

The Council of Chief State School Officers (CCSSO) has received many questions from states about how



People use many terms to describe the records SEAs and LEAs must keep when using federal funds to pay employee compensation including " time distribution records" and " time and effort records." Sometimes people use those terms interchangeably and sometimes not.

Neither of those terms is used in current federal regulations, but they are referenced in this document because they are used prevalently in the field and in ED nonregulatory guidance. To understand their use in this document, it can be helpful to think about two categories of federally required records to support employee compensation charges:

- 1. ,³ which are required in all cases federal funds, including ESSER, are used for employee compensation, and
- 2.

,⁴ which are only required when an employee works on activities that must be charged to more than one "cost objective." ⁵ It is this second category that people commonly call either " time distribution" or " time and effort" records, so this document uses those terms in that context.

Federal Documentation Requirements for Employee Compensation

If an SEA or LEA uses federal funds to compensate an employee, it must maintain records to reflect the work the employee performed.⁶ This requirement comes from a set of federal regulations known as the



working on federal programs. They were also called "time distribution" records because they documented how an employee who worked on more than one program distributed their time across the programs.

Now, any type of record can be used to support employee compensation charges if it meets the following six UGG criteria. The record must:

1.



Accordingly, time distribution records are only required in the



For instance:

<u>Example 2</u>. An LEA uses ESSER funds to pay a bonus to a teacher. The teacher's underlying salary is paid with state or local funds. Even though the teacher's compensation is split funded, no time distribution records are needed. ESSER can support the bonus¹⁷ and could also have supported the teacher's underlying salary had the LEA chosen to charge it to ESSER,¹⁸ so there is no need to distinguish between allowable versus unallowable ESSER activities.¹⁹ In other words, the LEA need not have paid both the salary and the bonus with ESSER funds. As long as both activities are allowable under ESSER, no time distribution records are required. (Please see box on page 7-8 for more about this.)

<u>Example 3</u>. An LEA uses ESSER funds to hire additional nurses to support COVID-19 testing, contact tracing, and other school-based health care needs. Even though the nurses are working on both COVID-specific activities (testing and contact tracing) and other general activities (school-based health care supports) no time distribution records are needed because ESSER could support all of the activities.²⁰

<u>Example 4</u>. An SEA uses ESSER funds to hire temporary staff to improve its data collection and reporting systems so it can better report ESSER and COVID-related data. Even though the improved data systems will also benefit other programs in the long term, no time distribution records are needed because improving data systems is an allowable use of ESSER funds and ESSER may pay for the entire cost.²¹

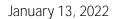
Time Distribution and the Role of Employee Certifications

In the rare circumstance an employee works on both allowable and unallowable ESSER activities, as in <u>Example 1</u> above, the SEA or LEA must have some way to satisfy the UGG's sixth criterion: records to support the distribution of the employee's time. Employee certifications such as "semi-annual certifications" and "personnel

¹⁷ ED May 2021 ESSER and GEER FAQs, D-6.

¹⁸ As noted by ED, LEAs can use ESSER funds to continue employing existing staff. <u>ED May 2021 ESSER and GEER FAQs</u>, A-16, p. 19.

¹⁹ See U.S. Department of Education, <u>Actions to Ease the Burden of Time-and-Effort Reporting</u>, September 2012, <u>Enclosure C</u> (this will be referred to as *ED 2012 Time and Effort*





activity reports" remain the most common way of documenting time distribution, but they are not required if an SEA or LEA has other records that satisfy all of the UGG criteria.²²

As described <u>earlier in this document</u>, this is a change. Before 2014, federal regulations generally required employee certifications. Certifications for employees who worked on one "cost objective" were called semiannual certifications and had to be signed every six months by either the employee or a supervisor with firsthand knowledge of the work performed. Certifications for employees who worked on multiple "cost objectives" were called "personnel activity reports" and had to be signed every month by the employee. (See below for more information about cost objectives.)

Under the UGG's current rules, these certifications are no longer required. Other records are permitted if they meet the criteria listed at the beginning of this document. To date, ED has not provided any specific examples of records that might satisfy the UGG criteria, so many SEAs and LEAs continue to rely on employee certifications. This is a valid approach.

As discussed below, however, SEAs and LEAs might reassess the need for semi-annual certifications when an employee works on a single cost objective. When an employee works on a single cost objective there is no need to distribute their time among multiple cost objectives. In such cases, SEAs and LEAs must have records that satisfy the <u>first five UGG criteria</u> but likely would not need a separate time distribution record to satisfy <u>the sixth</u>, which may help to alleviate administrative burdens.

Time Distribution, Single Cost Objectives, and Other ED Programs

As discussed above, time distribution records are needed when an employee works on multiple "cost objectives." Time distribution records are not needed when an employee works on one "cost objective." This is true for ESSER and all other ED programs governed by the UGG including programs under the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), and the Carl D. Perkins Career and Technical Education Act.

In general, a cost objective is an activity that needs to be tracked separately for funding purposes. Consider the following two scenarios.