Compliance Monitoring Using ERS

Introduction

Welcome to the Compliance Monitoring Using ERS module. In this module you will learn about how to access the ERS comprehensive data base of effort reporting information to monitor progress of the certification process and ensure that all individual Effort Reports are in compliance with federal regulations and UC policy and guidelines regarding effort reporting.

What's Involved in Monitoring for Compliance?

Monitoring for compliance with effort reporting policy and guidelines involves:

- Ensuring certified effort is consistent with expended effort. Expended effort should normally be equal to the actual salary expense charged to the fund source plus the committed cost sharing.

What's Involved in Monitoring for Compliance?, cont.

- Ensuring that Effort Reports are correct and certified in a timely manner.

- In reviewing effort for correctness:

  - ➤ Effort reported in ERS must be consistent with both the effort commitments contained in the proposal and award documents and also with any effort described in progress reports.

  - ➤ The commitment to the sponsor for a specified level of effort as described in the proposal and award documents must be honored during each budget period of the project, even though effort may fluctuate within the budget period.

How to Monitor Compliance Using ERS

Use **ERS Search** and query capability to track status of Effort Reports.

- Review Report Lists to determine:

    ➢ Status of Effort Reports (e.g., open, certified, reopened)

    ➢ What Effort Reports are only partially certified or overdue

- Review individual Effort Reports on Report Lists to determine if effort is complete and correct.

How to Monitor Compliance Using ERS (cont'd)

Follow-up on an individual basis, either electronically or in person, to correct errors.

- Follow-up on Effort Reports that are overdue.

- Identify situations that require that a transfer of expense be processed and take action to ensure that the transfer is processed.

- Ensure that re-opened and re-issued reports are certified and that proper documentation and an explanation are provided.

How Does ERS Support Compliance Monitoring?

ERS Assists with Compliance Monitoring by:

- Recalculating and reissuing Effort Reports when retroactive transactions are processed
- Comparing certified effort to charged effort
- Issuing edit messages and notifications
- Allowing corrections and keeping historical records
- Monitoring for timely completion and assigning past due status to uncertified reports
- Providing easy access to information to enable review

Some Examples are Described on the Following Pages

Handling Special Compliance Situations

Situation: Transfer of payroll expense on a federal or federal flow-through fund is processed for an employee after the close of the reporting period.

What ERS Does: ERS calculates a new Effort Report for the applicable period and compares the new report against the previously certified Effort Report.

When the two are not equal, ERS flags an out-of-balance situation, issues a new Effort Report, and notifies the ERS Coordinator that the Effort Report must be reviewed and re-certified. Once corrected, the out-of-balance situation will drop off subsequent ERS edit reports.

Handling Special Compliance Situations (cont'd)

Required response: Review situation to ensure that transfer of expense was correct. If not, process corrections. If correct, certify the reissued effort report.

Certification of reissued effort reports should occur within 30 days of the reissue.

If cost transfers and resultant Effort Report adjustments occur beyond 120 days of the original recording of the expense, that report is subject to additional scrutiny and "facts and circumstances" review.

Handling Special Compliance Situations (cont'd)

Situation: Certifier changes the "Original Payroll %" on the current Effort Report because the amount reported is not correct.

What ERS Does: ERS compares the changed percent to the original payroll record that indicates the actual salary charged to the fund. When ERS detects an "out-of-balance situation", the status of the report is set to Certified/AdjustReqd.

Required response: Analyze out-of-balance situation and, if appropriate, processes a transfer of payroll expense so that the fund charged in error is corrected.

Transfers of payroll expense must be processed through PPS by administrators who have been given access and authority to do so.

Handling Special Compliance Situations (cont'd)

Situation: An administrator or certifier realizes that an Effort Report was certified in error.
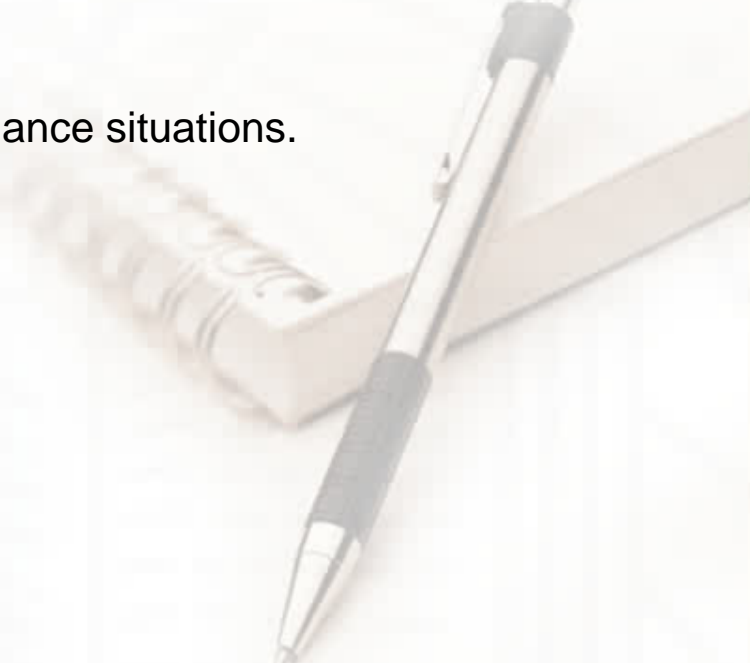
What ERS does: ERS keeps a database of previously certified Effort Reports. A complete historical record of all Effort Reports is available online.

Required response: Administrator/Certifier accesses Effort Report online, re-opens the report and inputs the correct information, saves the report and re-certifies.

The Certifier must document the business justification for the recertification. Adequate justification might include verifiable administrative or clerical error, failure to include cost sharing activities, and any other justification deemed appropriate by campuses.

Conclusion

This concludes the Compliance Monitoring Using ERS module. In this module you learned:

- Compliance Monitoring using ERS.

- How ERS ensures certified effort is consistent with actual salary charged to the fund source.

- How to handle special compliance situations.