Agenda

• Background
• Project Payroll confirmation
• Process
• ecrt software
• Important dates
Background
Background

UK engaged Huron to assess its current effort reporting process, policy, systems, and procedures and how they meet the requirements of OMB’s new Uniform Guidance.

Areas reviewed encompassed:
• Distribution of Effort process and form (for faculty)
• Staff payroll distribution process
• Faculty and Staff Effort Certification forms

UK purchased and has configured new software (ecrt) for on-line confirmation on a project rather than individual basis.
Faculty DOE separation from payroll cost distribution

Timeline:

• July 2015 – DOE percentages separated from the payroll cost distribution and removed the annualization of effort
  – Allowed for monthly variation in percentage allocated to each cost object in each month
  – Implemented multi-year encumbrances for better oversight of personnel costs on sponsored project budgets
  – No paper forms submitted to Research Financial Services (formerly Sponsored Projects Accounting)
Faculty and Staff Effort Certification to Project Payroll Confirmation

- Timeline:
- Summer & Fall 2015
  - RFP process completed for vendor partner
  - ecrt software selected
  - Initial project plan developed
- March 2016 Kick off meetings held with campus
- Since then……..
  - Design requirements for customization
  - Data mapping and loading from BW to ecrt
  - Determination to perform review and confirmation on quarterly basis
  - Implementation of pre-review process occurred on March 1st
Project Payroll Confirmation
Project Payroll Confirmation

WHAT is it?
- Project Payroll Confirmation:
- An alternative to traditional Effort Reporting that uses a project based methodology and utilizes the concept that “charges are reasonable in relation to the work performed”
- Replaces paper-based annual effort certification

WHY now?
- 2 CFR 200 Uniform Guidance
- 4 schools have completed pilots with successful Office of Inspector General audit review
- Significant enhancements in efficiency and effectiveness
- Volume reduction ~ 40% in number of reports
- Frequency increases to provide maximum utilization of funds
- On-line format reduces administrative burden for PIs – required only for sponsored projects containing federal funds
Internal Controls

• Internal controls are vital according to 2 CFR 200 (Uniform Guidance) – these are processes and procedures that are in place to ensure timely, accurate and complete expense postings based on scope of work completed during the period.
  – One such process control is the reconciliation of each sponsored project on a monthly basis performed by your business staff. (*BPM E-17-6 Reconciliation and Review of Financial Transactions*)

• Another element of internal control is the separation of duties
  – This requires ongoing communication between at least the payroll specialist, financial specialist and the PI. (*BPM E-1-4 Internal Control; BPM E-1-3 Fiscal Roles and Responsibilities*)
# Effort Reporting vs. Payroll Confirmation

<table>
<thead>
<tr>
<th>Description</th>
<th>Effort Reports</th>
<th>Project Payroll Confirmation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification focus</td>
<td>Individual (exempt) certifies for self; supervisor certifies (non-exempt)</td>
<td>Principal investigator confirms all employees on sponsored project</td>
</tr>
<tr>
<td>Certification cycle</td>
<td>Academic semesters or semi/annual fiscal periods</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Approver</td>
<td>Individual, PI, Supervisor</td>
<td>PI</td>
</tr>
<tr>
<td>Confirmation focus</td>
<td>Individual’s percentage of effort is reasonable based on overall effort</td>
<td>All employees’ payroll expenses associated with the award are reasonable based on work performed</td>
</tr>
<tr>
<td>Type of funds</td>
<td>All sponsored funds</td>
<td>PI only required on federal funds</td>
</tr>
<tr>
<td>Frequency</td>
<td>Faculty – annual; non-contract base – annual; Staff/Students – semi-annual</td>
<td>Quarterly administrator review on ALL sources of funds, PI confirms federal funds quarterly</td>
</tr>
</tbody>
</table>
Fundamental Changes

Change from one confirmation report per person to one confirmation report per sponsored project (grant number)

- This change is anticipated to dramatically decrease volume of confirmation reports and individuals who will need to be trained to complete them.
- Principal Investigator will be completing confirmation of payroll charges for all individuals working on his/her grant.
- Subsequent changes to payroll (retro) will result in need to repeat process.

Change in frequency from annually to quarterly

- This is necessary to demonstrate strong internal controls – frequent review and full utilization of grant funds.
- Consistent with federal reporting and reconciliation cycle.
- Confirmation period will be based on posting periods of the payroll expense.
Process changes
Business Process Improvements requested

Business staff in all colleges and centers have been asked to review current process flow for payroll information, particularly on sponsored projects.

- To identify gaps that lead to late retro active pay adjustments.
- To implement process improvements to increase timely and accurate processing, improve efficiency, etc.
- To focus on process improvements specifically to minimize loss of access to sponsored funds.
- NIH, NSF and other federal agencies have limited the amount of time we have access to be reimbursed at the end of the project.
- Late expenses may not be eligible for reimbursement and opportunity is lost to recover funds from external sponsors.
Other related items

Earliest retroactive date in payroll will be set quarterly
• Aligns faculty and exempt staff dates
• Changes support the demonstration of increased internal controls.
• No longer necessary to maintain separate timeframes for retroactive dates in payroll since monthly change in distribution is enabled.
• IRS electronic tax filings by employers timeline updated to prevent fraudulent income tax form filings.
• Phishing e-mails asking for employees to enter/verify their bank account information.
ecrt system key features

Simple navigational tools make end-user tasks quick and easy

- Link blue id and myUK portal will be utilized for system access.
- User dashboard displays list of items to complete.
- Ability to monitor progress and completion of confirmations at the department and/or college level.

Standardized workflow and notifications

- Auto e-mails sent to Primary Department Effort Coordinator when time to complete pre-review of payroll on statement for confirmation period.
- Auto e-mails sent to Principal Investigator when time to complete final verification of payroll charges for confirmation period.
- If a change to payroll is made impacting a previously confirmed period, a revised confirmation will be routed to PI for re-confirmation.
- Custom workflow development to allow hold status on confirmation statement while necessary payroll adjustments are completed.
Pre Review Process

Roles assigned in ecrt for each sponsored project
• Primary department effort coordinator – assigned task of reviewing all project statements (all sources of funds)

During the Pre Review Process the Primary Department Effort Coordinator should:
• Verify that all individuals that should be paid from the grant or cost shared on the grant appear on the project statement;
• Compare the dollars per individual on the project statement to the project budget;
• Verify that no individuals appear that should not be paid from the grant or cost shared appear on the project statement; and
• Communicate with Principal Investigator, Payroll Specialist, etc. who can address any questions that arise.
Project Payroll Confirmation – Department/College Workflow Process

Pre Review Period

E-mail notifies Primary Department Effort Coordinator that project statement is Ready for Pre Review

Primary Department Effort Coordinator routes project statement to either:
- Pre Review
- Revise Payroll

Pre Review Complete

Reviews Payroll Revision Requests
Processes Payroll Adjustments
PI Confirmation Process

Role assigned in ecrt for each sponsored project

- Certifier role – PI of the sponsored project responsible for confirming the reasonableness and completeness of the payroll expenses for each individual associated with his/her project relative to work performed.

During the confirmation process the PI should:

- Verify that all individuals working on the project during the quarter appear on the project statement,
- Verify that no individuals appear on the project statement who did not work on the project during the quarter; and
- Compare the dollars (also depicted as percent of total pay for the quarter) per individual on the project statement to work performed that quarter to validate reasonableness.
Verify that all individuals who are working on the project appear on the project statement.

Verify that names on a project statement are actually working on that project.
ecrt software
Login using Firefox or Chrome

Financial Services Overview

Financial Services
Provides access to Financial administrative tasks

Procurement Card
Authorized campus users may view and process ProCard postings

Cash Transmittals
Authorized campus users may view and process cash transmittals

Note: You will only see tabs and links for those applications for which you have permissions.
Login using Firefox or Chrome

NOTE: Firefox and Chrome are the preferred browsers to access ECRT. Using Internet Explorer versions 10 or higher will limit functionality in the system. Follow the Research Financial Services link below for instructions on how to update browser settings.

ECRT Payroll Confirmation

ECRT is the mechanism to be used for the review and confirmation of the payroll expenses posted to externally sponsored projects. This process is only required for externally sponsored projects and will be performed by department personnel and principal investigators.

Research Financial Services

Research Financial Services (RFS) website for additional information and guidelines related to payroll confirmation, including Quick Reference Cards (QRC) and Frequently Asked Questions (FAQ).
Welcome to eCRT! At the University of Kentucky, this web-based eCRT system is our mechanism for completing the review and confirmation of payroll expenses on sponsored projects. The various tabs below are meant to assist you with managing the project statement at various stages by listing specific tasks that require your attention. For more details about the specific task and action required please click on any hyperlink and you will be routed directly to the project statement.

### Quarterly Project Confirmations

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Number</th>
<th>Sponsor</th>
<th>Period</th>
<th>Due Date</th>
<th>Status</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska English Language Arts</td>
<td>Fed 3210445888</td>
<td>National Cancer Inst. FY16</td>
<td>Quarter 2</td>
<td>2/23/2017</td>
<td>Ready for Confirmation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molecular Electronics</td>
<td>3048000003</td>
<td>National Institute of... FY16</td>
<td>Quarter 3</td>
<td>2/23/2017</td>
<td>Ready for Confirmation</td>
<td></td>
</tr>
</tbody>
</table>

### Associated Sub-Project Confirmations (View-Only)

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Number</th>
<th>Sponsor</th>
<th>Period</th>
<th>Due Date</th>
<th>Status</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcontract 3A - Flooring</td>
<td>3049003336</td>
<td>National Institute of... FY16</td>
<td>Quarter 2</td>
<td>2/23/2017</td>
<td>Ready for Confirmation</td>
<td></td>
</tr>
</tbody>
</table>
Quarterly Project Confirmations Instructions

Work List

Meadows, Steve - 99887704
- Ready for Confirmation
  - 304890003 Molecular Electronics FY16 Quarter 3
  - 3210445060 Alaska English Language Arts FY16 Quarter 2
  - 3210445988 Alaska English Language Arts FY16 Quarter 3

Pre Reviewed
- Ready for Pre Review

3210445060 - Alaska English Language Arts

Project Information:
- CFDA Number: 93.355 Cancer Treatment Research
- Org: Huron Testing - Huron Testing Department
- Project Title: Alaska English Language Arts
- Project Period: 06/15/2015 to 06/01/2016
- Budget Period: 06/15/2015 to 06/01/2016
- Sponsor Name: National Cancer Institute
- Sponsor Award Number: 5R01XX

Project Statement for 3210445060: Alaska English Language Arts (FY16 Quarter 3), Effort from 1/1/2016 to 3/31/2016, due date 2/23/2017, Status Ready for Confirmation

<table>
<thead>
<tr>
<th>Employee</th>
<th>Department</th>
<th>Object Code</th>
<th>Direct Charge</th>
<th>Cost Share</th>
<th>Direct Charge %</th>
<th>Cost Share %</th>
<th>Total Payroll</th>
<th>Total Payroll %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farr, Yona</td>
<td>Huron Testing Department - Huron...</td>
<td>3210445060</td>
<td>$5,000.00</td>
<td>$100.00</td>
<td>74%</td>
<td>1%</td>
<td>$5,100.00</td>
<td>75%</td>
</tr>
<tr>
<td>Karolii, Tim</td>
<td>Huron Testing Department - Huron...</td>
<td>3210445060</td>
<td>$2,000.00</td>
<td>$100.00</td>
<td>2%</td>
<td>0%</td>
<td>$2,100.00</td>
<td>2%</td>
</tr>
</tbody>
</table>
## Attestation Statement

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Molecular Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Name</td>
<td>3048990003 - Molecular Electronics</td>
</tr>
<tr>
<td>Period</td>
<td>FY16 Quarter 3</td>
</tr>
<tr>
<td>Certifier</td>
<td>Meadows, Steve - 99887704</td>
</tr>
<tr>
<td>Personnel Being Certified</td>
<td>Farr, Vena - 99887717</td>
</tr>
<tr>
<td></td>
<td>Kelley, Mike - 99887703</td>
</tr>
<tr>
<td></td>
<td>Langone, Bud - 99887716</td>
</tr>
<tr>
<td></td>
<td>Meadows, Steve - 99887704</td>
</tr>
</tbody>
</table>

I certify the salary charged and effort certified this period reasonably reflect the work performed in the designated period, and that I have sufficient technical knowledge and/or I am in a position that provides me with suitable means of verification that the work was performed.

[Agreement button] [Cancel button]
### Quarterly Project Confirmations Instructions

#### Work List

<table>
<thead>
<tr>
<th>Worklist</th>
<th>Status</th>
<th>Code</th>
<th>Description</th>
<th>Fiscal Year</th>
<th>Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meadows, Steve - 99887704</td>
<td>Ready for Confirmation</td>
<td>304890003</td>
<td>Molecular Electronics</td>
<td>FY16 Quarter 3</td>
<td></td>
</tr>
<tr>
<td>3210445888</td>
<td>Ready for Confirmation</td>
<td>Alaska English Language Arts</td>
<td>FY16 Quarter 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3210445888</td>
<td>Ready for Confirmation</td>
<td>Alaska English Language Arts</td>
<td>FY16 Quarter 3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Project Statement for 3210445888: Alaska English Language Arts (FY16 Quarter 3)

**Project Information**
- **OFDA Number:** 93.355 Cancer Treatment Research
- **Org:** Huron Testing - Hurontesting - Huron Testing Department
- **Project Title:** Alaska English Language Arts
- **Project Period:** 08/15/2015 to 06/01/2016
- **Budget Period:** 08/15/2015 to 06/01/2016
- **Sponsor Name:** National Cancer Institute
- **Sponsor Award Number:** 5R01XX

**Employee** | **Department** | **Object Code** | **Direct Charge $** | **Cost Share $** | **Direct Charge %** | **Cost Share %** | **Total Payroll $** | **Total Payroll %** | **Confirm** | **Revisit Payroll** | **Action**
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | ---
Far A., Vena - 908877117 | Huron Testing Department - Hurontesting | 304890003 | $5,000.00 | $100.00 | 74% | 1% | $5,100.00 | 75% | | | |
Karlof, Tim - 99887705 | Huron Testing Department - Hurontesting | 3210445888 | $2,000.00 | $100.00 | 74% | 1% | $2,100.00 | 2% | | | |

**Revise Payroll**
This page is asking you to confirm that you want to leave - data you have entered may not be saved.

- Leave Page
- Stay on Page

**Message (HTML)**

- **File**
  - New
  - Open
  - Save
  - Save As
  - Close
  - Print
  - Exit

- **Message**
  - New Message
  - Reply
  - Forward

- **Insert**
  - Image
  - Video
  - Audio
  - Link
  - Quote

- **Options**
  - Font
  - Size
  - Color

- **Format Text**
  - Bold
  - Italic
  - Underline

- **Review**
  - Spellcheck
  - Thesaurus

- **Tell me what you want to do...**

**Mail**

- **From**
  - janile1@email.uky.edu

- **To**
  - MOORCANNI@gmail.com

- **Cc**

- **Subject**
Revise and confirm
Payroll report

In the last column on the project statement, click on the $ icon to access the Payroll report for the period reflected on the project statement.
Reports

Click this icon 📊 to view the employee’s 100% payroll for the quarter.

![Project Payroll Summary - FY16 Quarter 2](image-url)
Important Dates

• The pre-review process for quarters 1 and 2 is now open
• Target date for PI confirmation period is April 10th for quarters 1 and 2
• Quarter 3 PI confirmation period will be in May
• Quarter 4 PI confirmation period will be in August
• Generally, the confirmation period will be from 14 to 21 days

Contact Information:
Jennifer Miles  jennifer.miles@uky.edu  257-6260
Erin Wallett   erin.wallett@uky.edu  257-3749
Penelope Spradlin  penelope.spradlin@uky.edu  257-9017
Cherri Wallace  cherri.wallace@uky.edu  257-1747
Questions?