



NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

SEC. V—SPONSORED RESEARCH 5.0

INSTITUTIONAL BASE SALARY FOR SPONSORED PROGRAMS

UNIT POLICY--DORED

A. SCOPE OF POLICY

This policy sets forth the definition of Institutional Base Salary (ISB) for sponsored research projects and effort reporting purposes. This policy applies to all individuals whose salary is in part or in whole charged to sponsored projects and to all individuals who have committed effort to a sponsored project for the purpose of cost sharing.

B. PURPOSE

This policy establishes the definition of IBS and the requirements for proposal submissions and to meet the requirements of Office of Management and Budget Circular A-21 which states:

“Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements and for other work allocable as F&A costs are determined and supported.... Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences. Incidental work (that in excess of normal for the individual), for which supplemental compensation is paid by an institution under institutional policy, need not be included in the payroll distribution systems described below, provided such work and compensation are separately identified and documented in the financial management system of the institution.”

Financial penalties, expenditure disallowances, and harm to the University’s reputation could result from the failure to accurately propose, charge, and/or document salaries relating to sponsored projects.

C. DEFINITION

IBS is the annual compensation paid by the University for an employee’s appointment, whether that individual’s time is spent on research, teaching, patient care or other activities. The IBS does not include bonuses, one-time payments, or incentive pay. Also excluded from the IBS is salary paid directly by another organization including but not limited to income that an individual is permitted to earn outside of their University responsibilities, such as consulting.

Institutional Base Salary

- may not be increased as a result of replacing University salary funds with sponsor project funds;
- is established by the University regardless of the source of funds;
- includes regular salary, a second assignment such as chair of a department; and
- excludes bonuses, honoraria, and extra compensation.

D. INSTITUTIONAL BASE SALARY IN SPONSORED PROJECT PROPOSALS

When requesting salary support from a sponsor or providing effort on a sponsored project in the form of mandatory or voluntary committed cost sharing, the anticipated effort calculated in the form of person-months or percent effort must be based on the individual's IBS. The portion of effort multiplied by the IBS will determine the appropriate dollars to request from the sponsor or approved by the University if in the form of cost sharing.

Note: Some sponsors may have a salary rate cap. Depending on the type of proposal submission the salary rate cap may or may not apply when preparing the proposal but the salary rate cap will apply once an award is made. Read sponsor proposal requirements carefully for applicability.

At the time of hire, all employees should receive an official offer letter or notification which includes their IBS. Employees receiving an adjustment in salary due to an annual increase, market adjustment, or promotion should receive a letter or notification documenting their revised IBS and the effective date of the change.

Faculty compensated for 9 month academic appointments are permitted to expend up to an additional three months of summer effort on one or more sponsored projects in the period between spring and fall semesters and earn up to three months of additional salary for that effort, subject to sponsor policies. For example, NSF limits summer salary to two months of pay charged to all NSF awards. If a faculty member has administrative or other non-research responsibilities (including vacations) during the summer period they may be precluded from devoting 100% effort to sponsored projects and thus precluded from requesting a full three months of summer salary. Faculty who receive summer salary from sponsored projects will be required to certify that the effort was expended on those projects during the summer effort period.

E. ROLES AND RESPONSIBILITIES

1. Chairs, Deans, Provost, Vice Chancellors, and other Supervisors

- Ensure that offer letters are provided to new hires indicating the approved IBS.
- Ensure that subsequent salary adjustments are documented with the approved revised IBS.

2. Principal Investigator

- Ensure that all requests for salary support in sponsored project proposals are based on the individual's correct IBS.

3. Department, School and/or College Administrator

- Ensures that proposal budgets include accurate salary requests.
- Ensures that entries into Labor Distribution are correctly based on the individual's IBS.
- Retains copies of appointment and salary adjustment notifications for audit purposes.

4. Division of Research and Economic Development

- Ensures that proposal budgets include accurate salary requests.
- Reviews and approves proposals (including budgets) requesting funding from external sponsors.

Date Revision is Effective: Upon approval

First approved: January 20, 2015

Approved by the Chancellor