



LOUISIANA DEPARTMENT OF EDUCATION

MEMORANDUM

TO: Parish and City Business Managers
Charter School Business Officials
RSD-LDE Business Manager
SU and LSU Lab School Business Managers
State Agency Business Managers

FROM: Charlotte Stevens, Director *CS*
Education Finance

DATE: August 14, 2012

SUBJECT: OMB Circular A-87 Time Distribution Requirements

The Louisiana Department of Education (LDOE) is dedicated to servicing the needs of the Local Education Agencies (LEAs) with guidance and technical assistance. Although prior guidance has been disseminated to the LEAs regarding various federal compliance requirements, this memo is intended to heighten the awareness of OMB Circular A-87 compliance requirements in an effort to minimize noncompliance at the LEA level.

OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments and federally recognized Indian tribal governments (governmental units). Additional guidance on the requirements of OMB A-87 is available at the following link: http://www.whitehouse.gov/omb/circulars_a087_2004/

Time Distribution Requirements:

Federal funds may be used to pay salaries and wages as long as appropriate time distribution records are maintained documenting time spent on federal cost objectives. The method of documentation depends on whether the employee works on a single cost objective or multiple cost objectives. Such records are maintained in addition to the standards for payroll documentation.

▪ **Single Cost Objectives**

If an employee is expected to work solely on a single federal award or cost objective, such work must be supported with a periodic certification that indicates the employee worked solely on that program in the period covered by the certification. The certification must be prepared at least semi-annually (every six months), and must be signed and dated by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

With the same reasoning in mind, an LEA may opt to use a “blanket semi-annual certification” that would identify multiple employees working on the same single cost objective. Signature requirements would be the same as above.

Louisiana Believes.

▪ **Multiple Cost Objectives**

If an employee is expected to work on multiple cost objectives, a distribution of his or her salaries or wages must be supported by Personnel Activity Reports (“PARs”). An employee is considered to work on multiple cost objectives if they work according to the following:

- more than one federal award,
- a federal award and a non-federal award,
- a federal award with specific earmarking (set-asides) or matching requirements,
- an indirect cost activity and a direct cost activity,
- two or more indirect activities which are allocated using different allocation bases, or
- an unallowable activity and a direct or indirect cost activity.

For employees working on multiple cost objectives, PARs must be maintained that reflect the following standards:

- After-the-fact record: The PAR must be created after the work has been executed. Projections of how an employee is expected to work or position descriptions would not be sufficient.
- Total activity: The PAR must account for the total activity for which each employee is compensated, including part-time schedules or overtime.
- Monthly: The PAR must be prepared at least monthly and must coincide with one or more pay periods.
- Signed and dated: The PAR must be signed and dated after-the-fact by the employee. **Unlike the semi-annual certification, signature of a supervisor alone would not be sufficient; however, the supervisor could sign in addition to the employee.**

Additionally, the Semi-Annual Certification must be reconciled with the payroll records semi-annually; and the Periodic Activity Reports (PARs) must be reconciled with the payroll records at least quarterly.

Examples of the blanket semi-annual certification form (Attachment A), semi-annual certification form (Attachment B), and the Periodic Activity Reports (PARs) (Attachment C) are attached.

Your attention to this matter is greatly appreciated. Should you require any assistance with the guidance provided in this memo or any other federal compliance requirements, please contact Nakia Jason, Federal Audit Supervisor, by phone at (225)342-8848, the toll free number below, or via email at Nakia.Jason@la.gov.

CS:mh

Attachments

- c: Parish and City School Superintendents
Charter School Board Presidents
RSD-LDE Chief Fiscal Officer
SU and LSU Lab School Principals
State Agency Executive Directors
Marella Houghton, CPA, Audit Manager
Nakia Jason, Federal Audit Supervisor
Leslie Jewell, Director of Appropriation Control

Louisiana Believes.

Attachment A

BLANKET SEMI-ANNUAL CERTIFICATION

(for multiple staff working on the same single federal cost objective)

Semi-annual period: _____

Fiscal Year: _____

This is to certify that the following individuals have worked 100% of their time during the period of

_____ through _____ under the following program _____,
(Program Title)

(CFDA #)

Position/Job Title	Printed Name	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

This report is an after-the-fact determination of the total activity and actual effort expended for the period indicated, and I have full knowledge of 100% of these activities.

Supervisor's Signature

Date

Completion of this form is required for all federally funded participated employees working on a single cost objective. Submit to payroll upon completion for reconciliation of actual effort to anticipated effort.

"An Equal Opportunity Employer"

Attachment B

SEMI-ANNUAL EMPLOYEE CERTIFICATION

(for staff working on a single federal cost objective)

Semi-annual period: _____

Fiscal Year: _____

Employee Name: _____

Job Title: _____

Program/Activity/Description

CFDA#

I hereby certify that for the period _____ through _____, I spent 100% of my time on the above-referenced program. This report is an after-the-fact determination of the total activity and actual effort expended for the period indicated, and I have full knowledge of 100% of these activities.

Employee's Signature

Date

Supervisor's Signature

Date

Completion of this form is required for all federally funded participated employees working on a single cost objective. Submit to payroll upon completion for reconciliation of actual effort to anticipated effort.

Attachment C

PERSONNEL ACTIVITY REPORT

(bi-weekly certification for staff working on multiple federal and/or federal and non-federal cost objectives)

Pay Period Ending: _____

Fiscal Year: _____

Employee Name: _____

Program/Activity/Description	CFDA #	Anticipated Effort	Total Actual Effort
		40%	40%
		60%	60%
			-
			-
			-
			-
			-
			-
			-
			-
		Total Actual Effort	100%

I hereby certify that this report is an after-the-fact determination of the total activity and actual effort expended for the period indicated, and I have full knowledge of 100% of these activities.

Employee's Signature

Date

Supervisor's Signature

Date

Completion of this form is required for all federally funded participated employees working on multiple cost objectives. Submit to payroll upon completion for reconciliation of actual effort to anticipated effort.