

Administrative, Budgeting, and Financial Reporting (ABFR) Guidance

Time & Effort Guidance

Changes to the 2024–25 School District Accounting Manual

CHAPTER 3 – Accounting Guidelines — Changes

In Chapter 3, Page 3-6: Time & Effort guidance is modified. Old guidance is deleted and replaced.

Time and Effort Records

Employees assigned to work in support of most federal programs are required to document that work. Recent changes to federal rules now allow districts two options to comply with these time and effort (T&E) reporting requirements. In the previous time and effort bulletin 048-17, Local Educational Agencies (LEAs) followed the old time and effort regulations under Office of Management & Budget's (OMB) Circular A-87.

Starting with the 2024-25 school year, [Bulletin 039-24](#) provides LEAs the option to continue to use the old time and effort guidance (outlined in Bulletin 048-17) or to use the new, more flexible, requirements for time and effort reporting, outlined in the Code of Federal Regulations (CFR) 200.430 *Standards for Documentation of Personnel Expenses* ([CFR 200.430\(g\)](#)). Provided that an LEA's policy and system of internal controls meets each of the requirements outlined in CFR 200.430(i), it may design a process that uses the method, or combination of "old" and "revised" guidance that works best for its organization.

[Bulletin 039-24 includes attachments to time and effort examples](#) that meet the standards under the old T&E guidance. They are intended as examples only and should be modified as needed.



Chapter 7 – General Journal Entries Change to Time and Effort Guidance

In Chapter 7, on pages 7-22 & 7-23: Time and Effort guidance is modified.

Time and Effort Adjustments

Employee salaries and wages may be assigned to federal grants before the services are performed based on budget or other estimated distribution percentages. The method used to establish the estimates should produce reasonable approximations of the actual employee time distributions. Estimates alone do not qualify for and may not be used in lieu of T&E reports. 2 CFR 200.430(i)(1)(vii).

Districts must compare actual costs based on T&E reports to the estimates used for coding payroll expenditures. This reconciliation must occur timely and be documented. We recommend the reconciliation be done quarterly, but if you have other internal controls in place to ensure adjustments are timely, you can perform reconciliations less frequently. During the reconciliation process, variances should be adjusted to actual, but at a minimum, adjustment to actual must occur at year end.

At the end of the fiscal year, differences higher than 5% must be adjusted so the final payroll and accounting records reflect costs of the actual time worked as reported by staff for each federal cost objective for the year. Individual employee variances may be aggregated for each federal award.

The following examples display the calculation for first and second quarter time and effort.

1st Quarter	Amount paid to date (budgeted)	Budgeted Percentage	Actual as worked to date (Per Time and Effort)	Actual Percentage	Difference at Object Level
01-21-2	10,830.27		11,263.48		-433.21
01-21-4	3,678.42		3,825.56		-147.14
Total 01	14,508.69	50%	15,089.04	52%	-580.35
51-21-2	10,830.27		10,397.06		433.21
51-21-4	3,678.42		3,531.28		147.14
Total 51	14,508.69	50%	13,928.34	48%	580.35
Totals	29,017.38		29,017.38		0.00

In the first quarter example, no adjustment is required since the amount Title I was overcharged was 4.17% (\$14,508.69 versus \$13,928.34). This is less than 5% percent of the cost.

2nd Quarter	Amount paid to date (budgeted)	Budgeted Percentage	Actual as worked to date (Per Time and Effort)	Actual Percentage	Difference at Object Level
01-21-2	21,660.54		24,259.80		-2,599.26
01-21-4	7,356.84		8,239.66		-882.82
Total 01	29,017.38	50%	32,499.47	56%	-3,482.09
51-21-2	21,660.54		19,061.28		2,599.26
51-21-4	7,356.84		6,474.02		882.82
Total 51	29,017.38	50%	25,535.29	44%	3,482.09
Totals	58,034.76		58,034.76		0.00

In the second quarter example, a cumulative adjustment is required since Title I was overcharged by 13.64% (\$29,017.38 versus \$25,535.29). This is greater than 5% of the program budgeted or charged.

General Ledger Account	Subsidiary Ledger Required	Account Title	Debit	Credit
530	01-21-2	Basic Education, Supervision, Certificated Salary	2,599.26	
530	01-21-4	Basic Education, Supervision, Employee Benefits & Taxes	882.82	
530	51-21-2	Title I, Supervision, Certificated Salary		2,599.26
530	51-21-4	Title I, Supervision, Benefits & Taxes		882.82

Chapter 9 – Federal Grants Management — Changes

In Chapter 9, on page 9-22: Time and Effort guidance is modified.

The Uniform Grant Guidance offers new flexibilities for time and effort tracking in an effort to reduce burden. In the previous time and effort bulletin [Bulletin 048-17](#), Local Educational Agencies (LEAs) followed time and effort regulations under Office of Management & Budget's (OMB) Circular A-87.

[Bulletin 039-24](#) provides LEAs the option, starting with the 2024-25 school year, to continue to use the old time and effort guidance (outlined in Bulletin 048-17) or to use the new, more flexible, requirements for time and effort reporting, outlined in the Code of Federal Regulations (CFR) 200.430 *Standards for Documentation of Personnel Expenses* ([CFR 200.430\(g\)](#)). As long as an LEA's policy and system of internal controls meets each of the requirements outlined in CFR 200.430(i), it may design a process that uses the method, or combination of "old" and "revised" guidance that works best for its organization.

[Bulletin 039-24 includes attachments to time and effort examples](#) that meet the standards under the old T&E guidance. They are intended as examples only and should be modified as needed.

Bulletin 039-24

Informational

RE: Time and Effort (T&E) Reporting

Summary: This bulletin provides LEAs the option, starting with the 2024-25 school year, to continue to use the old time and effort guidance outlined below (and in bulletin 048-17) or to use the new, more flexible, requirements for time and effort reporting, outlined in the Code of Federal Regulations (CFR) 200.430 *Standards for Documentation of Personnel Expenses* (CFR 200.430 (g)).

Key Audiences: Educational Service District Superintendents, School District Superintendents, School District Business Managers

- [Attachment 1: Semi-Annual Certification Examples](#)
- [Attachment 2: Monthly PAR Example](#)
- [Attachment 3: Monthly PAR Example](#)
- [Attachment 4: Semi-Annual Certification \(Employees Using a Fixed Schedule\)](#)