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## **Time Distribution Supporting Salaries and Wages Charged to Federal Programs**

### General Overview

Federal funds may be used to pay salaries and wages as long as appropriate time distribution records are maintained documenting time on Federal cost objectives. Such records must be maintained in addition to the standards for payroll documentation.

Office of Management and Budget (OMB) Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments,” establishes cost principles for using federal funds to support compensation of personnel services. (See Attachment B, paragraph 11(h)). OMB Circular A-87 applies to School Districts.

### Single Cost Objectives:

If an employee works 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 cost objective for the period covered by the certification. The certification must be prepared at least semi-annually (every six months or semester). The certification must be signed by the employee or a supervisory official having first hand knowledge of the work performed by the employee.

### Schoolwide Programs

A Title I Schoolwide Program is considered to be a single cost objective for those funds specifically included in the schoolwide plan. Therefore, any school building employees who work solely on activities specifically listed in the building’s Schoolwide Plan, regardless of whether those activities are state, local or federally funded, may be supported by the semi-annual certifications.

If an employee works part time in one Schoolwide Program and on activities outside the Schoolwide plan or in another Schoolwide Program the employee is considered to work on multiple cost objectives.

### Multiple Cost Objectives

If an employee works on multiple cost objectives, a distribution of the employee’s salaries or wages must be supported by Personnel Activity Reports (PARs).

An employee is considered to work on multiple cost objectives if they work on:

- 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.



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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; and
- Signed and dated: The PAR must be signed and dated by the employee. Unlike the semi-annual certification, signature of the supervisor alone would not be sufficient, however, the supervisor could sign in addition to the employee.

In determining whether an employee works on a single or multiple cost objectives, the significant factor is the number of cost objectives on which the employee *works*, not the number of sources supporting the employee's salary.

If an employee's **sole** cost object or activity was Title I, but Title I funds only supported 80% of the salary expenditure, the balance being supported by alternate funds, semi-annual certifications are acceptable. However, if their time was distributed over **multiple** cost objectives or activities with Title I being 80% of that time and 20% of their time being spent on a different cost objective or activity, monthly personnel activity reports are necessary (single cost objective-semi-annual certifications or multiple cost objectives-personnel activity reports).