



Board Agenda Item #	Agenda # II D- Action Item
Date:	January 15, 2019
To:	MPS- Finance Committee
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Nanie Montijo, Chief Financial Officer
RE:	Addition to Board Approved Fiscal Policies and Procedures Manual- PYR 102 Time Keeping Procedures for Federally Funded Employees

Proposed Board Recommendation

I move that the board approve the proposed addition to the current Fiscal Policies and Procedures manual: PYR 102 Time Keeping Procedures for Federally Funded Employees - to meet requirements and comply with federal grants audit.

Background

Current fiscal policies and procedures manual does not include any information on the time and effort documentation requirements for MPS that correlate directly and specifically to federally restricted programs (i.e. Title I, Title II etc.). The proposed procedure addresses how MPS meets the federal requirements for recording time and effort that include timelines, processes, signing authorities, instructions, reporting and record keeping.

Budget Implications

No impact on the budget

How Does This Action Relate/Affect/Benefit All MSAs?

Name of Staff Originator:

Nanie Montijo, Chief Financial Officer and Brock Atar Senior Financial Analyst

Attachments

PYR 102 Time Keeping Procedures for Federally Funded Employees

SOP # PYR 102 Revision:
Effective Date: 1/17/19

Prepared by: Central Office
Approved by: BOD

Title: PYR 102 TIME KEEPING PROCEDURE FOR FEDERALLY FUNDED EMPLOYEES

Policy: To clearly define responsibilities and timekeeping procedures in tracking specific program cost information.

Purpose: To outline and document timekeeping of a grant, award or program costs MPS uses to track expenditure information to ensure it spends a specific amount for a specific purpose.

Scope: This applies to all staff paid with federal funds.

Responsibilities:

Human Resources is responsible for setup and maintenance of all employee profiles on Paycom.

School Principal is responsible for accurate and timely submission of each site's attendance, extra duties and assignments.

Finance Team is responsible for review, generation and approval of all payroll; in addition to maintaining and keeping records of all federally funded employees.

Back-office service provider is responsible for accurate bookkeeping and financial reporting.

Accounting Policies, Procedures and Forms

Procedure:

Employee Compensation - All amounts paid to an employee for services rendered during the award period. Compensation includes salaries, fringe benefits, stipends, bonuses and payments made under supplemental contracts.

Multiple Cost Objectives Employees - Employees who work on multiple cost objectives such as:

- More than one Federal award;
- A Federal award and a non-Federal award;
- More than one activity within a federal award that is separately tracked by MPS (such as set-asides, earmarks or match/in-kind contributions).

Personnel Activity Report (PAR) - A document certifying the amount of time a multiple cost objective employee spends on each cost objective. The PAR must reflect an after-the- fact distribution of the activities performed; account for the total activity for which the employee is compensated; be prepared bi-weekly and coincide with one or more pay periods; and be signed by the employee.

Semi-Annual Certification - A document certifying a *single cost objective* employee worked solely on *one cost objective*. The certification must be prepared at least every six months and must be signed by the supervisory official having first-hand knowledge of the work performed by the employee.

Periodic Certification

An employee who works in multiple cost objectives on a set schedule (predetermined). The periodic certification must be prepared at least semiannually and cover the entire period of the certification and must be signed by the supervisory official.

All employees paid with federal funds must adhere to the following procedures to complete the appropriate time and effort records.

Determining Cost Objectives -

A cost objective is defined as a federal grant award, or other category of costs MPS uses to track specific cost information. In certain circumstances MPS may track the time employees spend on particular activities *within* a single federal grant in order to demonstrate compliance with federal requirements such as earmarks, set-asides or match/in-kind contributions. When MPS uses employee compensation costs to meet these requirements they are known as —cost objectives. In such a circumstance, an individual grant program may have more than one cost objective.

Determining cost objectives requires a careful reading of the programmatic provisions in the statute providing the funds. Employees should contact the Principal if assistance is needed in determining the cost objectives on which they work.

Accounting Policies, Procedures and Forms

Single Cost Objective Employees -

An employee who works on a single cost objective must complete a semi-annual certification that indicates the employee worked solely on that cost objective for the period covered by the certification. The certification must be collected and reviewed at least every six months by the Principal, or his/her designee. Either the employee or a supervisor with first-hand knowledge of the work performed by the employee must sign the semi-annual certification.

A semi-annual certification must:

- Be executed after the work has been completed;
- State that the employee worked solely on activities related to a particular cost objective;
- Identify the cost objective;
- Specify the reporting period;
- Be signed by the employee or a supervisor with first-hand knowledge of the work performed; and dated.

The supervisory official for all single cost objective employees must complete the semi-annual certification attached to these procedures.

If an employee works on a short-term cost objective whose end date does not coincide with the normal December/June collection dates for semi-annual certifications (e.g. a supplemental contract for summer school programs), the employee must obtain a semi-annual certification from the Supervisor after the time period for the work has ended.

All supervisory officials of single cost objective employees with first-hand knowledge of the work performed by the employee must complete and sign the semi-annual certification provided by the Supervisor

Executed semi-annual certifications must be forwarded to the Finance Department

Multiple Cost Objective –

Employees working on multiple cost objectives must maintain Personnel Activity Reports (PARs) or The Periodic Certification If they have a predetermined schedule. The report indicates the amount of time spent on each cost objective for the period covered by the PAR or equivalent documentation. The PAR must be prepared at least monthly, Periodic Certification must prepared at least semiannually. The employee must sign the PAR or equivalent documentation. An employee time card can be used in place of a PAR. Timecards will be documented and maintained by the MPS payroll department.

A PAR or equivalent documentation must:

- Be executed after the work has been completed (projections of how an employee is expected to work or position descriptions are not sufficient);
- Account for the total activity for which each employee is compensated, including part-time schedules or overtime (total activity means all of the time an employee works, not just the amount of time worked on a federal program);

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- Identify the cost objectives;
- Specify the reporting period;
- Be signed by the employee (unlike a semi-annual certification a supervisor's signature alone is not sufficient); and
- Be dated after the fact (when the work has been completed).

At the beginning of each year, Finance Department will distribute blank PARs or Periodic Certification forms to the Principals that are required to complete on a bi-weekly basis throughout the year.

Copies of executed PARs, or approved equivalent documentation, must be forwarded to Finance Department every 2 weeks, Periodic Certification must be forwarded after the time period of work has ended.

Supplemental Contracts –

As discussed above, time and effort records must account for all of an employee's activities (i.e. 100% of an employee's time). Thus, if an employee works overtime that time must be reflected in the employee's time and effort record. If, however, an employee works in two distinct positions the employee may maintain separate time and effort records for each position. For example, an employee works as a Title I teacher during the school day (charged to Title I) and a sports coach after school (charged to state or local funds). Assuming the coaching responsibilities are not part of the employee's regular job functions (e.g. the employee has a supplemental contract for the coaching position), the employee may treat each position separately – meaning the employee may complete a semi-annual certification for the teaching position, while no federal time and effort record would be required for the coaching position. In a similar example, an employee works as a Title I teacher during the school day (charged to Title I) and an after-school federally funded teacher. Assuming the after school activities are not part of the employee's regular job functions, the employee may complete a semi-annual certification for Title I teaching position and a separate semi-annual certification for the other supplemental federal program.

Stipends –

Employees may be provided stipends to participate in activities such as professional development. Employees receiving such stipends for MPS sponsored activities may satisfy time and effort records by signing the sign-in and sign-out sheets provided at the activity.

Reconciliation –

It is MPS's practice to charge employee compensation costs to federal programs based on budget estimates that reasonably approximate how an employee will work during the year. The MPS back office service provider will reconcile payroll charges to the time and effort reflected in employee time and effort records at least quarterly. If any MPS staff or back office service provider staff identifies a variance between how an employee's salary was charged and how the employee actually worked, MPS Finance staff will review and adjust its payroll charges so that the amount charged to federal funds reflects the employee's actual time and effort. MPS will

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perform the reconciliation quarterly.

In-Kind Contributions and Matching –

Employees who are paid with non-federal funds that will be used to meet a federal match requirement (also known as in-kind contributions) must comply with the same time and effort reporting requirements as employees who are paid with federal funds. In other words, employees paid with matching funds who work on a single cost objective must complete a semi-annual certification in accordance with the procedures in section b. Employees paid with matching funds who work on multiple cost objectives must complete a personnel activity report in accordance with the procedures in section c.

Document Retention –

Time and effort records must be maintained for a period of five (5) years.

TRAINING

MPS will provide training on this procedure to all staff involved in federal programs such as:

- Distribution of federal laws, regulations and guidance
- Distribution of MPS policies and procedures
- Developing templates, checklists and other guidance documents as appropriate
- Internal training sessions
- Routine staff meetings and
- Informal technical assistance

Accounting Policies, Procedures and Forms

Revision History:

Revision	Date	Description of changes	Requested By
0	1/17/19	Initial Release	Nanie Montijo, CFO