

## **Institutional Base Salary Policy**

### **Purpose**

The Institutional Base Salary Policy provides a specific definition of Institutional Base Salary (IBS) and ensures that we apply that definition to meet Federal requirements for compensation on all sponsored awards for all faculty.

### **Scope**

This policy is applicable to all sponsored awards and must be followed by schools, departments, centers, institutes, and personnel of Boston College involved with sponsored awards.

### **Effective Date**

The effective date of this policy is June 1, 2018, revised October 1, 2019.

### **Definition**

Institutional Base Salary (IBS) is the annual compensation paid by the University for an employee's appointment whether that individual's time is spent on research, teaching, administration, or other activities.

### **Institutional Base Salary Policy Details**

IBS includes regular salary and the academic year portion of compensation related to a second assignment (e.g., Appointment as dean, chair, and/or center director) if the second assignment is one year or longer in duration. The IBS does not include bonuses, one-time payments or incentive pay. Also excluded from the IBS is salary paid directly by another organization.

#### **IBS does not include:**

Bonuses, honoraria, and incentive compensation;

Summer supplemental pay for faculty with 9-months appointments;

Supplemental pay that may be issued for temporarily (not longer than one year) performing duties that fall outside of duties and responsibilities associated with the current appointment;

Fringe benefit payments;

Reimbursed expenses;

Any income that an individual earns outside of duties performed for Boston College (e.g. consulting).

Note: 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 appointment letter, or other similar documentation, regardless of the source of funds;

Includes regular salary, as well as the academic year portion of any second assignment (e.g., Appointment as dean, chair, and/or center director)

### **Institutional Base Salary on a Sponsored Projects' Proposal**

Institutional Base Salary must be used as the base salary on all sponsored programs' proposals unless there is a statutory limit on compensation, such as the NIH salary cap.

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 of 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.

When calculating summer salary on a sponsored project faculty can only charge up to 95% of a full month in any one month. This allows time for any work not directly related to the award, i.e., writing proposals, advising students, departmental administrative work, etc. This does not mean you will not receive your full month of effort, you just need to spread it out in a reasonable fashion to allow for other work. Please work with your departmental grant administrator for proper calculation of your summer effort.

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.

### **Contacts**

If you have any questions about this policy, or need additional information, please contact the Office for Sponsored Programs main number at 617-552-3344 or directly contact your area's OSP Liaison (OSP Staff).

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# Institutional Base Salary (IBS)

## Quick Guide to Understanding IBS and the 3/9ths Application

### What is Institutional Base Salary?



The Institutional Base Salary Policy provides a specific definition of Institutional Base Salary (IBS) and ensures that we apply that definition consistently to meet Federal requirements for compensation paid outside the academic year (AY) (i.e. summer months) for all tenured and tenure-track faculty.

#### Included in IBS

- Academic Year appointment salary (instruction, research, service)
- Academic Year portion of administrative appointment salary (department chair, associate chair, institute director, etc.)

#### Excluded from IBS

- Overload teaching
- Continuing Education appointments
- Monetary awards
- Compensation earned for services performed external to the university

### Who is Impacted?



Faculty on academic year appointments with administrative and/or endowed appointments that are either academic year or 12-month appointments

No change or impact to:

- Faculty on academic year appointments with no administrative or endowed appointments

#### Key Tenets

- Earning potential is the same - no loss in earning potential
- Extensive testing with real scenarios
- Effort and earning are congruent
- Maximum pay in any given summer month not to exceed 95% of IBS

### 9-12 Scenario



AY appointment with a 12-month administrative and/or endowed appointment

#### Scenario Baseline:

AY Appointment Salary	\$90,000
12-mo Admin Salary 21% (\$1,575/month)	\$18,900

#### Calculate IBS:

AY Base Salary	\$90,000
AY Admin Salary	\$14,175
Total IBS	\$104,175

#### Calculate Summer Monthly Earning:

Total IBS	\$104,175
Monthly pay at 1/9th	\$11,575
Max in any given month 95%	\$10,996