

To: Principal Investigators

From: Michael Meunier, Assistant Controller
Cost Accounting Services

Date: August 20, 2019

Subject: [FY19 Effort Certifications in Effort Reporting System \(ERS\)](#)

It is time for the annual certification of effort by University personnel whose salaries were charged directly or as cost share to sponsored agreement(s) in **FY19 (July 2018 thru June 2019)**. Your after-fact-review and timely certification of your effort is an important internal control to comply with federal law as well as University policy.

Certified effort forms are the equivalent of sworn statements about the correctness and substantial accuracy of your commitment of labor to each project. UVM's ability to justify these time records could be the source of preventing serious difficulties for both the University and individual researchers. Your prompt and diligent review of effort forms is appreciated.

Here is a list of questions to consider as part of your review of the effort form(s) in the ERS system:

- Does my effort form account for all of my University compensated activities included in my Institutional Base Salary (see attached for IBS definition and common exclusions)?
- Is the effort percentage reasonable in relation to my work performed on each sponsored project?
- If my effort isn't directly charged to the sponsored project and my role is PI, CO-PI or key personnel, is my project's effort accounted for on my effort form as cost share?
- Are the time frames on the effort form reasonable in comparison to when I applied my effort on each sponsored agreement (a monthly view of effort is available in ERS)?
- Is my applied effort during a no-cost extension period accounted on my effort form?
- If I am certifying for someone else, do I have first-hand knowledge or suitable means of verification on how the person applied his or her effort on the sponsored project during certification period?

[Do I have to certify my effort form in the Effort Reporting System \(ERS\)?](#)

Yes. All University FY19 effort forms must be certified in [ERS](#). Your Unit's department administrator has received training and is available to assist you in using ERS to certify your effort form(s). Other effort forms may be assigned to you in ERS to review and certify on behalf of other individuals. Graduate students and lab techs are examples of other individuals whose effort forms may be assigned to you. Certified effort forms *must be completed by October 15, 2019* for external auditing purposes.

[Is guidance available on effort certification in ERS for faculty?](#)

Yes. A [web based tutorial on effort](#) is available and recommended for faculty (takes ~15 minutes). In addition, a [Certifier's user guide on navigating ERS](#) is available on the [Effort Reporting web page](#).

Institutional Base Salary Definition (IBS)

University Effort Management and Reporting Policy Definition: IBS is the base annual salary set by the University (through an academic unit or administrative unit) for an employee's regular appointment, whether that employee's professional effort for the University is spent on research, teaching, outreach, administration, patient care, or other activities, and whether that employee is appointed full-time or part-time. The following is intended to help clarify, for principal investigators and others, the meaning of IBS:

- a) IBS for faculty includes payment for the assumption of on-going administrative duties, howsoever paid, such as those of a department chair, associate dean, or director.
- b) Medical School faculty practice salary is included in IBS if the salary is set at the beginning of the University of Vermont Medical Center (UVM-MC) fiscal year and will be paid to the faculty member through the UVM-MC fiscal year. If any part, or all, of faculty practice plan salary is not guaranteed through the UVM-MC fiscal year, it is not included in the IBS.
- c) Salary that is incentive practice income under faculty practice plans is never included in IBS.
- d) Except as noted in subsection (a) above, IBS excludes fringe benefits, reimbursed expenses, temporary additional salary for work outside the term of one's regular appointment, such as *supplemental compensation for overload* or Continuing and Distance Education (CDE), and other University-compensated activities not included in an employee's performance review or evaluation.
- e) Income earned through non-University employment and consulting for third parties is not included in the IBS.

Note that the definition of Institutional Base Salary (IBS) may not be the same as salary definitions used elsewhere in University policies and procedures, including the definition of base salary used in collective bargaining agreements.

IBS and Part-Time Employees: The full-time-equivalent (1.0 FTE) IBS shall be used as the basis in determining the proposed and awarded FTE. For instance, the salary for a .5 FTE employee with a nine-month appointment and a \$50,000 academic year salary who proposes 10% effort will be reflected as .1 FTE effort and .9 person-months in the proposal.

Salary distribution and effort certification percentages are based on the employee's actual IBS. Using the same example above, 20% (.1 FTE out of .5 FTE appointment) of \$50,000 would be distributed to a sponsored agreement and the employee's effort form data would reflect 20% effort.

Exclusions from Institutional Base Salary (IBS)

Certain UVM compensated activities are excluded in your IBS (100% of your effort) for effort reporting purposes. As effort is proposed, planned, reviewed and certified on sponsored agreements, the following UVM compensated activities are *common exclusions* from an individual's 100% effort:

- Continuing Education coursework development and teaching (except for external sponsor agreements)
- *Temporary* additional salary for work outside the term of one's regular appointment which are not included in an employee's performance review or evaluation.
- Supplemental compensation for overload.
- Expense reimbursements such as cell phones, Child Care, Clothing, Medical Co-pay or personal vehicle use for UVM business
- Basic life insurance coverage
- Stipends for Fellowships
- Performance pay or awards for outstanding professional contributions
- Incentive practice income under faculty practice plans

Note: The University's *Effort reporting system (ERS)* has business rules which automatically excludes the appropriate payroll transactions from the derived payroll percentages on your effort plan and effort form. The excluded payroll transactions are available in ERS by clicking on the payroll % link on the ERS effort form and viewing the "Details by Transaction" view.