

## Policy 1311

### Institutional Base Salary for Sponsored Projects

Responsible Office	Office of Grant and Contract Administration	Effective Date	2/1/08
Responsible Official	Executive Director, Office of Grant and Contract Administration	Last Revision	9/1/11

<b>Policy Sections</b> .....	<b>2</b>
1311.01 Institutional Base Salary in Sponsor Projects Proposals .....	2
1311.02 Institutional Base Salary Documentation .....	2

#### Scope

This document sets forth Yale University’s definition of Institutional Base Salary (IBS) for sponsored projects **only** and effort reporting purposes. It applies to all individuals whose salary is charged to sponsored projects, in whole or in part, and to all individuals who have committed effort to a sponsor but not receiving salary support from the sponsor, also known as cost sharing.

#### Purpose of Policy

This document establishes the definition of IBS and the requirements for proposal submissions and to meet the requirements of OMB 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.

#### Definition

##### Institutional Base Salary (IBS)

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 the West Haven Veterans Administration Hospital or Howard Hughes Medical Institute and 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 projects funds;
- is established by the University in an annual letter 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 (for a complete list click [here](#) to review the Earnings Elements list for effort reporting purposes).

In the School of Medicine a ladder track faculty member’s IBS may consist of a base amount set annually by the Office of the Dean and a supplement which is normally guaranteed for one year.

---

## Policy Sections

---

### 1311.01 Institutional Base Salary in Sponsor Projects 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 for assistance.

---

### 1311.02 Institutional Base Salary Documentation

At the time of hire, all employees should receive an official letter or notification which includes their IBS. Employees receiving an adjustment in salary due to an annual increase or a promotion should receive a letter or notification documenting their new IBS and the effective date of the change in IBS. All promotions that provide an increase in IBS should also be done in writing.

---

## Related Information

- [Policy 1315: Effort Reporting: Certifying Effort on Sponsored Projects](#)
- [Policy 1316: Effort Commitments: Managing Effort Associated with Sponsored Projects](#)
- [Procedure 1315 PR.04: Effort Reporting using the Effort Reporting System \(ERS\)](#)
- [Procedure 1315 PR.03: Salaries above NIH, SAMHSA, and AHRQ Rate Cap](#)
- [2CFR, Part 220 Cost Principles for Educational Institutions \(OMB Circular A-21\)](#)
- [NIH Grants Policy Statement](#)
- [Earnings Elements Quick Reference Guide](#)

---

## Contacts

Subject	Contact	Phone
Reviewing Proposal Budgets and Cost Sharing Accounts	Office of Grant and Contract Administration	203-785-4689

---

## Roles and Responsibilities

### Chairs, Deans and/or Provost Office

Ensures that salary letters are provided on an annual basis to faculty indicating the approved institutional base salary.

**Principal Investigator**

Ensures that all requests for salary support in sponsored projects proposals are based on the individual's correct IBS.

**Department Administrator**

- Ensures 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 letters for audit purposes.

**Office of Grant and Contract Administration**

Reviews and approves proposals (including budgets) requesting funding from external sponsors.

---

**Revision History**

New Policy. Revised August 20, 2008. Revised December 16, 2010. Revised September 1, 2011.

---

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.

---