INSTITUTIONAL BASE SALARY
FOR SPONSORED PROJECTS

Summary

This policy defines Institutional Base Salary and its use in estimating, accumulating, and reporting salary charges to sponsored projects.

Policy

BACKGROUND

Office of Management and Budget (OMB) Circular A-21, the National Institutes of Health (NIH) Grants Policy Statement, and other applicable federal statutes and regulations permit salary and wage charges to sponsored awards to the extent that:

• total employee compensation conforms to established and consistently applied policies of the institution and
• such charges are for work in direct performance of the sponsored award.

Failure to comply with federal requirements and/or University at Buffalo (UB) policies when proposing or charging salaries could result in expenditure disallowances, financial penalties, or damage to the University’s reputation.

POLICY STATEMENT

Institutional Base Salary (IBS) is the annual salary paid to an individual for performance of all professional obligations required by the individual’s primary UB appointment. These professional obligations may include research, teaching, administrative functions, and/or other service activities and are generally identified in the individual’s appointment or reappointment letter. Unless otherwise specified, the annual salary stated in the appointment or reappointment letter fully compensates the individual for all professional obligations required by his/her primary UB appointment. IBS excludes any income that an individual is permitted to earn outside of duties performed as part his/her primary UB appointment.

IBS is set prospectively either for an indefinite period or for a specified term. IBS may not be increased or decreased based on availability of salary support from sponsored agreements or other revenue sources.

Components of IBS

IBS is paid at the direction and on behalf of UB by the New York State (NYS) Comptroller and/or by the Research Foundation of the State University of New York (RF), and may include one or more of the following components: Regular Salary, Temporary Salary Increases, and/or Endowed Supplements.

Also Receives (Overrides) are not included in IBS.
IBS must be associated with and in proportion to the effort obligated by an individual’s appointment. An externally funded grant or contract administered by the RF may only be charged for the portion of IBS attributed to actual effort expended on that grant or contract.

**Externally Sponsored Research**

Salary costs included in a sponsored project proposal or charged to a sponsored project are calculated by multiplying the IBS times the percent of effort expended on the particular sponsored project. In cases where the IBS exceeds the applicable federal salary cap or sponsor limitation, the salary cap or limit amount is used instead of the IBS to calculate salary costs. The amount of IBS above the salary cap or limit may only be paid from non sponsored sources. When preparing proposals for multiple years, future years’ IBS will be estimated based on salary increases in applicable collective bargaining agreements or the RF’s Salary Plan.

Charging a sponsored agreement for less than the committed effort is permitted, subject to the limitations in the Policy on Cost Sharing in Sponsored Programs.

Summer salary may be paid to an individual on an academic or college year appointment for their research obligations performed during the summer months. Summer salary is calculated based on the IBS of the preceding academic or college year and can only be charged to a sponsored project in proportion to the effort expended on the particular project during the summer months.

**APPLICABILITY**

This policy applies to all university entities and all UB faculty and staff involved in performing, directing, or administering research, training, or other sponsored projects (federal, state, and private).

**DEFINITIONS**

**Academic Year Appointment** – nine month faculty obligation.

**Also Receives** – an approved annualized dollar amount (or portion thereof) that can be paid in addition to the base annual salary on a temporary basis, for additional duties beyond and in addition to, the ordinary and customary duties normally associated with their primary assignment.

**Annual Salary** – amount determined by the University to compensate an individual for his/her professional obligation based on grade, title, and experience. Annual salary is based on a full-time equivalent and adjusted proportionately for part-time effort. For academic year faculty, annual salary is the salary paid for the 9 month academic year appointment, which is normally paid out over 10 months. For calendar year faculty, annual salary is the salary paid for the 12 month calendar year period.

**Calendar Year Appointment** – twelve month obligation that can begin on any date.

**College Year Appointment** – ten month obligation used by non-faculty professionals that can begin on any date.
Salary Cap – limitation imposed by the federal government on the amount of salary that may be charged to federally funded grants or contracts.

Sponsor Limitation – sponsor imposed limitation on the amount of salary that may be charged to sponsored program awards.

Temporary Salary Increases – An increase in the base salary for a limited period of time, associated with a temporary increase in assigned duties and responsibilities that are within the scope of duties normally associated with the position.

RESPONSIBILITY

Chairs, Deans and/or Provost
• Ensure that faculty and staff understand the terms of any increases outside of a contractual salary increase, and any changes in the professional obligation of that faculty member.

Human Resources
• Prepare for the President’s signature, the initial appointment letter that documents the employees’s IBS and professional obligation.

Principal Investigator
• Ensure that all requests for salary support in sponsored projects proposals are based on the individual’s IBS, or in cases where the IBS exceeds the federal salary cap or any other sponsor limitation, the salary cap or limit amount is used instead of the IBS.

Office of Sponsored Project Services
• Review and approve proposals (including budgets) requesting funding from external sponsors.

PROCEDURES

Appointment Letter
• All components of an employee’s IBS and professional obligation must be documented in an appointment letter furnished at the time of initial appointment.
• A copy of the appointment or reappointment letter must be retained in the personnel file.

Components of IBS

IBS is paid at the direction and on behalf of UB by the New York State (NYS) Comptroller and/or by the Research Foundation of the State University of New York (RF), and may include one or more of the following components:
• Regular Salary - Regular salary may be based on a calendar, academic, or college year appointment and includes contractual salary increases documented in the employee’s payroll record.
• Temporary Salary Increases – An increase in base salary for a limited period of time, associated with a temporary increase in assigned duties and responsibilities.
• **Endowed Supplements** – Supplemental salary paid to endowed chairs and included in the NYS payroll check

**Exclusions from IBS**

The following salary components are excluded from the IBS:

• Compensation paid by the New York State Comptroller or the Research Foundation for performance outside of an individual’s professional obligation such as:
• compensation termed as also receives
• summer salary
• compensation paid by the Veterans’ Administration Western New York Healthcare System
• compensation from clinical practice including university faculty practice corporations
• compensation from third-party honoraria, publication royalties, and private consulting income in accordance with UB, SUNY, and RF policies governing such payments
• salary supplements included in a UBF payroll check.

**Payment of IBS**

IBS is remitted at the direction and on behalf of UB by the New York State Comptroller or The Research Foundation of State University of New York (RF). IBS must be associated with and in proportion to the level of effort obligated by an individual’s appointment. An externally funded grant or contract administered by the RF may only be charged for the portion of IBS attributed to actual effort expended on that grant or contract.

**Externally Sponsored Research**

When calculating salary costs for a sponsored project proposal or to be charged to a sponsored project, the cost is calculated by multiplying the IBS times the percent of effort expended on the particular sponsored project. In cases where the IBS exceeds an applicable federal salary cap or sponsor limitation, the salary cap or limit amount is used instead of the IBS to calculate salary costs. The amount of IBS above the salary cap or limit may only be paid from non-sponsored sources. When preparing proposals for multiple years, future years’ IBS will be estimated based on salary increases negotiated in applicable collective bargaining agreements and/or The RF’s Salary Plan.

Charging a sponsored agreement for less than the committed effort is permitted, subject to the limitations in the policy on Cost Sharing in Sponsored Programs.

Summer salary may be paid to an individual on an academic or college year appointment for their research obligations performed during the summer months. Summer salary is calculated based on the IBS and can only be charged to a sponsored project in proportion to the effort expended on the particular project during the summer months.

---

**Contact Information**

Ken Tramposch  
Associate Vice President for Research  
402 Crofts Hall, North Campus  
Phone: 716-645-3321  
Email: ken.tramposch@buffalo.edu  
Web site: www.research.buffalo.edu/sps
Related Information

University Documents:
   Policy on Cost Sharing in Sponsored Programs
   Extra Service Compensation and Summer Employment:
   http://www.research.buffalo.edu/ovpr/policies/extra.cfm

University Forms:
   Summer Appointment Certification
   Summer Compensation Salary Schedule For Academic (10 month) Year Faculty

Other Documents:

Presidential Approval

   John B. Simpson                          6/14/10
   John B. Simpson, President Date
Appendix A

EXAMPLES

1. Professor Jones is selected to fill an endowed chair. This position carries an endowed supplement, which is to be funded with endowment funds. Professor Jones is notified about his appointment to the endowed professorship, its effective date, and the amount of the endowment. No term date is specified since the endowed position is for an indefinite period. Arrangements are made to transfer funds from the UBF endowment account to a State account to cover the amount of the supplement. His IBS includes both his regular salary and the endowed chair supplement.

2. Professor Jones is appointed to a three-year term as chairman of the history department. This position includes a salary supplement processed as an Also Receives. Professor Jones is notified of the chairmanship, its term, and the amount of the supplement. He receives a NYS salary check encompassing all elements of his compensation. The payment summary will separately identify the chair supplement component, e.g., as an “also receives.” The chair supplement is not included in the IBS.

3. Dr. Thomas receives a large new federal grant award based on a proposal for which she will be the principal investigator. Dr. Thomas receives her entire IBS in the form of salary paid by RF. Her current IBS may not be increased based on the fact that there has been an increase in external funding. The next time researcher salaries are reviewed, all relevant factors may be taken into account, including research productivity.

4. Dr. Smith is a physician on the medical faculty who teaches, conducts research, and has a clinical practice. He does not have an endowed chair or administrative position. Dr. Smith receives payroll checks from the NYS Comptroller and a university faculty practice corporation. His IBS is stated in his UB appointment letter and is the amount received in his NYS payroll check. Compensation for clinical practice is paid directly to Dr. Smith from his university faculty practice corporation, and is not included in IBS.

5. Dr. Blue holds a .5 full time equivalent (FTE) NYS appointment, a .5 FTE RF appointment, and receives half of her compensation through a NYS payroll check and half from The RF. The appointment includes an obligation to teach and perform research. Dr. Blue is the Principal Investigator (PI) on three grants. Her IBS is the sum of both the NYS and RF compensation.

6. Professor Rodriguez holds a 1.0 FTE NYS appointment. He also receives a salary supplement funded by UBF. His UB appointment letter clearly indicates his permanent base salary and the amount and term of his salary supplement, which is one year or more. UBF transfers funds to an appropriate State IFR account and Professor Rodriguez’ paycheck is funded from State operating and IFR funds. His IBS is his entire NYS compensation, including the salary supplement.

7. Professor Jones is selected to fill an endowed chair. This position carries a salary supplement, which is to be funded with UBF endowment funds. No arrangements are made to transfer funds from the endowment account to a State account to cover the amount of the supplement. His IBS only includes his regular NYS salary.