualify for the substitute system?**

    To be eligible to document time and effort under the substitute system, employees must meet the following three tests:

    1. Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports
    2. Work on specific activities or cost objectives based on a predetermined schedule
    3. Not work on multiple activities or cost objectives at the exact same time on their schedule

    However, the employee may need to separate preschool funds from SSA funds.

16. **Under IDEA-B, no more than 15% of grant funds may be used on coordinated early intervention services (CEIS). Employees who perform intervention services can be only partially funded from IDEA-B. The remainder of their salaries is funded from**

the general fund. If these employees deal with the same group of students every day and have a set schedule, can the substitute system be used?

To be eligible to document time and effort under the substitute system, employees must:

1. Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports[]
2. Work on specific activities or cost objectives based on a predetermined schedule
3. Not work on multiple activities or cost objectives at the exact same time on their schedule

Since these employees are supported under multiple cost objectives, work on a predetermined schedule, and do not work on multiple activities or cost objectives at the exact same time, they pass these tests and are eligible to have semiannual certifications under the substitute time and effort system.

17. As a result of the single cost objective definition, are any changes required for job descriptions?

As applicable, a sentence should be added to the employee's job description stating that they are supported by a single cost objective, even though funding is split among multiple sources.

18. What is the definition of "single cost objectives" and "multiple cost objectives"?

Refer to the PowerPoint presentation from the time-and-effort reporting (linked from the Substitute System page, along with this FAQ) for definitions of single and multiple cost objectives. The PowerPoint also includes examples of split-funded employees who are supported by a single cost objective.

For additional examples of split-funded employees who are supported by a single cost objective, refer to Enclosure C of the September 7, 2012, USDE letter.

19. Is there an easy way to determine when an employee paid out of multiple awards is really working under a single cost objective?

Cost objectives are defined according to the set of work activities allowable under the term and conditions of each funding source. If an employee is working under a single cost objective, all the activities on his or her schedule must be totally supported from each federal grant contributing to the salary compensation, even when the employee is actually paid out of multiple grants. The activity is the cost objective, not the funding source.

20. Is a teacher who is split-funded between Adult Ed and TANF funds eligible to be funded as a single cost objective?

No, because the employee's Adult Ed activities cannot be supported under TANF, this is two cost objectives.

21. Is a teacher who is split-funded between Adult Ed and TANF funds eligible to submit a semiannual certification under the substitute system, even though not all of her duties are allowable under one of those programs (TANF)?

Yes, as long as specific activities worked for each program are based on a predetermined schedule. In addition, the employee must not work on multiple activities or cost objectives at the exact same time on his or her schedule.

22. **The answers to the two questions above seem contradictory. If the employee cannot be supported under a single cost objective, why is it permissible for him or her to use the substitute system?**

    The consideration of whether an employee may be supported under a single cost objective is separate from the consideration of whether the employee is eligible for the substitute system. As long as the employee currently works on a schedule that includes multiple activities or cost objectives, works on those activities in accordance with a predetermined schedule, and does not work on multiple activities at the same time, the employee is eligible for the substitute system.

23. **The definition of multiple cost objectives includes a funding split between direct and indirect costs from the same program. Is it possible for an employee who is funded under the same program but from direct and indirect costs to claim funding under a single cost objective?**

    No, if the staff member is paid from direct costs for one piece of work and from indirect costs for another piece of work, multiple cost objectives automatically apply, regardless of whether the program is the same.

    An example of this multiple cost objective is an HR staff member who also does highly qualified teacher (HQT) data reviews and is split-funded between indirect costs for general HR work and federal funds for HQT work.

24. **The examples of single cost objective given in the PowerPoint presentation include one for Title I and state comp ed. Could Title III and LEP likewise be considered a single cost objective?**

    The reason that the Title I example shows a single cost objective is that all the employee's job activities could be supported by either program (even though the district chooses to pay the employee from multiple sources). A district could not support Title III and state ESL or bilingual activities under a single cost objective without running into supplant issues.

25. **An LEA is funding a middle school math teacher from Title II, Part A and from SCE. Is the teacher eligible for the substitute system?**

    Yes, as long as the teacher has a predetermined schedule consisting of activities for both programs.

26. **What if an employee works a regular, consistent schedule, but one of the employee's regular activities is not grant eligible (for instance, the employee coaches the cheerleading squad)?**

    The employee is still eligible to use the substitute system. The non-grant-eligible time would be charged to other local funds, using the manual entry fields on the program list (lines F and G) section of the employee schedule.

27. **An employee working a consistent schedule serves at-risk students and is paid with Title I, Part A funds for all periods of the day except for one coaching period and a conference period funded with local funds. Is the employee eligible?**

    Yes, as described in the previous question, the employee is eligible to use the substitute system. The coaching and conference periods funded with local funds would be accounted for using the manual entry fields (lines F and G) on the program list section of the employee schedule.

LEA Requirements

28. Instead of every six months, can the LEA report time and effort at the end of each semester?

The requirement is for time and effort to be reported at least semiannually, or twice yearly. Documenting time and effort at the end of each semester (for instance, in December and May) would meet that requirement.

29. May an LEA use the substitute system for some federal programs and use a different system of time-and-effort reporting for other federal programs?

It is recommended that the LEA implement a single, uniform system for time-and-effort documentation.

30. If an LEA chooses to wait until 2013-2014 to implement the substitute system, is any documentation required at this time?

No, if the LEA chooses not to implement until 2013-2014, the only applicable deadline would be the deadline determined for that school year.

31. Are LEAs, including ESCs, required to adopt the substitute system?

Participating in the substitute time and reporting system is completely optional. The substitute system is available to all LEAs including ESCs and open-enrollment charter schools provided that all applicable requirements are met.

32. What if the LEA only has a single employee who wants to use the substitute system? Is the LEA still required to submit a management certification?

Yes, the LEA must submit the management certification regardless of the number of employees who are using the substitute system.

33. An LEA does not want to implement the substitute system but does want to let its single cost objective employees complete semiannual certifications. What does the LEA do?

No action is necessary in this case. The LEA can continue with its current practices of reporting time and effort.

34. What happens if an LEA decides not to adopt the substitute system but then changes its decision after the February deadline for submitting the management certification?

The LEA would not be eligible to participate during the 2012-2013 school year but would be able to submit the management certification and participate in school year 2013-2014.

35. An LEA currently has no staff eligible to use the system but wants to be able to use it immediately if it has staff who become eligible. Should the LEA submit the management certification now?

The LEA may submit the certification now, if so desired, and retain its eligibility to participate during the 2012-2013 school year.

36. If an LEA is not funded by any federal grants, should it still complete and submit the management certification form?

No, in that case the LEA would not be required to complete and submit federal time-and-effort records, and the LEA would not be eligible to participate in the substitute system.

37. An LEA wants to adopt the substitute system, but only for the second half of the 2012-2013 school year. Can the LEA document time and effort for the first half of the year using the traditional method, since those records have already been created and collected, and then use the new substitute system for the second half of the year?

Yes, the LEA may maintain its old documentation for the first half of the year and begin using the substitute system in the second half of the year. LEAs are free to make the substitute system retroactive to the beginning of the 2012-2013 school year, but this is not a requirement.

38. Are LEAs still required to reconcile payroll with PARs at the end of the year?

Yes.

Employee Requirements

39. The LEA has some employees who are paid 100% out of IDEA-B and who provide proportionate share services. These employees traditionally submitted monthly PARs. Are they eligible for the substitute system?

Yes, as long as the employee meets the clarified definition of a single cost objective from USDE, they would now qualify as a single cost objective, and semiannual certifications would be required (not monthly PARs).

40. How does an employee account for planning periods on the employee schedule?

If the planning period is specific to a program, then the planning period is charged to that program and listed in the schedule. If the planning period is for the entire daily schedule, then the planning period is not listed separately on the schedule and the time for planning is paid under the daily distribution of time and effort.

41. The Grant Management Handbook, posted on the Grant Management Resources page of the TEA website, states that "Daily class schedules for teachers and instructional aides may be used in lieu of time and effort reports for these personnel." How does that statement relate to the substitute system?

The substitute system implements a consistent daily schedule.

42. When an employee's schedule changes during the reporting cycle, that person is required to submit a new schedule and certification. Let's say the original reporting period was January 1 through June 30, but the employee's schedule changed on April 1. On the new certification, how does that employee indicate the reporting period?

The first schedule would indicate a reporting period of January 1 through March 31. The second schedule would indicate a reporting period of April 1 through June 30.

43. If the reporting period is January 1 through June 30, but the employee's last day of work during the school year is May 30, what dates should be indicated as the certification period?

The last day of work during the school year would be indicated as the ending date of the certification period.

44. When different employees at the same LEA complete their schedules, must they all use the program list designations in the same way? That is, if several employees charge time to Special Education, does that grant always have to be designated as A? Or may some employees designate it as A while others use B?

It is not required for all the LEA's employees to use the same designations. It is permissible for one employee to designate Special Education as A while another employee designates that same program as B.

45. Is this an after-the-fact certification for employees, or should the employee complete the certification at the beginning of the certification period?

Auditors will be looking to see that the certifications were completed and signed after the certification period ends, in order to ensure that the schedule represents actual hours worked rather than estimated hours.

46. Are teachers required to account for all the time they spend at school, including before school, conference periods, lunch, and after school? Or is a teacher required only to account for instructional time, when students are in class?

Primarily indicate instructional time. See also question 40 above for information on planning periods.

47. An LEA pays tutors hourly, and those tutors fill out and sign time cards. Are those tutors eligible to use the substitute system?

Only if the tutors meet the eligibility requirements stated above (see question 13).

48. What is the definition of the term "certification period"?

"Certification" refers to the signature by the employee or supervisor, attesting that the documentation is correct. "Certification period" refers to the portion of the year for which time and effort is being documented.

49. Are employees required to take a lunch period?

The LEA must follow state and local policy.

50. One of the requirements for this system states that the employee's schedule must be consistent. May an employee use this system if his or her schedule changes regularly?

If the employee's regular schedule changes regularly, such as every month, the substitute system will not work for that employee. In that case, the employee must continue with the monthly personnel activity report. However, if changes to the employee's schedule occur less frequently, such as once every three or four months, the employee could use the substitute system as long as he or she resubmits the schedule and certification whenever the schedule changes by more than 10%.

51. Who is supposed to complete the schedule, the employee or someone in human resources?

The person completing the schedule should have direct, firsthand knowledge of the employee’s schedule. If someone in HR completes the schedule, the LEA must ensure that requirement is met because records will be audited.

52. What if an employee leaves before the end of the certification period?

If the employee is no longer with the LEA at the end of the designated period, the supervisor with direct knowledge of the employee’s schedule would note that on the employee signature line and then sign the certification.

53. To use the substitute system, is a staff member required to keep extra documentation of his or her activities, such as a class list or sign-in log?

A predetermined class schedule for the reporting period is required to support the time and effort, and no additional documentation is required. For supplemental pay outside the regular schedule, that extra documentation would be required.

54. Can the schedule cross organization codes?

An employee such as a teacher who works on multiple campuses with different organization codes may use the substitute system as long as the employee’s activities can all be supported by the cost objectives identified on the schedule.

55. How should an employee indicate paid leave using the employee schedule?

The employee would document paid leave using the same schedule used to document time worked. While an employee is on paid leave, he or she is paid based on the regular schedule.

56. An employee regularly works on the same programs but never knows from day to day how much time she will spend on each. Is that employee eligible for the substitute system?

No, that employee does not meet the requirement stating that the schedule must be regular and consistent.

57. How would an employee who works a block schedule use the employee schedule?

Instead of filling out all the columns for Monday through Friday, the employee would use two columns (or as many as needed) and write a note at the bottom explaining that the schedule is a block schedule. If the employee alternates between an “A” and a “B” day, for instance, he or she would fill out two of the columns, completing each column with the total hours worked for each day of the block schedule.

58. When should the employee complete the schedule and certification?

The certification should be prepared after the fact based on predetermined schedule and any subsequent changes made in the schedule during the reporting period. The requirement is verification of actual hours worked, not an estimate.

Shared Services Arrangements (SSAs)

59. For LEAs in a shared services arrangement, who chooses to use the substitute system, the member district or the fiscal agent?

The substitute system does not alter the current arrangement between the fiscal agent and member districts for reporting and maintaining time and effort records.