



# USING HURON'S ecrt SYSTEM IN ALTERNATIVE APPROACHES TO EFFORT REPORTING

# AGENDA

1

Effort Landscape  
and Alternative  
Approaches

3

ecrt Demo

2

Utilizing ecrt as an  
Alternative  
Approach for Effort  
Reporting

4

Contact Information

1

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# **EFFORT LANDSCAPE AND ALTERNATIVE APPROACHES**

# BACKGROUND

## UNIFORM GUIDANCE (UG) IMPACT ON EFFORT REPORTING

### What Changed?

- Items removed: Examples of approved methods, explicit definition of suitable means of verification, and effort reporting frequency
- Option to seek approval from a cognizant agency for alternative methods.
- Expectation to add appropriate internal controls.
- Institutional base salary defined as compensation for an appointment

### What Remained the Same?

- Budget estimates continue to be considered insufficient support for charges
- Salary follows an appointment
- Salary must accurately reflect the work performed
- Cost sharing or matching must be supported in the same manner as direct charges
- “Reasonable” applies

# NEW STANDARDS OF DOCUMENTATION

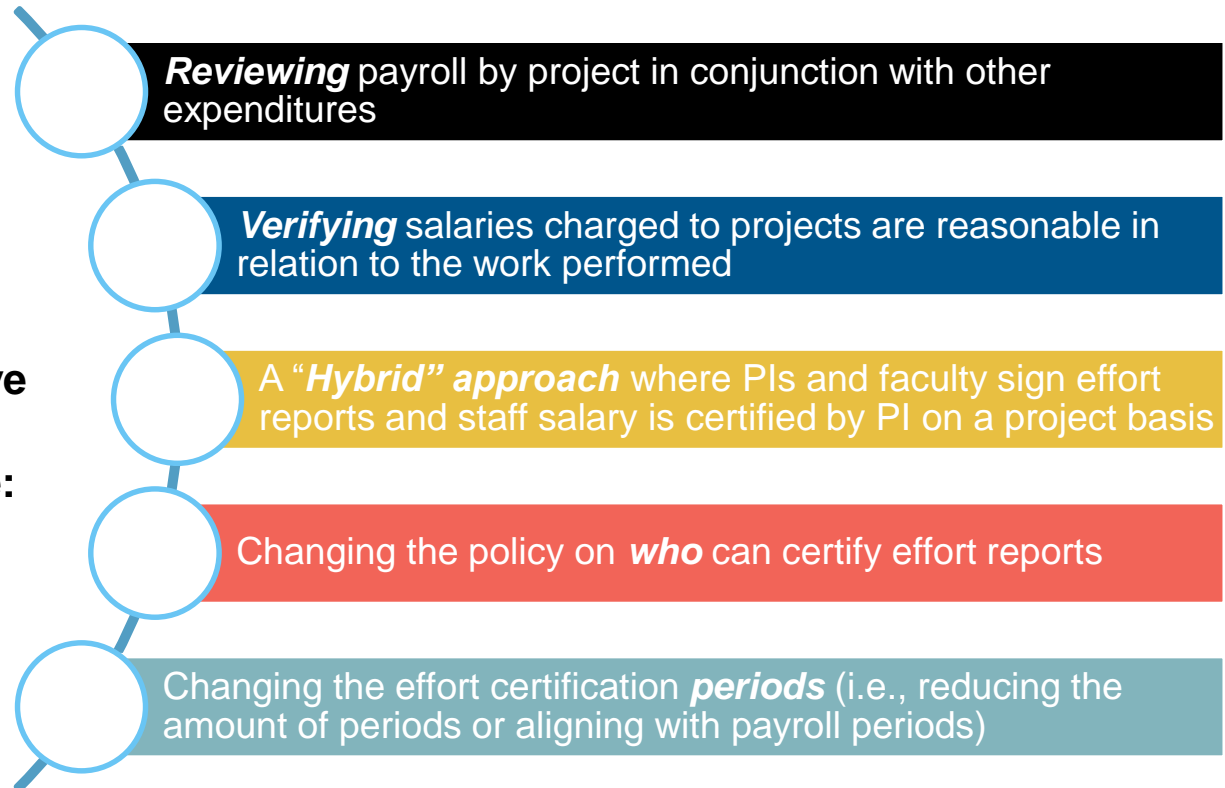
- Be supported by a **system of internal control** that provides reasonable assurance about the accuracy, allowability, and proper allocation of the charges
- Be incorporated into the entity's **official records**
- Reflect the **total activity for which the employee is compensated by** the entity, not 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, , but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- 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

# ALTERNATE APPROACHES

- The added flexibility and redefined standards of documentation allowed in UG supports the use of approaches that differ from traditional “effort reporting” certification processes
- UG allows institutions to define their own systems for supporting compensation on federal awards, with the expectation they will implement a system of internal controls provides reasonable assurance that the charges are accurate, allowable, and properly allocated
- Payroll verification is one approach, that broadly defined, places emphasis on reviewing and confirming compensation charged to federal awards and ensuring appropriate internal controls are in place to support the process

# ALTERNATE APPROACHES

Examples of changes various institutions have considered (or have implemented) in light of UG include:



**2**

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# ecrt APPROACH



# EFFORT CERTIFICATION OR PAYROLL CONFIRMATION



<b>Concept</b>	Certification - % Based	Confirmation - \$ Based
<b>Data Source</b>	All funds	Federal funds
<b>Frequency</b>	At least annually	At least annually
<b>Responsible Individual</b>	PI, named individual, or someone with suitable means	PI for each project
<b>Reconciliations</b>	Modifications of payroll to align with effort when needed	Documented reconciliations no less frequently than every quarter

# ecrt APPROACH

Certify effort or Confirm payroll on a schedule and with a process that works for your institution

## Effort Certification

- Certify 100% of an individual's time as a percentage (%)
- Certify only a specific percentage individual's time on a per project basis
- Certify 100% of Faculty/PI time and Certify staff effort on a project basis

## Payroll Confirmation

- Confirm 100% of an individual's payroll for a specific period of performance
- Confirm specific payroll dollars individuals on a per project basis
- Confirm all payroll for Faculty/PI on an individual basis and Confirm staff payroll on project basis

# ecrt Client Trends - 2016

	Traditional Effort Reporting	Hybrid of Traditional Effort Reporting and Project Certification	Project Based Certification	Payroll Confirmation
Client Upgrades	3	2	0	0
New Clients	4	1	1	1

3

# ecrt DEMO



**FOR ADDITIONAL INFORMATION,  
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# HURON CONSULTING GROUP

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*We promise creative, measurable, and sustainable results. We vow to make certain that the caliber of our work meets the high expectations that are set out for us.*



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