AGENDA

• ERS replacement project
• UCPath Salary Cost Transfers and GAEL Redirect
Federal regulation, Uniform Guidance requires that an entity receiving federal funding to have adequate documentation to support that compensation charged to federal grants is reasonable for the work performed (2 CFR §200.430 Compensation - personal services).

Effort reporting is UCLA’s current method of complying with the requirement, certifying to the sponsors that the salary and wages charged reasonably reflects the effort spent on a sponsored agreement.

Individuals who committed effort on a federal or federal flow-through funds are required to certify the effort reports using Effort Reporting System (ERS).
ALTERNATIVES TO EFFORT REPORTING

• The Uniform Guidance (2 CFR Part 200) that went effect in December 2014, replacing OMB A-21, allowed for flexibility in how entities implement processes to document compensation, removing “effort reporting” although there is added emphasis on having a system of internal controls that reasonably reflects work performed.

• Research universities explored alternatives to the traditional “effort reporting” which is considered less intuitive and administrative burdensome.

• UCLA was interested in exploring for more intuitive and efficient alternatives but decided not to pursue it early on due to untested audit environment to those alternative methods.

• Transition to UCP path in September 2018 and the UCP path post-go live challenges further delayed UCLA’s effort to search for alternatives to effort reporting.
OPPORTUNITY TO IMPROVE EFFICIENCY

Why Now?

• A few other certification methodologies that are more efficient than effort reporting adopted by other institutions have successfully passed the audits.

• The major UCPath defects have been addressed; however, the process of loading earnings to the ERS from UCPath became highly manual and inaccurate derived effort percentage in UCPath requires unnecessary manual reconciliation and adjustments in the effort reports, increasing compliance risk.

• Replacing the ERS aligned with Ascend go-live gives an opportunity for UCLA to integrate with the new system as a part of Ascend program, eliminating the need to retrofit the ERS separately, which is planned to be replaced.

• Considering these, ORA decided to replace the ERS, reviewed multiple vendor systems and decided to implement the web-based system, Employee Compensation Compliance (ECC) with the goal to reduce administrative burden for both faculty and the institution while staying in compliance with UG.
NEXT STEPS

• The new system ECC provides several approaches to documenting personnel costs; traditional effort reporting, project certification, and a hybrid certification method (effort reporting for the faculty + project certification).

• ORA is planning to invite the PIs and ERS Coordinators who have a high volume of effort reports today across campus to the new system demo sessions to solicit their feedback on different certification methodologies.

• ORA will communicate more details on the project timeline, system features, and updates from the demo sessions at future RAF.
GAEL INCORRECTLY ASSESSED

CRU Announcement on February 7, 2024: “SCT Technical Error: GAEL Charges Posted to Federal Funds 11/13/23 - 1/31/24”

Payrolls transferred using the new Salary Cost Transfer tool released on 11/13/23 resulted in incorrectly assessing GAEL (General And Employment Liability) to the federal or federal flow through (FFT) project funds.

When moving payroll onto Federal/FFT funds: Unallowable GAEL expenses are charged incorrectly increasing the total expense on the project fund.

When moving payroll off from Federal/FFT funds: GAEL credit were posted incorrectly reducing the total expense on the project fund.
GAEL CORRECTION

Go-forward correction: UCPath implemented the fix in the system to stop the errors effective January 29, 2024.

Historical data correction: UCPath is developing a script to correct the GAEL debit and credit incorrectly posted to federal and federal flow through funds between 11/13/23 – 1/31/24.

CRU plans to inform the campus once the historical data is corrected. To subscribe CRU news, visit [here](#), the CRU newsletter page.
QUESTIONS?

Contact Information

EFM Website
https://efm.research.ucla.edu/

Yoon Lee
Phone: (310) 794-0375
Email: yoon.lee@research.ucla.edu

Ascend Website
https://ascend.ucla.edu/

Katie Cadle
Phone: (310) 794-0223
Email: kcadle@research.ucla.edu