



## Policy on Institutional Base Salary

### I. Purpose

This policy confirms WPI's Institutional Base Salary for purposes of externally-funded research and sponsored projects, consistent with 2 CFR Part 200. Institutional Base Salary is used to calculate compensation for personal service charged to sponsored projects. Pursuant to 2 CFR Part 200.430, personal services compensation charges for work performed on sponsored awards are allowable at the Institutional Base Salary rate.

### II. Scope

This policy 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 who are not receiving salary support from the sponsor (i.e., cost sharing).

### III. Definitions

**Institutional Base Salary ("IBS"):** The annual compensation paid by WPI for an individual's appointment(s), whether that individual's time is spent on research, teaching, administration, or other activities.

IBS includes regular salary as well as supplements for additional appointment(s) such as dean, chair, center or institute director, and/or endowed professorships.

IBS does not include bonuses, honoraria, or incentive pay, if any, reimbursed expenses, or any income that an individual earns outside of duties or responsibilities performed for WPI, such as consulting. IBS also does not include supplemental pay that may be issued for temporarily performing duties that fall outside the responsibilities associated with current appointments (s). Calculation of IBS for purposes of this policy does not alter, adjust or otherwise impact an individual's total annual compensation as provided for in their appointment letter(s).

**Temporary Appointments:** Non-permanent, time-limited appointments that are intended to last less than one (1) year. Examples of such appointments include interim or acting Chair appointments.

### IV. Policy

It is the policy of WPI that compensation for personal services charged to sponsored projects will be based upon the individual's IBS and not exceed any federally-mandated salary cap or other limitations imposed by sponsors. Some federal agencies (e.g., DHHS) limit the amount of salary that can be charged to a sponsored award (e.g., salary caps). Other funding sponsors may impose salary limitations. If the



award imposes a salary cap, an individual's salary in excess of the salary cap cannot be charged to the sponsored award. Salary costs above the federally-mandated salary cap and associated fringe benefit costs are not considered committed cost share, as defined in [the Cost-Sharing for Proposals Policy](#).

#### **A. Calculating Personal Service Charges:**

IBS is used to calculate compensation for personal service charged to sponsored projects. IBS is based upon the full workload for which the individual is compensated by WPI, as defined in this policy, regardless of the source of funding or the number of hours expended. IBS does not affect compensation for faculty or staff as established by their WPI appointment(s).

Personal service charges to sponsored projects shall be the percentage of IBS that are reasonable, allowable and allocable to that specific project. Charges to sponsored awards are based on actual compensation amounts proportionate to the effort devoted to activities contributing and directly related to work under the sponsored award. IBS may not be increased as a result of replacing or supplementing university salary with sponsored funds.

Charges applied to awards may include reasonable amounts for activities contributing and directly related to work under an award agreement. These activities include but are not limited to: delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.

#### **B. Institutional Base Salary Documentation**

At the time of hire, individuals will receive an appointment letter, which documents responsibilities included in their appointment and the associated compensation (IBS) for purposes of this policy. Actions resulting in changes to an individual's IBS, such as a subsequent administrative appointment or subsequent adjustment in salary, will be documented in the related appointment letter(s) and include an effective date of change. Documentation of an individual's IBS shall be consistent with 2 CRF § 200.430(i).

#### **V. Roles and Responsibilities**

Responsibilities for compliance with this policy are shared among the following groups and include but are not limited to:

**Provost Office:** The Provost's office will: (i) support the issuance of salary communications provided on an annual basis to each employee covered under this policy indicating the employee's approved IBS; (ii) on an annual basis, share salary information with the Office of Sponsored Programs (OSP) Pre-Award; and (iii) review and approve summer salary requests to ensure appropriate application of IBS.

**Principal Investigators (PIs):** The PI(s) will: (i) adhere to requirements that salary support in Sponsored Project proposals and awards is based on the individual's accurate IBS; and (ii) prepare proposal budgets to include accurate salary figures.

**Office Sponsored Programs (OSP) Pre-Award:** OSP Pre-Award will review and approve budgets in funding applications for appropriate application of IBS.



## **VI. Additional Information**

Uniform Guidance: 2 CFR §200.430 and 2 CFR §200.431.

## **VII. Contact Information: Assistant Vice Provost for Research**

Responsible Office/Department(s): Office of the Vice Provost for Research; Provost's Office

Effective: 1st January 2024