



Department Administrative Policy and Procedures

Subject: **Institutional Base Salary**

Effective Date: July 1, 2019

I. PURPOSE

This policy establishes the University of Wyoming's (UW) definition of Institutional Base Salary (IBS) and the basis for calculating faculty salaries and those of other employees with exempt classifications. The purpose is to describe the allowable activities in proposals and on awards in order to comply with federal regulations as described in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance or UG), 2 CFR 200.430 which require that federal awardees establish a consistently applied definition of IBS. Financial penalties, expenditure disallowances, and harm to UW's reputation could result from failure to accurately propose, charge, and/or document faculty salaries associated with sponsored projects - whether charged directly or provided as cost share. The purpose of this policy is to provide requirements and guidelines for Institutional Base Salary for all sponsored programs- federal, state, and private- at the University.

II. SCOPE OF THIS POLICY

This policy is applicable to all faculty and other exempt employees, whose salary is charged in whole or in part to sponsored projects. It also applies to all faculty and other exempt employees who have committed effort to a sponsored project but received no salary support from the sponsored project (i.e., their salary is paid from UW funds and constitutes voluntary or mandatory committed cost share).

III. DEFINITIONS

INSTITUTIONAL BASE SALARY (IBS): The compensation paid by the University for an employee's appointment, whether that individual's time is spent on research, teaching, administration, or other activities. For nine-month appointments, IBS is for the nine-month period. For 12-month appointments, IBS is for annual compensation. The compensation relevant in determining IBS is the amount that is guaranteed and fixed in advance by the appointment letter or employment agreement and paid through the payroll system. IBS does not include amounts paid as honoraria, housing allowance, tuition reimbursement, or non-compensatory benefits. IBS does not include one-time payments for a one-time event or activity paid through supplemental pay with the exception of summer salary. Summer salary is paid to faculty for research completed in addition to their nine-month academic appointment and is considered IBS.

IV. POLICY

The federal government requires recipients of federal funding to establish an institutional policy that documents the budgeting and expensing of salaries on sponsored projects, whether charged directly or provided as cost sharing, and treats them consistently across all funding sources. UW will maintain compliance with federal guidelines by using IBS for purposes of salary requests and/or effort commitments on all sponsored projects. This document sets forth the University's definition of *Institutional Base Salary (IBS)* for sponsored projects and for effort reporting purposes.

POLICY PROVISIONS

1. Department heads will provide appointment and salary change letters to faculty and other administrative professionals paid on sponsored projects, indicating the approved institutional base salary and approximate effort distribution.
2. Departments will retain copies of appointment and salary letters for audit purposes. UW policy is that personnel records be retained for 10 years after separation.
3. Data for each appointment will be entered into the payroll system by Human Resources when the appointment letter is approved.
4. IBS will be used for purposes of salary requests on all sponsored projects.
5. IBS should be reviewed annually by the employee and the department chair/director and may be changed at the beginning of any fiscal year. Subject to all required approval, any change to the IBS will be reported by the department head/director to Human Resources, who will update the IBS in the HR system. During a fiscal year, IBS of an employee generally will not change. However, it may be changed in the following limited circumstances:
 - a. The employee's formal appointment, and required professional effort, is changed from full-time to part-time, or vice-versa, or from one required level of part-time effort to another required level of part-time effort;
 - b. The employee receives an increase or decrease in salary as a result of assuming or relinquishing specific academic or administrative duties, e.g. serving as a department head or director, promotion or other change in employment responsibilities; or
 - c. The employee receives a salary increase as a result of an adjustment due to promotion in rank or as part of a University-wide adjustment of salary.
6. The Office of Research and Economic Development will review proposal budgets to confirm that the correct IBS was included for all named personnel for proposals submitted by the internal deadline.
7. PIs and their designees will charge IBS accurately and make corrections if necessary. Sponsors (federal and nonfederal) may have a salary cap that would limit the amount of IBS that can be used as a basis for charging salary to their projects. The terms and conditions of the solicitation should be reviewed for salary caps before submitting a proposal. When such limitations apply, the requested salary support is determined by multiplying the proposed level of effort by the IBS. An individual's salary in excess of the salary cap is an unallowable cost that may not be reported as cost share for the project and must be funded from non-sponsored research accounts. This amount will be

captured in a cost share account, although it cannot be used to fulfill any cost share commitment.

V. COMPLIANCE

Failure to comply with this Policy can result in financial penalties, expenditure disallowances and harm to the University's reputation. Failure to accurately propose, charge, and document salaries related to sponsored projects could also jeopardize future sponsored projects and may subject the responsible individuals to disciplinary action; therefore, compliance is mandatory. For compliance assistance, contact the Office of Research and Economic Development, Research Services or the Office of Sponsored Programs.

Responsible Division/Unit: Administration Division / Office of Research and Economic Development, Office of Sponsored Programs

Links: Federal Regulations - https://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Associated Regulations, Policies, and Forms:

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance or UG), 2 CFR 200.430

Approved: