

**CERTIFICATION/PERSONNEL ACTIVITY REPORTING SYSTEM  
FOR FEDERAL PROGRAMS INTRODUCTION**

In order to comply with OMB Circular A-87, Buncombe County Schools has implemented a new system of certifying and/or recording employee time and effort, effective for the 1996-97 year and beyond. This system was designed to be similar to the substitute system under OMB Circular A-87 for which the North Carolina Department of Public Instruction (NCDPI) received approval. The ultimate objective of this system is to ensure that an employee's actual time and effort spent on various federal grant objectives reflects the breakdown of time and effort used to support that employee's salary. The purpose of this system is to account for and allocate the cost of Buncombe County Schools employee salaries and related expenses accurately among federal programs. The system allows Buncombe County Schools to determine, in a uniform and documented manner, the cost of staff effort put forth on the many federal programs administered. The system also provides a reliable method for supervisors to oversee employees' time and effort to ensure that Buncombe County Schools has complied with the requirements of federal programs. The system is relatively simple to implement. Most employees will be affected only by the certification portion of the system. A very few will have to fill out detailed Personnel Activity Report (PAR) forms several times a year.

As with any system, the new Certification/Personnel Activity Reporting system will not be effective and reliable, however, without employees' full commitment to the requirements of the system.

*The Buncombe County Schools Certification/Personnel Activity Reporting System:*

- *Establishes advance allocations of employees' time and effort on individual federal grant objectives used to support the employees' salaries.*
- *Requires employees who are partly, but not wholly, paid from an individual federal grant to report the actual time and effort spent on various projects on a percentage basis for comparison with advance salary allocations.*
- *Requires employees who are wholly paid from an individual federal grant (or their supervisors) to furnish semi-annual certifications that the employees' time was totally devoted to that individual federal grant.*
- *Reconciles differences between advance allocations of salary/related costs to individual federal grants and employee reports (or certifications) of actual time and effort dedicated to various federal grant objectives.*
- *Produces documentation which summarizes both actual employee time distributions and employee funding on an annual basis for employees paid in whole or in part with federal funds.*

**PARTICIPATING EMPLOYEES**

The Personnel Activity Reporting (PAR) System will be utilized by all *permanent* employees within Buncombe County Schools whose *salaries or wages* are either funded from federal funds or included within a federal cost-sharing (or "matching") obligation. Permanent employees whose salary or wages are wholly funded by one federal grant (and whose time is dedicated to that grant) will use the certification

component of the system. Permanent employees who work on multiple cost objectives will use the detailed PAR form to record how their time is split among grant objectives. *Temporary, intermittent employees, such as substitutes, are not subject to these requirements. In fact, any federal funds paid to individuals (who are otherwise permanent Buncombe County Schools employees) on other than an hourly or salary basis, such as stipends for professional development activities, are not subject to these requirements.*

### DESIGNATED REPORTING MONTHS

For fiscal year 1996-97, employees who were split-funded executed the PAR form during the months of October, March, and May. For fiscal year 1996-97 only, the standard monthly reporting system that was in place for the years prior to 1996-97 was used during the months of July, August, and September. In October 1996, the PAR form replaced the prior monthly system of reporting effort on federal programs.

For fiscal year 1996-97, the supervisor of employees who were wholly funded from a single federal grant provided written certification that the employees worked only on that federal grant twice: once for the July 1, 1996 through December 31, 1996 period, and again for the January 1, 1997 through June 30, 1997 period. If any supervisor does not feel that she or he has adequate enough firsthand knowledge of how the employee spends his or her time to make this certification, then the employee shall be asked to make the certification himself or herself.

The following case should not arise; however, it is discussed to prevent possible misinterpretation. *If any employee who is wholly funded from a single grant (or supervisor of an employee who is wholly funded from a single grant) does not feel that he or she, in good conscience, can perform the required certification, the employee is required to fill out the PAR form just as though the employee is multiple cost objective funded.* In determining if duties performed are related to the federal grant from which the salary is paid, a common-sense approach needs to be used. For example, a Title I-funded teacher who, in addition to teaching eligible children, is also assigned general duties, such as bus duty, that all other teachers in the school are also assigned, should have no difficulty in certifying her time. Because these general duties are assigned to all teachers, they are considered to be “related to the grant” for the purpose of compliance with the certification requirement.

### MONITORING DEVIATIONS

Following the first year of implementation, PAR forms shall be submitted for the months of October and March, provided that the average of the end of the year deviations is less than 10%. If average deviations are 10% or more, Personnel Activity Report forms must be completed for three months (October, March, and May) of the following year.

For example, if Jane Smith’s position description predicts that she will spend 95% on ESEA Title I - Basic Programs and 5% on ESEA Title I - Migrant, yet Ms. Smith’s PAR forms reflect that she spent an average of 87% on ESEA Title I - Basic Programs and 13% on ESEA Title I - Migrant, then the records reflect less than a 10% deviation from the original estimates of 95% and 5%. If the average of all employees’ records reflects a difference of less than 10%, PAR forms need only be completed in October and March of the following year. However, if the deviations between the initial time estimates and actual time reported vary by 10% or more on average for the full year, the following year will maintain or return to a three-month reporting system. Using the example set out on the preceding page, if Ms. Smith’s PAR forms reflect that she spent an average of 80% on ESEA Title I - Basic Programs and 20% on ESEA Title I - Migrant, then the records differ by 10% or more from the original estimates of 95% and 5%. If the average of the employees’ records reflects a difference of 10% or more, PAR forms must be completed in October, March, and May of the following year.

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**SUMMARY OF POSITION FUNDING**

The Internal Auditor will generate the summary of Position Funding as an after the fact analysis of the fund source for each employee position salary and related costs. The report will show the precise amount of dollars paid to each employee as salary and benefits and will indicate whether that funding was generated from Local, State or a specific category of Federal funding. This report must be generated following each reporting month – two times during the implementation year, and two times each successive year, assuming average deviations are less than 10%. If average deviations are 10% or more, this summary of Position Funding Report must be generated three times the following year.

If the effort reported for any given grant objective is not sufficient to support the level of funding for that grant objective, then the Director of Financial Operations must make accounting adjustments to ensure that grant objectives are properly charged. Thus, the annual reconciliation compares total funding reported with total effort reported for that year.

**RECONCILIATION PROCESS**

The Personnel Activity Reporting system provides for the reconciliation between the Personnel Activity Report form as completed by the employee and the Summary of Position Funding. Thus, Personnel Activity Reporting allows for a comparison between actual employee effort and employee funding. Employee funding as reflected on the position funding report must be consistent with the percentage breakdown of the employee's actual time and effort. If the funding and actual effort are not consistent, then either the employee's activities must be redirected or the position funding schedule must be adjusted.

The comparison between actual employee effort and employee funding will result in adjustments to previously estimated budget allocations, as well as projections for future budget allocations. For employees who complete October and March PAR's, the October PAR will be used to make final allocations for July – December and to make estimated allocations for January – June. The March PAR will be used to make final allocations for January – June and estimated allocations for July – December of the next fiscal year. For employees who complete October, March and May PAR's, the October PAR...July – October, the March PAR...November – March, then May PAR...April-June.

At the close of each fiscal year, the Federal Programs Section of the Finance Department must make a comparison between the total funding under each grant objective, as reported on the Summary of Position Funding, and the total effort reported by participating employees under each grant objective on the Personnel Activity Report forms.

After the reconciliation is complete, a calculation must be made to determine the overall level of deviations and necessary adjustments. The overall level of deviations must be documented in order to determine whether or not the system required adjustments in excess of 10% overall. If average deviations are less than 10% for any given year, the following year will require the completion of Personnel Activity Reports in the months of October and March only. If deviations are 10% or more, then Personnel Activity Reports will be completed in October, March and May of the following year.

**CERTIFICATION STATEMENT AND PERSONNEL ACTIVITY REPORT (PAR) FORM**

To minimize typing, each department head may develop a "fill in the blanks" type certification statement that references activities applicable to the department. Several examples of these certification statements are attached in Appendix A. "Blanket" certifications are acceptable (i.e., principal certifies all Federally-funded employees in the school, by individual program).

In a Title I School-wide School, all funds lose their identity. Employees in a School-wide School may be paid from any fund source, or any combination of funding sources, and their effort statement would state "100% Title I School-wide Activities", making a certification statement the appropriate documentation. However, Reading First funds may not be combined in a School-wide School.

In order to use a certification statement, three criteria must be met:

1. The employee must be wholly funded from one Federal grant or the time worked must be wholly applicable as the match to a Federal program; *exception employees can have multiple cost objectives yet funded from a single Federal program (example: Title I set asides-PAR is required).*
2. The supervisor must have first-hand knowledge of the employee's daily activities sufficient to make such a certification;
3. The employee must devote 100% of his or her time to the indicated program.

If the supervisor cannot satisfy point 2 above, the employee himself or herself must make the certification. If either point 1 or point 3 above is not applicable to the employee's situation, the employee must fill out the PAR form discussed below.

The issuing department will retain the original of all certification forms until the period that they covered has been audited and all questioned costs resolved. The issuing department will provide a copy of all executed certification forms to the Business Manager. The individual making the certification may make a copy of the certification for his or her own records, if desired.

### **PAR FORMS (EMPLOYEES WHO WORK ON MULTIPLE COST OBJECTIVES)**

The Personnel Activity Report (PAR) form must be used in all cases in which an employee works on more than one Federal cost objective. A sample of the form for October has been included in Appendix B. This form will be executed by all employees whose salaries or wages are paid with Federal funds but cannot satisfy points 1 and/or 3 listed above. The issuing department will retain the original of all PAR forms until the period that they covered has been audited and all questioned costs resolved. The issuing department will provide a copy of all completed PAR forms to the Business Manager. The employee and/or supervisor signing the PAR form may make a copy for his or her own records, if desired. The Personnel Activity Report (PAR) form will be executed *in addition to* the monthly time sheets provided to the payroll division for use in generating pay checks.

Each PAR form will include the employee's name, designated reporting month, and the weeks of that month. The employee's time and effort statement estimates the breakdown of the employee's time and effort among various program objectives, as represented in the employee's position description. The PAR form contains a column entitled "TIME IN PROGRAM." Employees will deal with this column a little differently, depending on whether or not they are exempt from the Fair Labor Standards Act (FLSA).

**Employees who are *not* exempt from the Fair Labor Standards Act (FLSA)** should record the exact number of hours worked. If the employee worked more or less than a standard 8 hour day, the employee must indicate the number of hours worked. For example, if a non-exempt employee worked 9 hours one day, but took an hour "comp" time the next day and worked only 7 hours, the weekly documentation for the PAR form should reflect 9 hours for the first day and 7 hours for the second day. (Note: Employees who are not FLSA-exempt must be paid overtime for all hours worked over 40 per week. They may work more than 8 hours a day without additional monetary compensation, provided that they do not work more

than 40 hours in a week. Any overtime work must be approved in advance by the employee's supervisor.) Authorized over-time for non-FLSA-exempt employees is rare within Buncombe County Schools. However, if a non-FLSA-exempt employee does receive paid overtime, those hours should be reported on the PAR. If the overtime was incurred because an employee was approved to work on a Saturday or a Sunday, then those hours should be indicated.

**Employees who are exempt from the Fair Labor Standards Act (FLSA)** may frequently work additional time for which they receive neither additional money nor hour-for-hour "comp" time. This "volunteered" time is not to be reported on the PAR form. The purpose of the PAR form is to document whether employees whose salaries are paid with federal funds (or are used for a federal "match") are conferring sufficient benefit to the appropriate federal program. Because the analysis focuses on the use of federal funds (or of funds designated as a "match"), time reporting must capture only those hours for which employees receive compensation, whether financial or nonfinancial. Therefore, employees who are exempt from FLSA and who are working additional hours for which they will not receive either additional money nor hour-for-hour "comp" time should not report those additional hours on the PAR form. Additional hours for these employees should be reported only when extra hours have been specifically approved by the employee's supervisor as being eligible for one-to-one comp time.

The PAR form also contains a column entitled "PERCENT ALLOCATION." On a weekly basis, each employee must show the actual division of time and effort spent on individual program objectives. *The percentages stated are percentages of the total time worked that week (whether or not this is the standard 40 hours per week).* The employee may simply enter the actual time worked in the **time in the program** section per week and the form will calculate "PERCENT ALLOCATION." For example, if the EFFORT indicates the employee should work 60% on Title I and 40% on bilingual, but the employee actually spent 75% of her time on Title I and 25% on bilingual, then the form will calculate the actual percentage allocation based on time worked.

At the end of each week of a reporting month, those employees who are required to fill out the PAR forms must calculate the total time actually spent on each cost objective and maintain written documentation (calendar or work plan) of actual hours worked on each cost objective. In addition, the employee is responsible for ensuring that the form is reviewed and initialed by the employee's supervisor who has first-hand knowledge of that employee's work. At the completion of the reporting month, the reconciliation section of the form will calculate the average time spent on multiple cost objectives, stating **in compliance or immediate review required**. Both the employee and supervisor must sign the PAR form to certify that it is an accurate representation of the employee's time distribution. Considering the importance of this signed form, failure to submit the Personnel Activity Report form in a complete and accurate manner may be reflected on the employee's annual performance evaluations.

## ROLE OF SUPERVISOR

The accuracy of the Certification/Personnel Activity Report system is heavily dependent upon supervisors' oversight of this system. The system is premised on the goal that an employee's actual time and effort distribution, as reflected in the PERCENT ALLOCATION column, is consistent with the estimated time and effort division, as indicated by the Certification statement or in the TIME AND EFFORTS section of the PAR form. This consistency ensures that individual Federal program objectives receive benefits equal to the level of funding.

At the end of each work week of a reporting month, the supervisor is required to review each employee's time record. If the supervisor notices that the average weekly or monthly percentage deviates from the EFFORT statement by 10% or more, the supervisor must alert the appropriate Program Director(s). The supervisor and director(s) collaborate to either redirect the efforts of the employee, or submit a written

notice to the Budget Director to adjust the funding source of that employee's salary.

At the end of a designated reporting month, once Personnel Activity Report forms are submitted to the Federal Programs Section, the employee's reconciliation, as reflected on the bottom of the Personnel Activity Reporting form, must be compared with the employee's EFFORT statement. Any deviations between EFFORT and PERCENT ALLOCATION must be considered in making estimated budget allocations for successive months (through the next reporting period).

The responsibilities of the supervisors and department heads are illustrated in the following example: if the EFFORT on the PAR form indicates that the employee will work 50% on Title I activities and 50% on Improving Teacher Quality, but the supervisor's weekly review of the PAR form discloses that the employee actually worked 20% on Title I programs with the remainder devoted to Improving Teacher Quality, the supervisor must alert the department head to either redirect the employee's activities toward Title I or immediately inform the business manager of this discrepancy so that the estimated funding allocation will be altered to reflect 20% on Title I and 80% on Improving Teacher Quality.

To ensure supervisors are aware of any discrepancies between an employee's anticipated and actual time and effort, supervisors of employees who are 100% funded from a single federal grant should discuss the importance of working only on grant-related activities with employees periodically. (There should be no surprises when it is time to fill out the semi-annual certification.) Similarly, supervisors of employees who work on multiple cost objectives are responsible for reviewing the PAR forms with those employees at the end of each work week of a reporting month. (If reason exists to question the accuracy of the employee reporting, the supervisor should discuss the form with the employee and make any necessary adjustments. Once the reporting for the week is determined to be accurate, the supervisor must initial the PAR form in the space marked "*Supervisor Initials*" to confirm that the supervisor has reviewed the form and confirmed its accuracy. This same process should also occur at the end of a reporting month when the PAR form is finalized. Should an employee and the employee's supervisor disagree over the validity of the employee's PAR form, the conflict will be resolved by the relevant department head.)

The performance of supervisors in maintaining the integrity of the Certification/Personnel Activity Reporting system may be an element of the supervisor's performance review.

### **EMPLOYEE DUTY ELSEWHERE, LEAVE, AND HOLIDAYS**

If an employee who is required to fill out Personnel Activity Report (PAR) forms is on "duty elsewhere" for Buncombe County Schools during a reporting month, the employee shall complete the Personnel Activity Reporting (PAR) form as if this work was performed at his or her usual work site. If an employee who is required to fill out Personnel Activity Report (PAR) forms is on leave of any other kind (annual leave, sick leave, personnel leave, leave without pay), the employee should not include those hours in the TIME column when she or he was absent from the work site.

If any day during the month is a holiday for Buncombe County Schools' employees, employees will not increase those hours in the TIME column of the form. If a non-FLSA-exempt employee works on a holiday, then the hours should be included in that week as if it were not a holiday. However, if an FLSA-exempt employee works on a holiday, the form shall be completed for that week as if it were not a holiday only if the employee was approved in advance to receive a day's comp time in return for having worked on the holiday. (Uncompensated, volunteered time by FLSA-exempt employees is not to be reported on the PAR form.)

For example, if in a certain year a holiday, which is observed by all Buncombe County Schools employees, falls during the designated PAR reporting month, those individuals who are required to fill

out the PAR form would not include those hours in the TIME column. However, if an employee was approved to receive comp time for working from 9:00 a.m. to 5:00 p.m. on the holiday (for example, to install a new release of computer software), then those hours would be included in the TIME column and the appropriate percentage would be calculated.

If employees are on “duty elsewhere” or on leave near the end of a month, the employee is to file the complete PAR form immediately upon their return to their usual work site. However, if the travel or leave is for two weeks or more of a reporting month, the employee will substitute the next month for the usual reporting month. This is necessary for the PAR form to reflect a normal work situation.

APPENDIX A

BUNCOMBE COUNTY SCHOOLS  
SEMI-ANNUAL CERTIFICATION  
FEDERAL SINGLE PROGRAM  
PERSONNEL

Employee Name	Period of time covered by this certification:	
	From:	To:
John Doe	January 1, 2008	June 30, 2008
Jane Smith	January 1, 2008	June 30, 2008

Title One Schoolwide Activities

for the period of time indicated.

Signed: \_\_\_\_\_

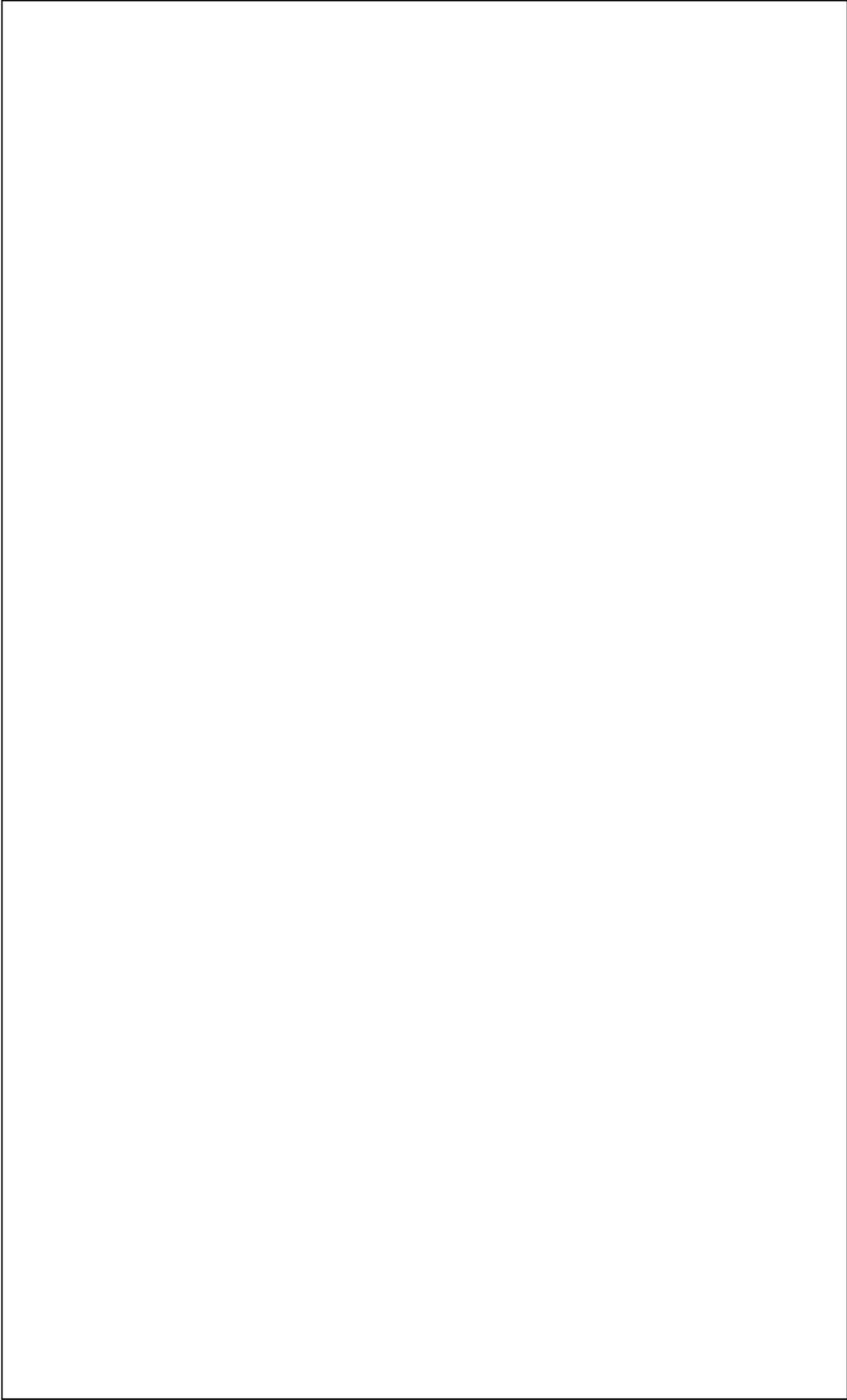
Name

Avery's Creek  
School

\_\_\_\_\_  
Title

July 1, 2008  
Date (mth/day/year)

APPENDIX B



Adopted – May 1, 1997

Revised – June 3, 2010

Revised – April 7, 2011

Revised – June 2, 2011

Cross Reference: Board Policy 8240

Replaces Administrative Regulation 506AR