Agenda

• Background
• Project Payroll confirmation
• Process
• ecrt software
• Important dates
Background
Faculty DOE separation from payroll cost distribution

- 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

- March 2017 – Replace paper effort certification process
  - Implementation of project payroll confirmation 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”
• Allows review of payroll expenses by project
• Provides alternative view by individual (100% of pay per period)
• Replaces paper-based annual effort certification

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

• Consistent with federal reporting and reconciliation cycle.
• Confirmation period will be based on fiscal quarters to coincide with financial statements.
• This is necessary to demonstrate strong internal controls – including frequent review and full utilization of grant 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)*
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; and
• To focus on process improvements specifically to minimize loss of access to sponsored funds.

They have been notified that:
• NIH, NSF and other federal agencies have limited the amount of time we have access to be reimbursed at the end of the project; and
• Late expenses may not be eligible for reimbursement and opportunity is lost to recover funds from external sponsors.
Campus Involvement

• During the process of review, design, testing and implementation we held meetings and received valuable input from college level administrators as part of a Business Advisory Committee.

• College level administrators have been asked to assist in process assessment and, if needed, modifications to best fit specific college needs.
  – Identify areas of improvement for timely payroll processing to reduce the number of retro active payroll adjustments and JV adjustments.
  – Assign roles in order to ensure good internal controls over the payroll data.

• Please contact your college administrator for further discussion of any specific issues or concerns related to the payroll entry, pre review and confirmation process workflow in your area.
Earliest Retro Date Changes

- Changes to the earliest retroactivity date for staff and faculty are here!
- January 2017 –
  - Monthly Payroll area set to 07/01/016 on January 19th
  - Bi-weekly Payroll area set to 06/26/16 on January 24th
- March 2017 –
  - Monthly Payroll area set to 01/01/17 on March 28th
  - Bi-weekly Payroll area set to 12/25/16 on March 21st
- August 2017 –
  - Monthly Payroll area set to 03/01/17 on August 22nd
  - Bi-weekly Payroll area set to 03/19/17 on August 25th
- While these changes support the internal controls of our confirmation process, they are also needed to meet changes related to submission of W-2 information electronic file to IRS.
FES Futures Update

With ERD in place, the following amounts will require JVs to correct if pay from July through December needs to be re-allocated.

<table>
<thead>
<tr>
<th>College</th>
<th>As of end of February</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICINE</td>
<td>$820,365.07</td>
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<tr>
<td>PUBLIC HEALTH</td>
<td>190,739.34</td>
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<tr>
<td>SOCIAL WORK</td>
<td>188,970.06</td>
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<tr>
<td>EDUCATION</td>
<td>46,180.02</td>
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<tr>
<td>HEALTH SCIENCES</td>
<td>10,305.98</td>
</tr>
<tr>
<td>ENGINEERING</td>
<td>9,335.55</td>
</tr>
<tr>
<td>AGRICULTURE</td>
<td>7,036.60</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,272,932.62</strong></td>
</tr>
</tbody>
</table>
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.
- Custom workflow development to allow hold status on confirmation statement while necessary payroll adjustments are completed.
- 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.
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 to 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.
Administrative Burden Reduction

- Previous paper based system – approx. 11,000 paper documents annually

New process –
Quarter 1 – 1,565 project statements
  709 PIs confirming
Quarter 2 – 1,306 project statements
  656 PIs confirming
Will result in over 40% reduction in annual statements
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

Notice: Principal Investigators
Date Posted: 2017/2017

Please note that the confirmation period has not yet opened and there is no required action to be taken by Principal Investigators on sponsored projects at this time.

You will be notified by email once the confirmation period has opened and action is required. Please contact your business administrator or ecrt.help@uky.edu for any additional assistance.

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) webpage for additional information and guidelines related to payroll confirmation, including Quick Reference Cards (QRC) and Frequently Asked Questions (FAQ).
Ecrt Demo

• Ecrt progress report
• Ecrt statement
Important Dates

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

• Payroll specific JVs
  – Different document type
  – Requirements to separate entries by person, pay period, wage type
  – Required beginning fiscal year 2018
Reports coming soon

• Person report that details current support for requests from sponsors
• Report that may be run for specific time periods to assist in writing progress reports
• Report to assist in detailing information needed on payroll JVs
Questions?

Quick Reference Cards and User Guides available at:
http://www.uky.edu/ufs/payroll-confirmation-service-centers

Contact Information:

Jennifer Miles  jennifer.miles@uky.edu  257-6260
Erin Wallett    erin.wallett@uky.edu   257-3749
Misty Atchison  misty.Aitchison@uky.edu 257-1028
Penelope Spradlin penelope.spradlin@uky.edu  257-9017
Cherri Wallace cherri.wallace@uky.edu   257-1747

Thank you!
Appendix
ecrt software
PI screens
Work List for Steve Meadows

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 statements 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>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska English Language Arts</td>
<td>Fed 3210445688</td>
<td>National Cancer Inst... FY16 Quarter 2</td>
<td>2/23/2017</td>
<td>Ready for Confirmation</td>
<td></td>
</tr>
<tr>
<td>Alaska English Language Arts</td>
<td>Fed 3210445688</td>
<td>National Cancer Inst... FY16 Quarter 3</td>
<td>2/23/2017</td>
<td>Ready for Confirmation</td>
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</tr>
<tr>
<td>Molecular Electronics</td>
<td>3048090003</td>
<td>National Institute of... FY16 Quarter 3</td>
<td>2/23/2017</td>
<td>Ready for Confirmation</td>
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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>
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<tbody>
<tr>
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<td>3048003336</td>
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</tbody>
</table>
Quarterly Project Confirmations Instructions

Project Statement for 3210445888: 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 - Huronite</td>
<td>3210445888</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>Kariol, Tim</td>
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<td>3210445888</td>
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<td>$100.00</td>
<td>72 %</td>
<td>2 %</td>
<td>$2,100.00</td>
<td>2 %</td>
</tr>
</tbody>
</table>

Confirm
Revised Payroll
Action
### Quarterly Project Confirmations Instructions

#### Work List

<table>
<thead>
<tr>
<th>Project Code</th>
<th>Project Name</th>
<th>Completion Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>3210445888</td>
<td>Alaska English Language Arts</td>
<td>Ready for Confirmation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ready for Pre Review</td>
</tr>
</tbody>
</table>

#### Project Information

- **Project Code**: 3210445888
- **Project Name**: Alaska English Language Arts
- **CFDA Number**: 93.395 Cancer Treatment Research
- **Org**: Hurontesting - Huron Testing Department
- **Project Title**: Alaska English Language Arts
- **Project Period**: 06/19/2015 to 06/30/2016
- **Budget Period**: 06/19/2015 to 06/30/2016
- **Sponsor Name**: National Cancer Institute
- **Sponsor Award Number**: 5R01XX

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

<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>
<th>Confirm</th>
</tr>
</thead>
<tbody>
<tr>
<td>FarA, Vena - 99887717</td>
<td>Huron Testing Department - Hurontesting</td>
<td>3210445888</td>
<td>$5,000.00</td>
<td>$100.00</td>
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<td>1%</td>
<td>$5,100.00</td>
<td>75%</td>
<td>✔️</td>
</tr>
<tr>
<td>Karen, Tim - 99887705</td>
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<td>$2,100.00</td>
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<td>✔️</td>
</tr>
</tbody>
</table>

**Action**: Confirm
Attestation Statement

Account Title: Molecular Electronics
Account Name: 3048990003 - Molecular Electronics
Period: FY16 Quarter 3
Certifier: Meadows, Steve - 99887704
Personnel Being Certified: Farr Â, Vena - 99887717
Kelley, Mike - 99887703
Langone Â, Bud - 99887716
Meadows, Steve - 99887704

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.

I Agree  Cancel
### Quarterly Project Confirmations Instructions

**Work List**

<table>
<thead>
<tr>
<th>ID</th>
<th>Department</th>
<th>Project FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>3048950003</td>
<td>Molecular Electronics</td>
<td>FY16 Quarter 3</td>
</tr>
<tr>
<td>3210445888</td>
<td>Alaska English Language Arts</td>
<td>FY16 Quarter 2</td>
</tr>
<tr>
<td>3210445888</td>
<td>Alaska English Language Arts</td>
<td>FY16 Quarter 3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Employee</th>
<th>Department</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>
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<tbody>
<tr>
<td>Fan A. Vens</td>
<td>Huron Testing Department - Huronta</td>
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<td>$100.00</td>
<td>74%</td>
<td>1%</td>
<td>$5,100.00</td>
<td>75%</td>
</tr>
<tr>
<td>Korol, Tim</td>
<td>Huron Testing Department - Huronta</td>
<td>$2,000.00</td>
<td>$100.00</td>
<td>74%</td>
<td>1%</td>
<td>$2,100.00</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Confirm**

- [ ] Fan A. Vens
- [ ] Korol, Tim

**Revise Payroll**

- [ ] Fan A. Vens
- [ ] Korol, Tim

---

**Project Information**

- **OFDA Number:** 93.336 Cancer Treatment Research
- **Org:** 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

---

**Get Help**
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.

Project Statement

[Table showing payroll details with a total of $850.00]
Reports

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

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