



## INSTITUTIONAL BASE SALARY POLICY

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**Classification:** Proposal Development and Submission **Effective Date:** July 1, 2018

**Responsible University Office:** Vice President for Research

### 1.0 Background

The federal government requires recipients of federal funding to establish institutional standards that document the budgeting and expensing of compensation for personal services to federally sponsored projects. These federal requirements (specifically, those in the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements<sup>1</sup>, 2 CFR 200.430) shall be consistently applied to all sponsored programs at Clemson University.

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

### 2.0 Purpose

The purpose of this policy is to establish Clemson University's definition of Institutional Base Salary (IBS), the basis for calculating compensation costs, and to facilitate compliance with the requirements of OMB Uniform Guidance 200.430 (h)(2), which states:

*"Charges for work performed on Federal awards by faculty members during the academic year are allowable at the IBS rate... in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of faculty at an institution. IBS is defined as the annual compensation paid by an [institution] for an individual's appointment, whether that individual's time is spent on research, instruction,*

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<sup>1</sup>Hereafter referred to as "Uniform Guidance".

*administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the [institution]. Unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award."*

### 3.0 Policy

It is the policy of Clemson University that salary charges to sponsored programs (Fund 20) or capacity funds (Funds 11 and 17) are based on the Institutional Base Salary (IBS) and, where applicable, any salary caps or other limitations imposed by external sponsors. Institutional Base Salary may not be increased as a result of replacing University salary funds with sponsored projects funds.

Charges for work performed on sponsored agreements will be based on the individual's IBS rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period.

**Institutional Base Salary (IBS)** is defined as the annual compensation paid by Clemson University for the duties associated with an individual's appointment(s) or position, whether that individual's time is spent on research, teaching, administration or service, and whether the individual is appointed full or part-time. IBS does not include summer salary for 9 month faculty, payment for work above and beyond the normal workload of the individual's appointment(s) (e.g. temporary supplements for incidental work, dual employment, and overload pay), one-time payments such as bonuses and awards, and payments for duties performed external to Clemson University. In general, the following types of pay are included or excluded from IBS as outlined below:

Included	Excluded
Regular (annual base) salary	Temporary Supplements (Incidental work)
Administrative Supplements	Summer Salary
Endowed Supplements	Dual Employment
	Overload Pay
	Bonuses and Awards
	Salary paid from other organizations
	Outside consulting

The initial IBS is derived from the offer letter signed by the employee at the time of employment. Changes to IBS due to changes in appointment or workload are maintained within department and/or college records.

## Full workload and IBS

Maximum effort relates to an employee's full workload, which includes activities such as research, teaching, administration, or service. The cumulative effort of these activities shall constitute the employee's 100% effort regardless of the time required to accomplish those activities.

## Supplemental Compensation and IBS

Supplemental compensation is pay for activities performed in excess of the responsibilities of an individual's primary position or appointment. Where a supplement is deemed to be recurring (last more than one year), or indefinite, and is aligned with the employee's appointment, it should be **included** in IBS. For example, an individual receiving an administrative supplement for serving as a department chair or director, including when such appointment is in an interim capacity. Where a supplement is deemed to be for incidental work, non-recurring (less than a year) and not part of an employee's primary appointment, it should be **excluded** from IBS (e.g., an individual filling a vacant staff position within a home department). Dual employment, overload pay and summer salary are additional forms of supplemental compensation at Clemson and should also be **excluded** from IBS.

## 4.0 Definitions

**Administrative Supplements:** Additional compensation paid to a faculty member for an administrative appointment, above and beyond the faculty member's primary appointment. An example would be serving as department chair or director, including serving in an interim capacity.

**Base Pay** – Fixed compensation given in exchange for performing determined job responsibilities. Per South Carolina state regulations, Base Pay is the rate of pay approved for an employee in his/her position exclusive of any additional pay, such as supplements, bonuses, longevity pay, temporary salary adjustments, shift differential pay, on-call pay, call back pay, special assignment pay or market or geographic differential pay.

**Bonuses and Awards:** Payments made on a one-time basis and not guaranteed as part of an individuals' annual compensation

**Dual Employment:** Temporary, part-time employment outside of an employee's normal job duties with the same or another agency as accepted by an employee in a FTE position. Dual employment must constitute independent, additional duties over and above those of the employee's primary FTE position. Dual employment is not expected to exceed one year and is generally across department lines.

**Endowed Supplements:** Additional compensation paid to a faculty member for

an endowed appointment, above and beyond the faculty member's primary appointment. An example would be serving as an endowed chair or professorship.

**FTE:** Full-time equivalent.

**Full Workload:** The total activity for which the individual is compensated by the University, regardless of the number of hours expended on those activities. Full workload includes instruction, research, service and administration (including appointments as dean or chair).

**Incidental Work:** That in excess of normal for the individual for which supplemental compensation is paid by the University under institutional policy (see temporary supplements).

**Institutional Base Salary (IBS):** The annual compensation paid by Clemson University for the duties associated with an individual's appointment(s), whether that individual's time is spent on research, teaching, administration or service, and whether the individual is appointed full or part-time.

**Outside Consulting:** Payments for consulting services external to Clemson University. Not considered in IBS. Not part of Summer Salary.

**Overload Pay:** Compensation for additional teaching responsibilities that significantly surpasses the 12 credit hour equivalent during a semester. Overload is paid via the Dual Employment process. Not part of Summer Salary. Capped at 30% of base year salary.

**Proportionate Share:** The share of Institutional Base Salary that corresponds to the proportion of total effort expended on the sponsored agreement. For example, if an individual's regular salary for an annual period is \$100,000 and they spend 25 percent of total effort during the period on the sponsored agreement, the proportionate share of Institutional Base Salary allocable to the sponsored agreement is \$25,000 ( $\$100,000 \times 25\%$ )

**Summer Salary:** Summer salary includes charges for work performed by faculty members with nine-month appointments during the summer session (defined as May 17<sup>th</sup> through August 14<sup>th</sup>). Summer salary includes pay for teaching summer school and/or performing research or other types of extra duties, called Summer Pay. Per 200.430 of the Uniform Guidance, charges for teaching activities performed by faculty members on Federal awards during periods not included in the IBS period will be based on the normal written policy of the institution of higher education governing compensation to faculty members for teaching assignments during such periods (Clemson University Faculty Manual). Additionally, the

Uniform guidance also defines charges for work performed by faculty members on Federal awards during periods not included in the base salary period will be at a rate not in excess of the IBS. A full workload in the summer is 33 1/3% of the 9-month institutional base salary. IBS cannot be annualized. The Summer Salary cap applies only to wages paid by Clemson University for summer activities and does not include overload pay, which is only available during the academic year, nor outside consulting, which is not paid by Clemson University.

**Temporary Supplements:** Additional compensation paid to an individual for duties above and beyond the individual's primary job requirements. Temporary supplements are non-recurring and expected to last less than a year. An example would be filling a vacant staff position within a home department.

**"100% Effort":** The activities associated with an individual's appointment at Clemson. This is not based on a set number of hours per week and may vary from individual to individual. Also, for individuals with less than full-time appointments, effort still should total 100%.

## 5.0 Roles and Responsibilities

### **Department Chairs/Directors and Deans**

Define appointment terms and determine compensation and activities associated with the faculty member's full workload.

### **Office of Sponsored Programs Support Centers**

Ensure that all requests for salary support in sponsored projects proposals are based on the individual's correct IBS in relation to the proposed effort. Retain supporting documentation related to salary and effort distributions.

### **Office of Sponsored Programs**

Provide additional assistance with determining IBS and effort as appropriate for proposals and charges to sponsored programs. Provide training to PIs and other individuals to ensure understanding of IBS.

### **Office of Grants and Contracts Administration**

Ensures that the effort reporting process is including the proper elements for certifying IBS.

### **College Post-Award Offices**

Ensures that the correct salary distribution is used when setting payroll for a project and the institutional base salary is not exceeded.

### **College Business Officers**

Ensures accuracy and appropriateness of pay and proper chartfields and amounts.

**Office of Human Resources**

Responsible for maintaining employee data used in determining components of IBS in the Human Resources Information System (HRIS), and maintaining records to support salary adjustments and supplements.

**Payroll Office**

Responsible for processing compensation using correct earnings and salary account codes.

**6.0 Signature Approvals**

This policy has been approved by:



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Tanju Karanfil  
Vice President for Research

**Revision History**

EFFECTIVE DATE	REVISION NUMBER	MODIFICATION
July 1, 2018	01	Policy Reformat