



**Policy Title:** BF4019 - Institutional Base Salary

**Subject Area:** Finance

**Responsible Official(s):** Executive Vice President and Chief Operating and Financial Officer

**Responsible Office(s):** Accounting Office

## Policy Statement

Institutional Base Salary is the guaranteed annual compensation for an employee's appointment, whether that employee's effort is spent on teaching, research, administration, or service, and whether that employee is appointed full-time or part-time.

Authority:

OMB Uniform Guidance (2 CFR 200) - Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Dec 2014)

[National Institutes of Health \(NIH\) Grants Policy Statement](#)

## Definitions

***Incidental Work*** – Work in excess of normal for the individual for which supplemental compensation may be paid.

***Institutional Base Salary (IBS)*** – The annual compensation paid by an organization for an employee's appointment, whether that individual's time is spent on teaching, research, administration, and service. Base salary excludes any income that an individual is permitted to earn outside of his/her duties for extra compensation, summer compensation, and incentive pay. Base salary may not be increased as a result of replacing organizational salary funds with grant funds.

Institutional Base Salary

- Is established by an offer letter upon appointment

- Includes regular salary and a second assignment such as department chair, where applicable
- Excludes bonuses, honoraria, and extra compensation that is incidental, non-recurring, not guaranteed

## Procedures

### **Institutional Base Salary**

Authority to determine full workload is delegated to department chairs and directors, with oversight from the Deans and Provost.

Institutional Base Salary (IBS) is the employee's current annual salary displayed in Banner Human Resources System form NBAJOBS for positions with numerical suffixes.

The initial IBS is derived from the contract signed by the employee at the time of employment. Increases to IBS are approved in accordance with HR5010 Staff Compensation and Classification, and the employee is notified by letter of the new IBS. Under no circumstance should IBS of full-time employees be increased as a result of receiving a grant or contract; however, a part-time employee's appointment percentage may be increased up to full-time as a result of receiving a grant or contract as long as the rate of pay remains constant for all effort. Institutional Base Salary includes the following types of compensation guaranteed by the terms of the employment contract and as later modified in writing to the employee:

1. Full time faculty and staff paid with regular pay earnings code. Department chairs are designated to review and approve the equivalent teaching load activities of the faculty.
  - Administrative Supplements: When a faculty member is appointed as department chair, he/she receives an administrative supplement which increases his/her IBS. The department chair's administrative duties become part of the Full Workload. Similarly, other types of administrative supplements are included in IBS and the duties become part of the Full Workload.
2. Part time employees
3. Graduate assistants
4. Adjunct faculty
5. Temporary employees
6. Student employees

Institutional Base Salary does not include Incidental Work and other forms of non-guaranteed compensation:

1. Summer compensation
2. Extra compensation
3. Incentive compensation

4. Salary supplements (e.g., professorships)
5. Interim assignments
6. State authorized longevity
7. State authorized bonuses
8. Cell phone and other allowances

## Roles and Responsibilities

**Principal Investigator/Program Director** – PIs are responsible for understanding the components and total amount of IBS (and associated 100% effort) and outlining it appropriately on sponsored research proposals and budgets.

**Administrator/Business Officer** – Department Administrators and Business Officers are responsible for ensuring that the PIs understand the components and total amount of IBS (and associated 100% effort) so he/she can outline it appropriately on sponsored research proposals and budgets.

**Department Chairs and Directors** – Department Chairs and Directors are delegated responsibility to review and approve activities that determine a Full Workload for full time faculty, including the components and total amount of the IBS (and associated 100% effort) within his/her department, and assist PIs with outlining IBS appropriately on sponsored research proposals and budgets.

**Human Resources** – Human Resources is responsible for maintaining the correct amount of Institutional Base Salary in Banner Human Resource System NBAJOBS, and for providing written documentation to employees for changes to IBS.

**Payroll** – Payroll is responsible for processing compensation using correct earnings and account codes.

## Related Documents, Policies and Forms

[HR5010 - Staff Compensation and Classification](#)  
[National Institute of Health \(NIH\) Grants Policy Statement](#)

Last Revision Update Log: 03/17/2023

BF4019 – Supersedes UM1724 March 28, 2018  
UM1724 – Revised June 14, 2017  
UM1724 – Issued: June 28, 2011