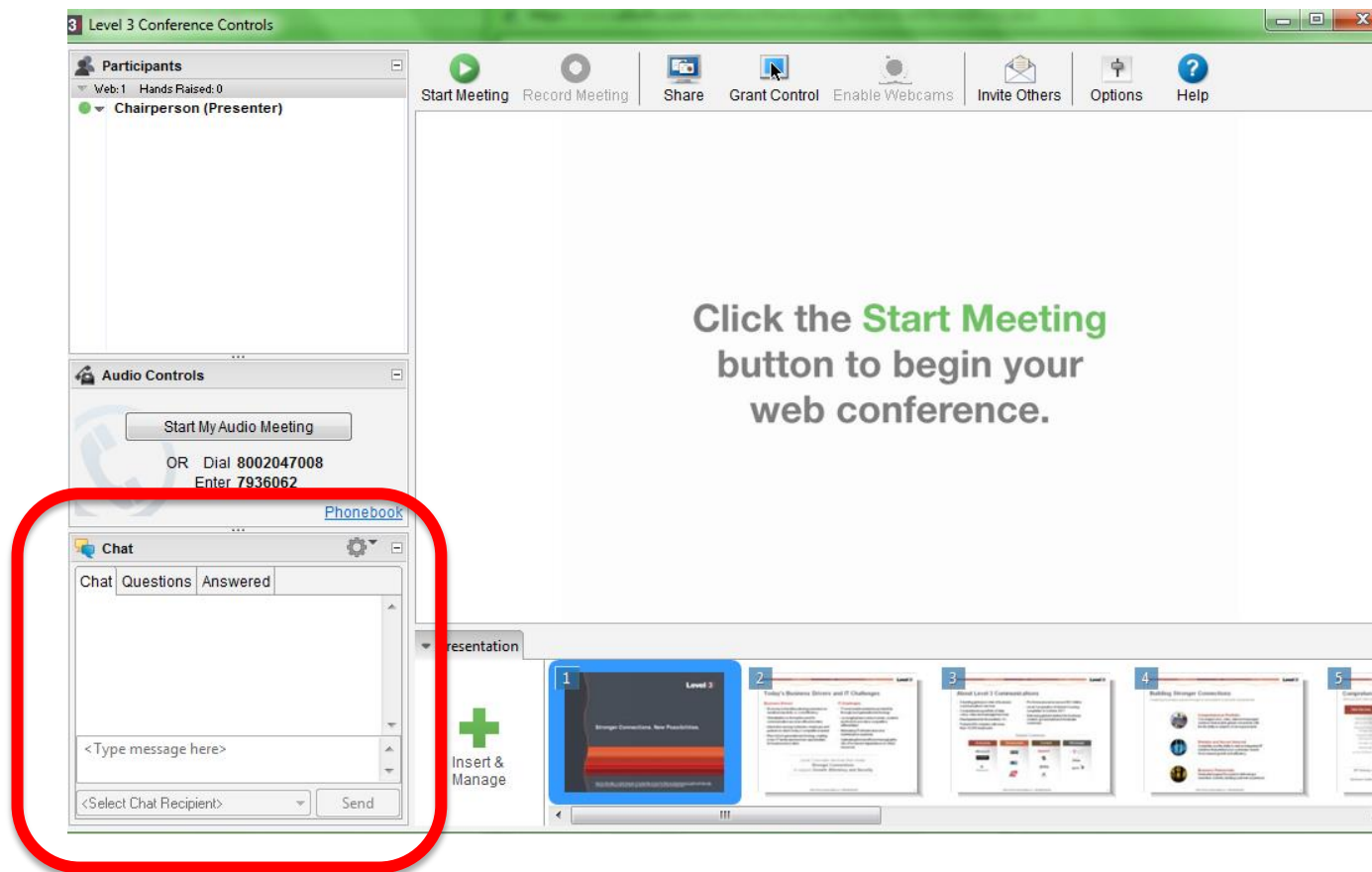**HuronEducation**

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How to Meet the OMB Requirements for Effort Confirmation and Automate Reporting

March 25, 2015

Chat Feature

- Please submit any questions using the Chat feature in your Web Meeting Window:

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Agenda

- **Discussion of the New Effort Reporting Regulations**
  - What changed?
  - What are the new standards of documentation?
  - Additional guidance

- **ecrt Overview**
  - Integration with your source systems
  - Incorporating the new regulations
  - ecrt process flow example

- **ecrt Demo**

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What Changed?

1. Requirements and standards have been streamlined across most entities that receive Federal awards.

2. Specific frequency and methodology requirements have been eliminated.

3. New standards for documentation of personnel expenses have been defined.

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What are the new standards of documentation?

Charges to Federal awards must be based on records that accurately reflect the work performed (2 C.F.R. § 200.430(i)(1)). In addition, the records must:

- Be supported by a **system of internal control** that provides reasonable assurance about the accuracy, allowability, and proper allocation of the charges
- Be incorporated into the entity's **official records**
- Reflect the **total activity for which the employee is compensated** by the entity, not exceeding 100% of compensated activities, or Institutional Base Salary
- **Encompass both federally assisted and all other activities** compensated by the institution on an integrated basis, i.e. reflect 100% of the employee's activities
- Comply with the entity's established accounting policies and practices
- Support the distribution of the employee's salary and wages among **specific activities or cost objectives** if the employee works on multiple activities

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Additional Guidance

- Phrases "suitable means of verification" and "first hand knowledge" are no longer in the regulations.

- Budget estimates continue to be considered insufficient support for charges

- Charges for non-exempt personnel must be supported by records indicating the total hours worked each day.

- Charges for cost sharing or matching requirements must be supported in the same manner as direct charges for personal compensation.

- The new guidance also encourages cognizant agencies to consider and approve alternatives to traditional effort reporting, such as milestone- or performance-based approaches for compensation.

    – These alternatives must be approved by the cognizant agency in advance
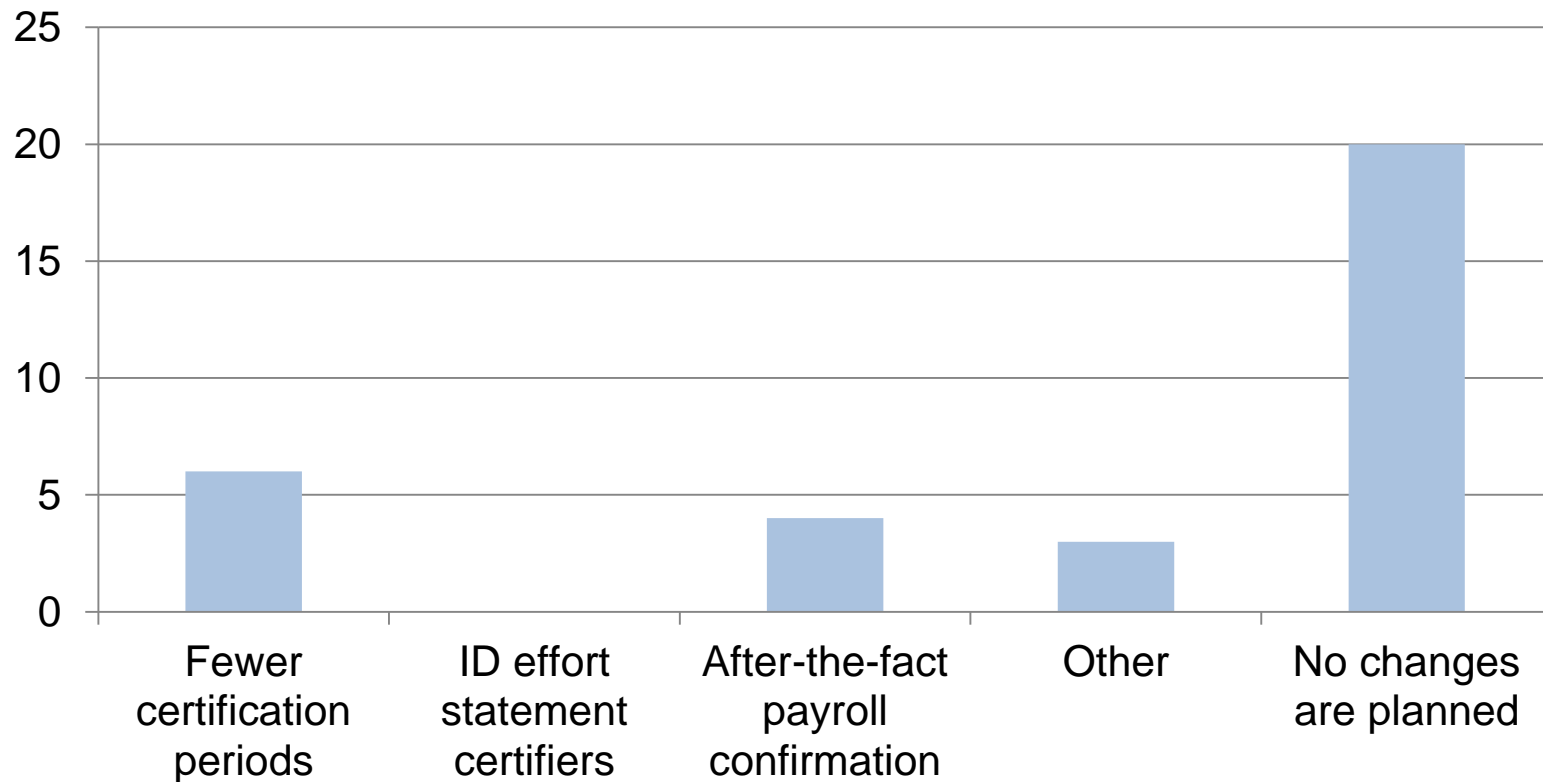
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Poll Question

Has your institution made (or are you planning to make) significant changes to your effort reporting process based on the Uniform Guidance?

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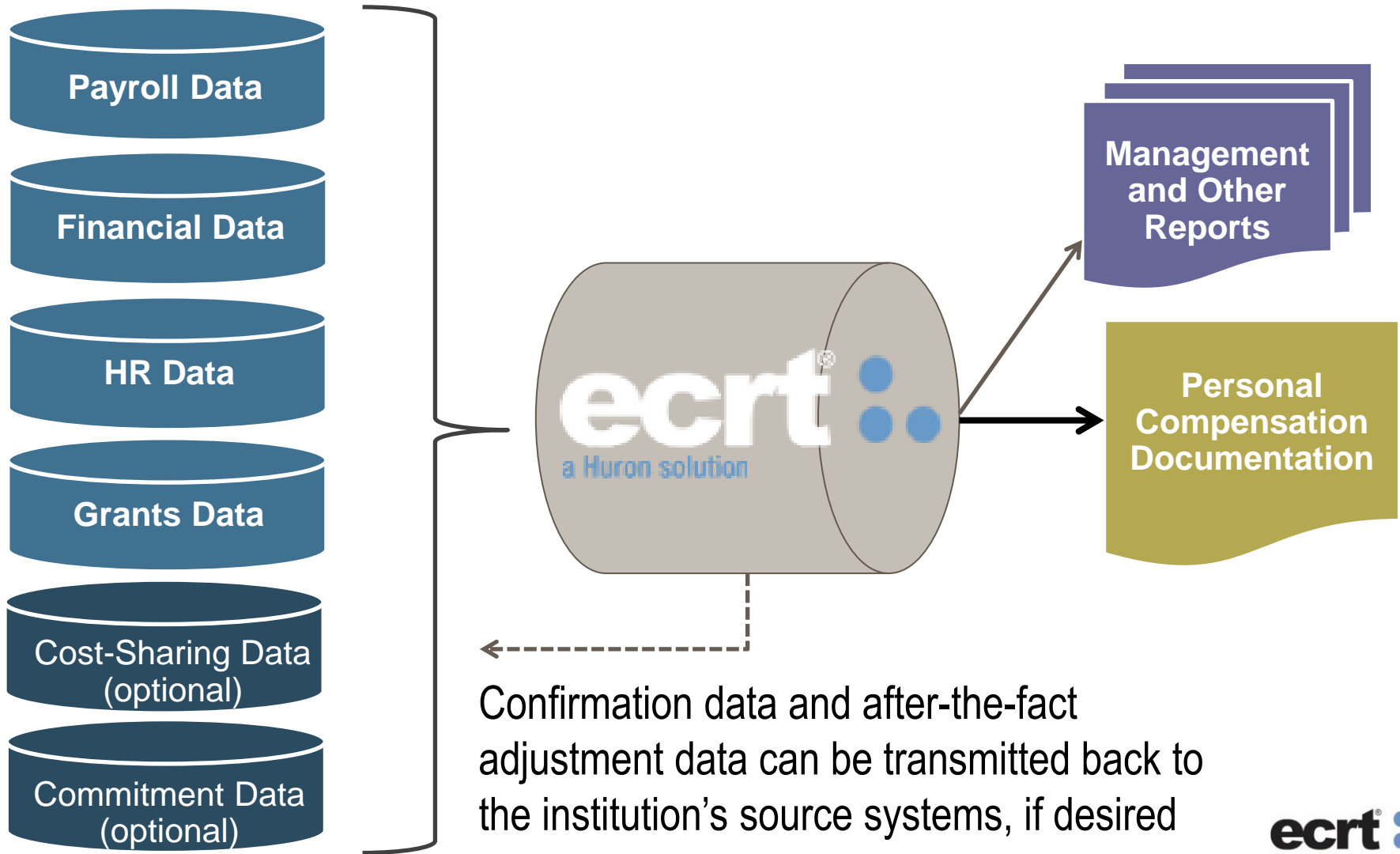a Huron solution
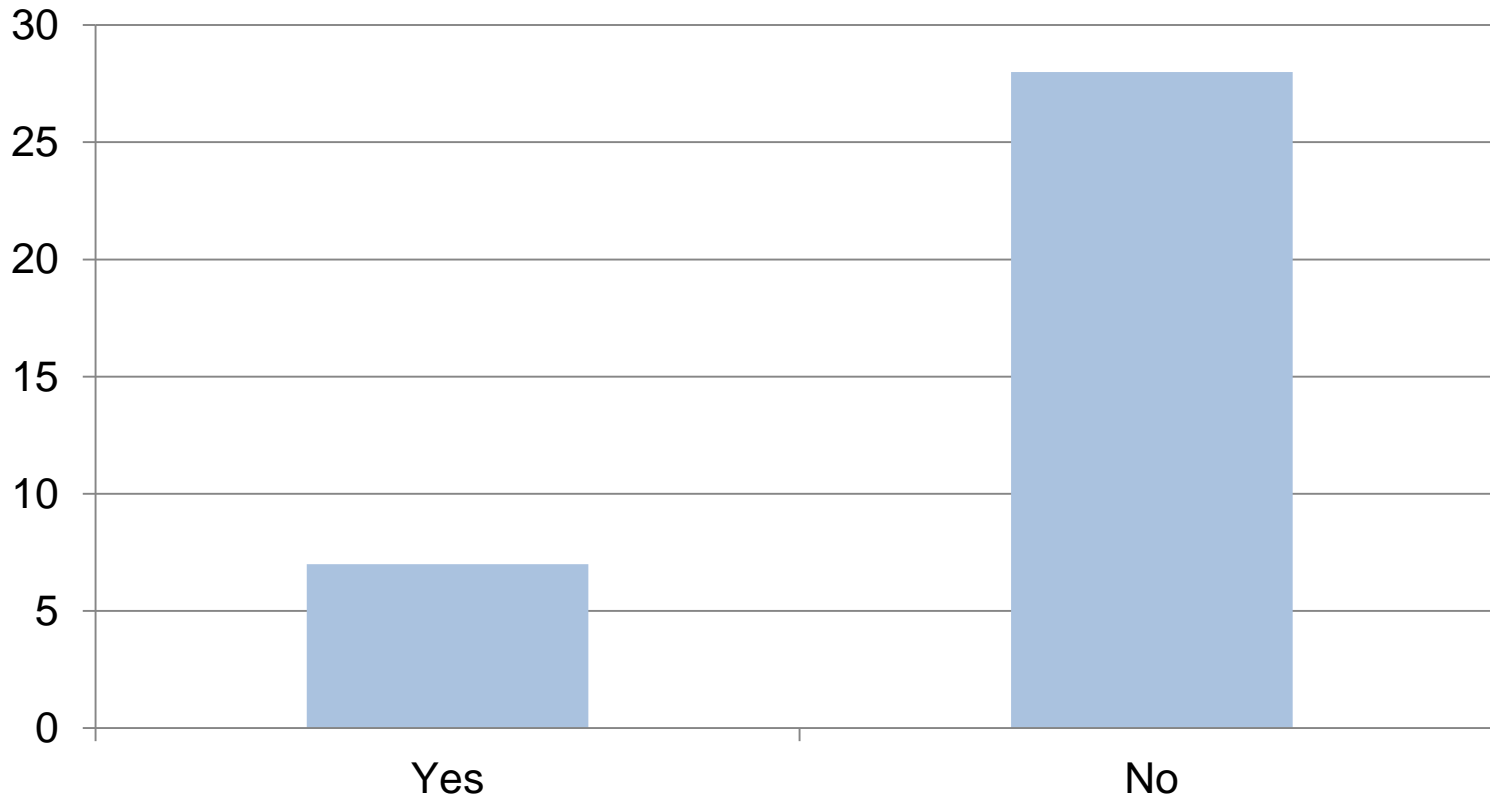
Poll Question

If yes, will you be making any of the following changes?

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How Does ecrt Incorporate New Guidance?

- Confirm effort reports on a schedule that works for your institution.

- Reflect 100% of the individual's activities, including IBS

- Determine exactly who reviews and confirms effort statements

- Audit trail capabilities and management reports supporting internal controls

ecrt System Overview

Payroll Data

Financial Data

HR Data

Grants Data

Cost-Sharing Data (optional)

Commitment Data (optional)

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Management and Other Reports

Personal Compensation Documentation

Confirmation data and after-the-fact adjustment data can be transmitted back to the institution's source systems, if desired
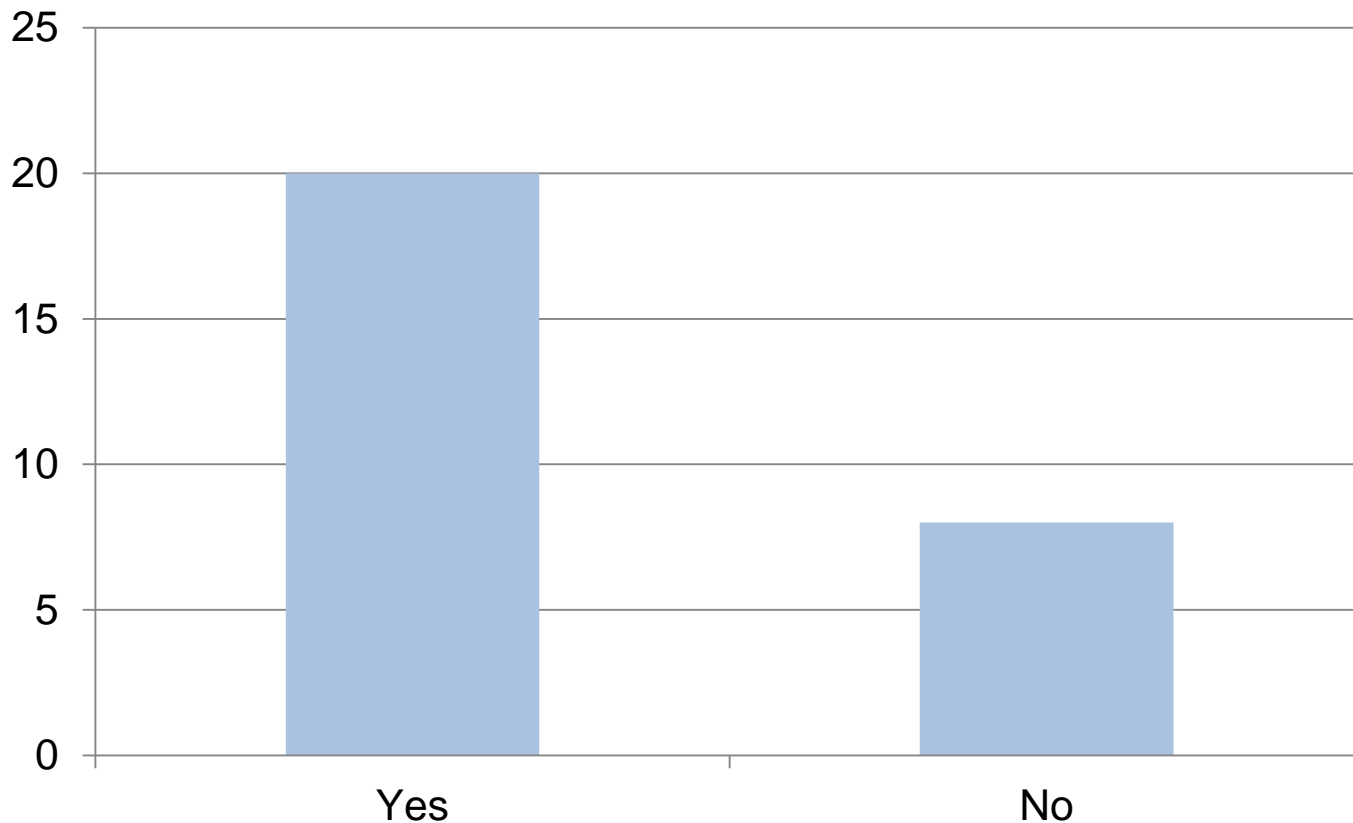
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ecrt Process Flow

The diagram assumes quarterly certification, though any certification frequency (or combination of certification frequencies) can be accommodated in **ecrt**.
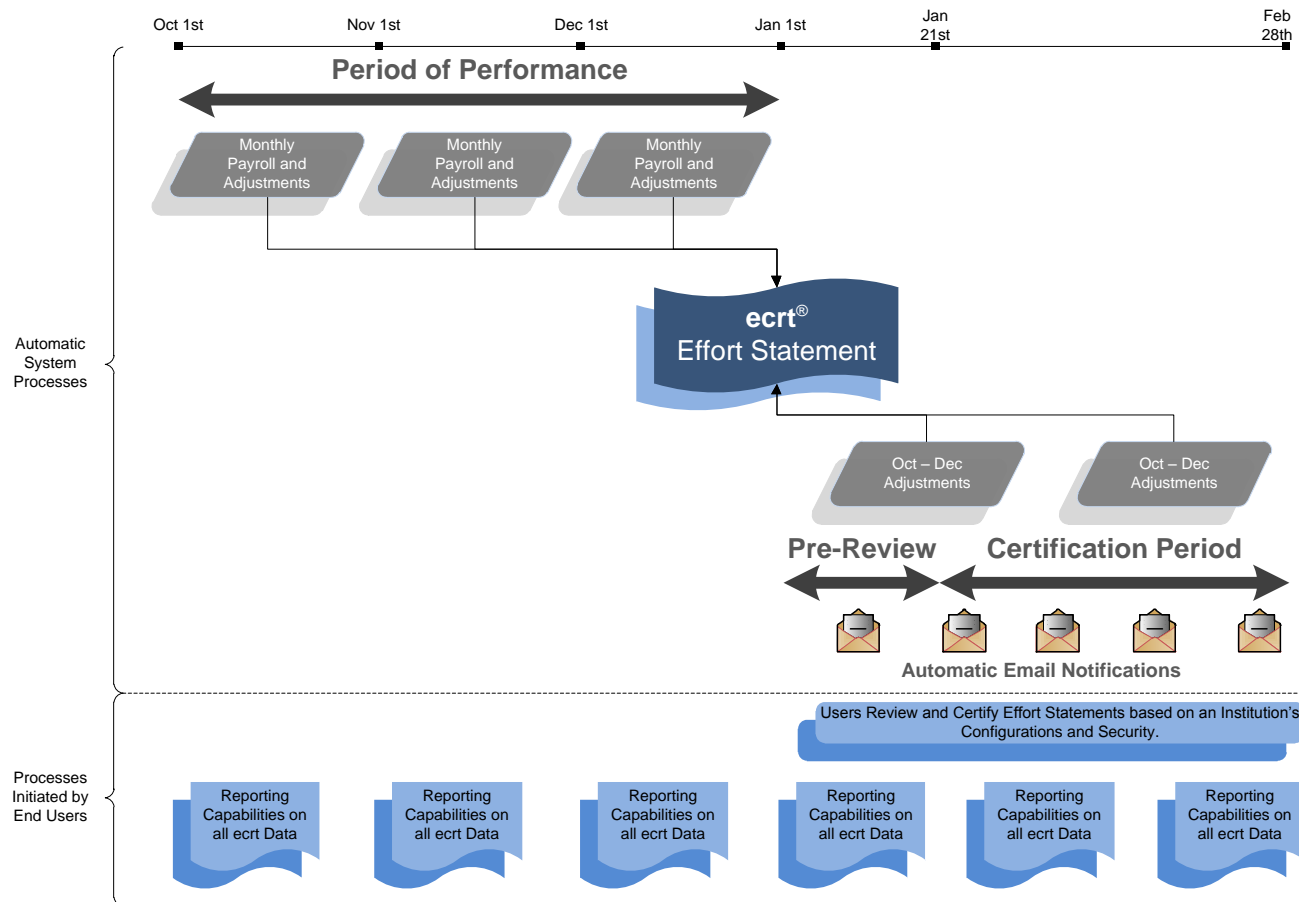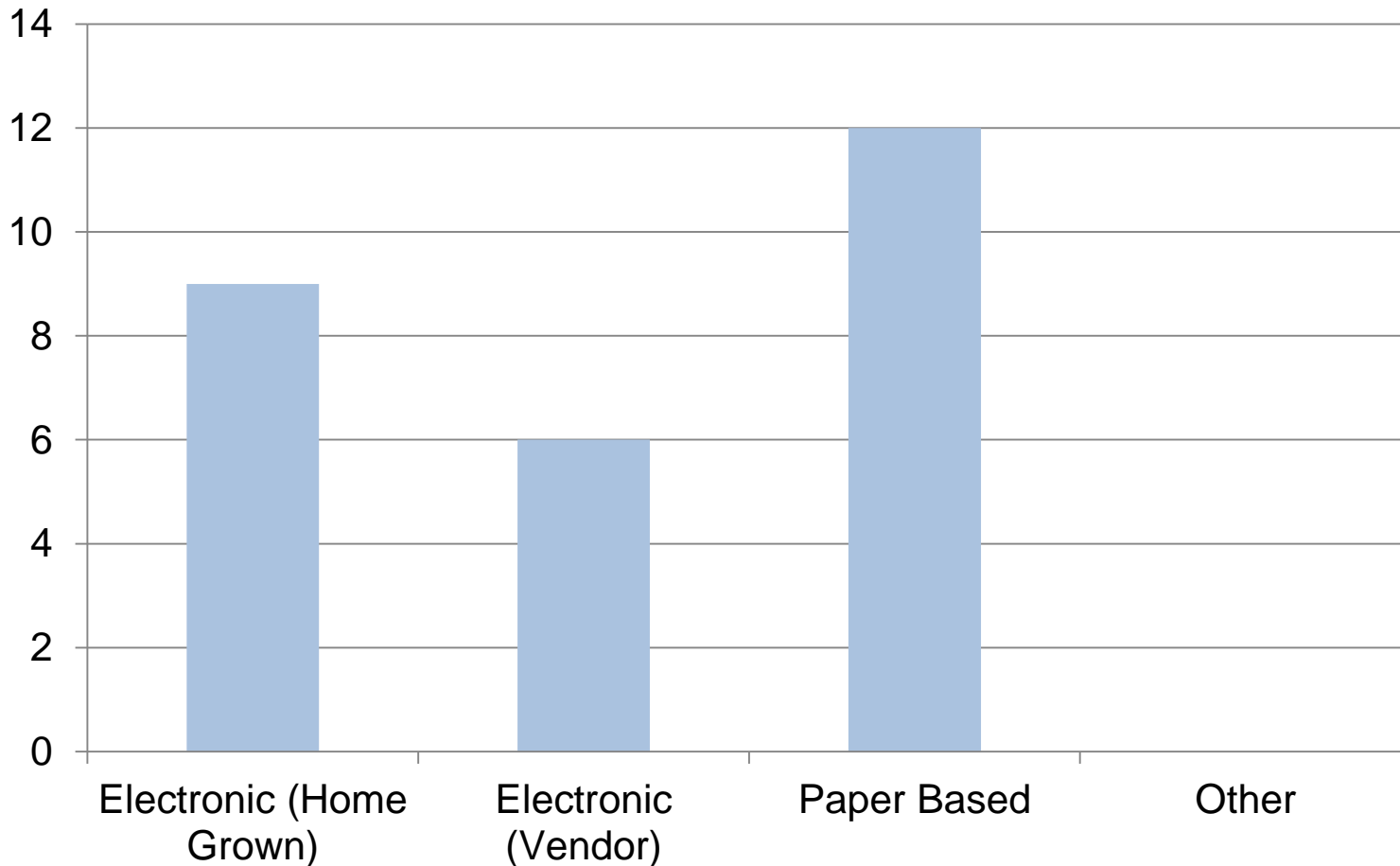
Poll Question

Are salary adjustments (cost transfers) currently incorporated into your effort reporting processes?

Poll Question

What is your current format for certification?

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