U.S. Department of Education Clarifying Guidance on the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) (ARRA, Recovery Act)
August 26, 2010
Question 5 updated September 30, 2010

This document provides guidance specific to the U.S. Department of Education (ED) and supplements the reporting guidance issued by the Office of Management and Budget (OMB) on December 18, 2009. Recipients should reference the OMB guidance as needed as many of the terms used in this document build upon the December 18th guidance. The OMB guidance is available at this link: http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf.

1. **May the number of hours that constitute a full-time schedule vary across quarters?**
   Yes. In one quarter, for example, a full-time schedule may be 512 hours whereas, in the next quarter, it may be 520 hours. The number of hours may vary, for example, based on the number of days in the quarter or the number of hours the employer considers to constitute a standard full-time schedule. Depending on how recipients calculate full-time equivalents (FTEs), it may be necessary to consider these differences. Recipients should ensure that an employee who is working full-time and whose salary is fully funded by ARRA is reported as 1 FTE.

2. **Does the length (i.e., 10 months or 12 months) of a full-time contract affect FTE calculations?**
   No. If an employee is working pursuant to a contract that the recipient regards as full-time, the recipient should consider the total hours worked and paid during the school year as equivalent to 1 FTE even if the period is less than 12 months. An employee's FTE should be determined by how many hours the employee worked and was paid in relation to the number of hours in a normal full-time contract. Regardless of whether an employee is on a 10-month or 12-month contract, the employee should be reported as 1 FTE every quarter if the position is fully funded by ARRA.

3. **How should FTEs be calculated for hours worked in addition to a full-time schedule?**
   The FTEs for hours worked in addition to a full-time schedule should be calculated separately from FTEs for a regular full-time schedule and then added to the FTE from the regular full-time schedule to get the FTE for the quarter. If an employee is fully funded by ARRA and works additional hours beyond the full-time schedule that are also funded by ARRA, the employee would be reported as more than 1 FTE. For example, if a teacher worked in a summer school program in addition to a full-time schedule and the time worked in that summer school program is roughly equivalent to 50 percent of a full-time schedule in one quarter, the teacher would be reported as 1.5 FTE for that quarter.

4. **Should vendor jobs be included in recipient reports?**
   Yes, the OMB guidance released December 18, 2009, requires recipients to report vendor jobs. It is the responsibility of recipients and subrecipients to include hours worked by vendors in their quarterly FTE calculations.

5. **How should FTEs be reported when funds are expended in one quarter to cover costs incurred in previous quarters?** ***(This question updated September 30, 2010 per updated OMB guidance)***
   The OMB guidance released December 18, 2009, defines a funded job as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding. A job that is paid initially with non-Recovery Act dollars may be reported as created or retained so long as such dollars eventually will be reimbursed with Recovery Act funds for the jobs being reported.

   To the extent possible, recipients should follow this guidance and report a job in the quarter in which it is worked. However, there may be circumstances in which a job cannot be reported in the quarter in which it is worked. A situation like this might occur if a recipient identifies the positions to be paid with ARRA funds after the end of a quarter or if the recipient uses the ARRA funds for pre-award costs that were not captured in prior quarter reporting . If this situation arises, the job should be reported in the quarter in which Recovery Act funds are expended to pay for the job. Recipients should be consistent in their application of reporting jobs either in the quarter in which the job is worked or in the quarter in which ARRA funds are expended to pay for the job.

6. **Should benefits be included in the calculation of jobs under the OMB guidance released December 18, 2009?**
   In accordance with the OMB guidance, FTEs are based on positions funded, regardless of salary or benefits. ARRA funds that are only used for cost-of-living increases or retention bonuses should not be counted as FTEs.

7. **May the "definite term methodology" be applied to funds that are received in the middle of the definite term?**
   No. The definite term methodology, may not be used as its use would lead to an underreporting of jobs. The general methodology should be used to calculate FTEs paid for with funds that are received in the middle of the definite term and used during the remainder of the current definite term. If all of the funds are not spent and there are remaining funds at the beginning of a new definite term, then the definite term methodology can be applied to the remaining funds in the new definite term.
   Additional information regarding use of the "definite term methodology" can be found in the December 18, 2009, OMB guidance available at http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-08.pdf.

8. **What if a recipient has calculated and reported jobs in a manner that is inconsistent with this guidance or with previously released guidance?**
   The recipient should recalculate the jobs in a manner consistent with ED and OMB guidance and maintain administrative records that include comprehensive information on any and all necessary corrections. Recipients will be required, at a time and in accordance with a process to be specified in the future, to submit this information to the Federal Government, after which the Recovery and Accountability Transparency Board will determine the best approach for making this information available on Recovery.gov.