

80.19 Policy on Institutional Base Salary

Approval Authority:	Cabinet
Responsible Executive(s):	Provost and Vice President for Academic Affairs CFO, Vice President for Finance and Treasurer
Responsible Office(s):	Office of Sponsored Programs Office of Sponsored Accounting and Cost Analysis
Effective Date:	March 20, 2018

I. Purpose of this Policy

The University receives funding from federal, state and other sponsors in support of research, instruction and other activities awarded through grants, contracts and cooperative agreements (“Sponsored Projects”). Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200.430, requires recipients of federal funding to establish an institutional policy that documents the basis for budgeting and charging employee salaries to Sponsored Projects. This Policy establishes the University’s definition of institutional base salary (as further defined below, “IBS”) and the basis for calculating faculty and staff salaries for purposes of Sponsored Projects. Failure to accurately propose, charge, and/or document salaries on Sponsored Projects could result in financial penalties, expenditure disallowances or harm to the University’s reputation.

II. Definitions

Effort: The amount of time spent on a particular activity, including the time spent working on a Sponsored Project to which IBS is directly charged or contributed. Individual effort is expressed as a percentage of the total amount of time devoted to work-related activities for which the University compensates an individual, including instruction, research and administrative work.

Institutional Base Salary: The actual aggregate annual compensation paid by the University for an individual employee’s appointment whether that individual’s time is spent on instruction, research or other institutional activities. IBS may be based on a 9-month or 12-month period, depending on the individual’s appointment. IBS does not include Special Compensation. Under no circumstances may IBS include or be increased by other funds from a Sponsored Project whether in order to replace University compensation or otherwise.

Special Compensation: Any (a) pay for work performed in addition to the individual’s normal duties as part of his or her regular academic and/or administrative appointment and (b) other monies or benefits the individual may receive from the University, including but not limited to: fringe benefit payments; temporary stipends for administrative appointments, such as Department Chair, Research Center Director or Institute Director; temporary stipends for distinguished professor appointments; summer teaching compensation; summer research compensation; reimbursed expenses; compensation for extra teaching (including StevensOnline,

summer, on-campus, and off-site teaching); one-time payments; incentive compensation payments; salary paid directly by another organization; and income that an individual is permitted to earn outside of the University.

III. Policy

It is the University's policy that all salary charges to Sponsored Projects must be based on the IBS of the relevant individual, as defined in this Policy and subject to the following:

- A. To the extent a sponsor limits the amount of salary charged to a Sponsored Project, any excess of an individual's IBS may not be charged to the Sponsored Project.
- B. All charges of IBS to Sponsored Projects must be based on actual IBS amounts which are proportionate to the effort devoted by such individual to activities contributing and directly related to work under the Sponsored Project ("Effort").
- C. Responsibility for implementation of this Policy is as follows:
 - i. Deans are responsible for designating faculty salaries, subject to the Provost's approval, and communicating an individual's IBS by means of an appointment letter, reappointment letter or the annual letter issued by Human Resources advising the individual of their annual compensation.
 - ii. Deans and Division leaders are responsible for designating staff salaries, subject to approval by Human Resources, and communicating an individual's IBS by means of an appointment letter or the annual letter issued by Human Resources advising the individual of their annual compensation.
 - iii. OSP is responsible for confirming that entries recorded in the Quali Financial System labor distribution module are based on the IBS reflected in the Workday payroll system.