



Cafeteria Funds: Time Accounting Requirements

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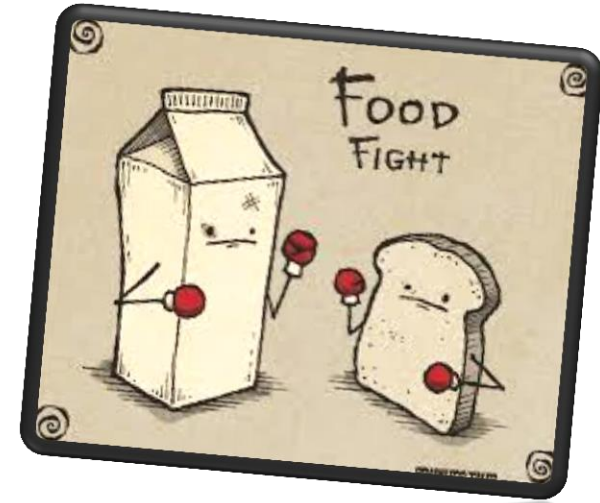


Overview

- Recent Audit Findings
- CDE Updates
- Time Accounting Requirements
- Resources
- Questions and Answers

Recent Audit Findings

- “Food Fight Report”



- Recent nutrition audits conducted by CDE have resulted in audit findings related to employee salaries and benefits



CDE Updates

California State Auditor Report 2013-046

- 18 school districts identified audit findings, including:
 - Salaries and benefits

NSD Time Accounting Working Group

- Identify training and guidance needed for the time accounting requirements.
- CDE Management Bulletins



Salaries and Benefits



Employee salaries and benefits are allowable as a direct charge to the cafeteria fund if the proper supporting documentation is maintained in accordance with federal requirements.

2 CFR 225, Appendix B.8




Time Accounting Requirements

If federal funds are used for salaries, then time distribution records are required.

Time distribution records include:

- Periodic Personnel Certification
- Personnel Activity Report (PAR)
- Other Options – Substitute Systems



Salaries and Benefits (single cost objective)

Employees who work on a single objective must maintain certifications that:

- Certify the employee works solely on that program/cost objective
- Are prepared at least semi-annually
- Are signed by the employee or supervisor

2 CFR 225, Appendix B.8.h.(3)

Semiannual Certification¹

Period Covered² _____ Fiscal Year _____

Employee Name _____

School/Division/Department _____

Cost Objective/ Program Title	Account/Resource Code	Percentage of Effort
Program ABC	1111	100%

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

Employee or Supervisory Official³

Date

1. This sample certification:

- Is for employees funded solely (100 percent) from a single cost objective charged to federal or state programs or from a single nonfederal categorical program used in meeting cost-sharing or matching requirements of federal awards.
- May not meet certain program requirements, such as the direct services to students and administrative costs requirements of Title I, Part A and Economic Impact Aid.

2. Certification must be prepared at least semiannually and cover the entire period of the certification (e.g., six months for a semiannual certification).

3. Certification must be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Pursuant to a recommendation by the United States Department of Education and to facilitate good internal control, LEAs may wish to require both signatures.



Salaries and Benefits (multiple cost objectives)

Employees who work on multiple cost objectives (if not using a substitute system) must maintain personnel activity reports that:

- Reflect an after-the-fact distribution of the actual activity of each employee
- Account for the total activity each employee is compensated
- Are prepared at least monthly and coincide with one or more pay periods
- Are signed by the employee

2 *CFR* 225, Appendix B.8.h.(5)



Salaries and Benefits (multiple cost objectives)

Examples of employees that work less than 100% on food service activities are required to maintain PARs:

- Supervisors
- Custodians
- Warehouse
- Maintenance
- Administrative

Sample Personnel Activity Report

Personnel Activity Report (PAR)

Period Covered¹ _____ Fiscal Year _____

Employee Name _____

School/Division/Department _____

Cost Objective/ Program Title	Account/ Resource Code	Hours Worked	Percentage of Hours Worked
Project A	1111	35	21.7% (35÷161)
Project B	2222	60	37.3% (60÷161)
Project C	3333	56	34.8% (56÷161)
Program Administration	4444	<u>10</u>	6.2% (10÷161)
Total Hours Worked		161	100.0%
Compensated Time Off		<u>7</u>	n/a
Total Compensated Time ²		168	n/a

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

Employee

Date

1. This report must be prepared at least monthly and coincide with one or more pay periods.
2. This report must account for the total activity for which each employee is compensated.

Caution:

- This sample form will work well in those situations when an employee's time spent on programs is fairly predictable and does not vary much during the month. However, for those employees whose time is unpredictable and varies significantly from day to day, a more detailed personnel activity report may be appropriate. Hourly time accounting is the method most accepted by auditors, and the safest approach is always to provide more documentation rather than less.
- This sample form may not include sufficient detail to meet the time documentation requirements of specific programs, such as the requirements related to state mandated costs or the direct services to students and administrative costs under Title I, Part A and Economic Impact Aid.

Sample Unaudited Personnel Activity Report (PAR)

SAMPLE M&O PERSONNEL ACTIVITY REPORT

School/Department: Maintenance and Operations			Name: John Williams														Title: Employee Title										School Yr. January 2014							
Resource	Program	Activities for month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total Hours
5310	NSLP	Oven Repair		2																														2
5310	NSLP	Hood Installation & Repair					3	3				3	4									8	8			3	2	4						38
5310	NSLP	Installing a New Mixer				2																												2
5310	NSLP	Electrical System Upgrade		2	8	2		3			4	1	2	7	6					2						1	1	2				8	8	57
0000	General	General District Maintenance	4.0				5	2			4	4	2	1	2				8	6					4	5	2	8	8				65	
																																		0
																																		0
																																		0
																																		0
																																		0
																																		0
																																		0
																																		0
																																		0
		Holiday																																8
		Sick leave				4																												4
		TOTAL		8	8	8	8	8			8	8	8	8	8				8	8	8	8	8			8	8	8	8	8	8	8	176	

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I hereby certify that the above information is a true and correct representation of the actual time spent by me in support of the above Federal and State Categorical programs and General Education

Month Total

EMPLOYEE SIGNATURE

DATE

Directions:

- To be completed no later than the end of each month
- Time increments must reflect actual time worked
- Enter funding source in program column
- Enter in one employee per personnel activity report
- Enter one activity per row under the Activity column

Program Name	A. Hours Funded	B. Hours Worked	Difference (A - B)
NSLP	105	99	6.0
General Fund	75	65	10.0
After School Program		0	0.0
Leave	0	12	(12.0)
Total	180	176	4

Sample Audited Personnel Activity Report (PAR)

AUDITED SAMPLE M&O PERSONNEL ACTIVITY REPORT

School/Department: Maintenance and Operations			Name: John Williams														Title: Employee Title						School Yr. January 2014											
Resource	Program	Activities for month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total Hours
5310	NSLP	Oven Repair		2																														2
5310	NSLP	Hood Installation & Repair					3	3				3	4									8	8			3	2	4						38
5310	NSLP	Installing a New Mixer				2																												2
5310	NSLP	Electrical System Upgrade	2	8	2	4	3	3	4	4	1	2	7	6	6	6	8	8	10	8	8	8	8	9	9	10	8	8	8	8	8	8	57	
0000	General	General District Maintenance	4			5	2				4	4	2	1	2				8	6					4	5	2	8	8				65	
0000	General	Electrical System Upgrade	2	8	2		3				4	1	2	7	6					2					1	1	2				8	8	57	
																																		0
																																		0
																																		0
																																		0
																																		0
																																		0
																																		0
		Holiday																	8														8	
		Sick leave				4																											4	
																																		0
		TOTAL	10	16	10	8	11	11	12	9	10	15	14	14	14	14	8	8	10	8	8	8	8	9	9	10	8	8	8	8	8	176		

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Month Total

EMPLOYEE SIGNATURE	DATE
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Directions:
 To be completed no later than the end of each month
 Time increments must reflect actual time worked
 Enter funding source in program column
 Enter in one employee per personnel activity report
 Enter one activity per row under the Activity column

Program Name	A. Hours Funded	B. Hours Worked	Difference (A - B)
NSLP	105	99	6.0
General Fund	71	65	6.0
After School Program		0	0.0
Leave	0	12	(12.0)
Total	176	176	0



The Substitute System

The CDE received approval in 1998 to adopt a substitute system for documenting federal salaries and wages:

- An alternative to monthly PARs
- PARs are collected from employees every 4th month (3 times per year)
- LEAs use these PARs to align charges for previous months and estimate charges for upcoming months



The New Substitute System

In September 2012, USDE approved an alternative method for time and effort reporting.

- LEA must develop procedures and train staff on implementing the new system.
- The system uses documented employee work schedules and includes sufficient controls to ensure schedules are accurate.



The New Substitute System

- Employees must currently work on a schedule that includes multiple activities or cost objectives.
- Work on predetermined schedule carrying out the same duties without changes for the same amount of time each pay period.
- LEAs must provide management certification in the Consolidated Application and Reporting system for CDE's approval.



Consequences for Improper Charges


If the CDE determines that a district charged unallowable expenses to the cafeteria fund, the CDE will direct the district to transfer the amount improperly expended (via payment plan or in whole) back into the cafeteria fund -- to be used solely for the maintenance and improvement of the district's food service program.

EC 38101(f)



Cafeteria Fund Resources

- **CDE Cafeteria Fund Guidance Web page**
<http://www.cde.ca.gov/ls/nu/sn/cafefundguide.asp>
- **USDA Policy Memos**
<http://www.fns.usda.gov/nslp/policy>



For SNP Cafeteria Fund questions not addressed today, please contact by e-mail:

SNPCAFEFUNDQUESTIONS@cde.ca.gov

Subject Line:

Assistance being requested and District/Agency Name

Body of e-mail must include:

SFA Name

CNIPS ID #

Description of the issue

If capital expenditure request, explain why the equipment is necessary



For other questions not addressed today, please contact

Administrative Review – Contact Field Services Unit at:

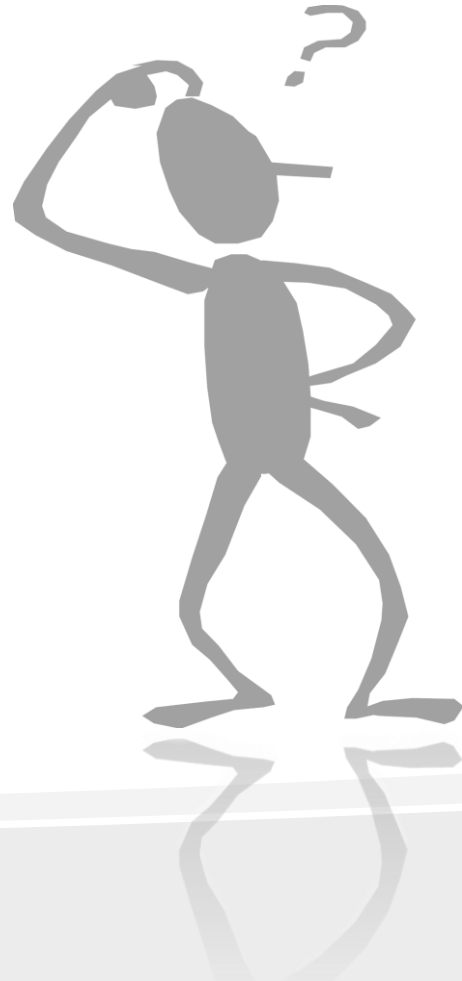
916-323-4558 or 800-952-5609

**Accounting and *California School Accounting Manual* -
Contact School Fiscal Services Division at:**

sacsinfo@cde.ca.gov



Questions?





Thank you.



Thank you