

## Enclosure A

### **Time-and-Effort Reporting – Substitute System**

State educational agencies (SEAs) are authorized to approve local educational agencies (LEAs) to use a substitute system for time-and-effort reporting in accordance with the following guidelines. In permitting an LEA to use the substitute system, the SEA must obtain from the LEA a management certification certifying that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate. Additionally, the certification must include a full disclosure of any known deficiencies with the system or known challenges with implementing the substitute system. This certification may be used by auditors and SEA oversight personnel when conducting audits and sub-recipient monitoring of the substitute time-and-effort system.

#### System Guidelines

- (1) To be eligible to document time and effort under the substitute system, employees must –
  - a. Currently work on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports;<sup>1</sup>
  - b. Work on specific activities or cost objectives based on a predetermined schedule; and
  - c. Not work on multiple activities or cost objectives at the exact same time on their schedule.
  
- (2) Under the substitute system, in lieu of personnel activity reports, eligible employees may support a distribution of their salaries and wages through documentation of an established work schedule that meets the standards under section (3). An acceptable work schedule may be in a style and format already used by an LEA.
  
- (3) Employee schedules must:
  - a. Indicate the specific activity or cost objective that the employee worked on for each segment of the employee’s schedule;
  - b. Account for the total hours for which each employee is compensated during the period reflected on the employee’s schedule; and
  - c. Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.

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<sup>1</sup> See Enclosure C for a definition of a personnel activity report.

- (4) Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.
  
- (5) Any significant deviations from an employee's established schedule, that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a personnel activity report that covers the period during which the deviations occurred. States should put forth guidelines and examples for what constitutes a significant deviation from an employee's established schedule that would warrant an individual reverting to a personnel activity report.