

Time and Effort Reporting

As a pass-through entity for Federal Education funds, the New Hampshire Department of Education (NHDOE) has prepared this **Time and Effort Fact Sheet** to assist Federal program subrecipients in the management of documentation of personnel expenses and after-the-fact reviews of budget estimates. This is commonly called time and effort reporting.

This information is being provided by the NHDOE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-430.pdf> when developing policies and procedures concerning time and effort reporting using Federal funds.

Subrecipients of Federal funds are solely responsible for meeting all applicable Federal regulations.

Federal Requirements

2 CFR 200.430(h)-(i) requires a subrecipient's payroll records ensure that their system of internal controls is adequate to:

- Ensure that matching funds follow the same policies and procedures as Federal funds.
- Provide reasonable assurance that payroll costs are properly allocated and accurately charged.
- Determine whether there is documentation to support the distribution of an employee's salary among different funding sources, Federal awards, or other activities.
- Provide a system for establishing budget estimates are reasonable approximations of activity performed.
- Support the process to review interim charges after-the-fact and make needed adjustments.

Written Policy and Procedure Expectations

To provide reasonable assurance that the payroll costs charged to Federal awards are accurate, allowable, and properly allocated across multiple awards or activities, subrecipients will have:

1. Written policies and procedures for Federal grant-funded personnel that:

- Contain documentation requirements (source documentation), including prescribed measurement and tracking methods, for staff effort and the sources of funds from which they are being paid. The measurement method should be consistent across staff classifications. Tracking methods should tie back to and support subrecipient systems (e.g. effort reports).
- Identify who will certify effort reports if applicable.
- Identify who has oversight over reviewing, approving, tracking, and allocations.
- Contain clear procedures to adjust effort levels when appointments change.
- Written policies and procedures for accounting staff regarding the after-the-fact review of interim charges based on budgeted estimates.

2. Under (2 CFR 200.430(i)(1)(viii)), estimates determined before the services are performed do not qualify as support for charges to Federal awards, but may be used for interim charges.

3. There must be a process to review after-the-fact interim charges made to Federal awards based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Federal Compliance Monitoring

As part of the NHDOE's annual Federal Compliance Monitoring program, staff from the NHDOE's Bureau of Federal Compliance may review time and effort records. The Bureau of Federal Compliance will use the requirements of 2 CFR 200.430 when completing such reviews.

Technical Assistance

Please feel free to contact the Bureau of Federal Compliance staff should you have any questions relative to the contents of this document or time and effort requirements for Federal funds.

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