*Institutional Base Salary*

For the purposes of effort reporting, the definition of “institutional base salary" (IBS) is annual compensation for an individual’s appointment (9, 10, 11 or 12 months), and covers individual time spent on research, teaching, administration or other activities. IBS does not include bonuses, one-time payments, or incentive pay. Additionally, IBS does not include payments from other organizations or income that individuals are permitted to earn outside of their University responsibilities, such as consulting. IBS must be used as the base salary on all grant proposals, and is the basis for effort reporting.

**Summer Salary**

According to the Uniform Guidance, the principles of IBS apply to calculation of summer salary for all employees, regardless of the source of funds. Full time faculty with appointments of less than 12 months may earn summer salary during the months June, July and August, up to a maximum of three full months (3/9ths) for individuals with 9 months appointments. Summer Salary funded by the National Science Foundation is limited to two months from all NSF awards, or two ninths of the regular academic year salary. NIH’s maximum salary limitation applies to summer salary just as it does to academic year salary. Therefore, any monthly summer salary charge to an NIH project is limited to one-twelfth of the NIH maximum.

Academic salary paid out in the summer is excluded from the effort report when the payment is for an appointment of less than 12 months which the faculty elected a 12 months’ pay option. For example, the salary for the 9 month appointment that is being paid in the summer months is not part of the faculty member’s compensation for the summer and should not be included in effort reporting during that time.

**Additional Compensation**

When additional pay is for incidental work that is non-recurring (less than a semester) and not part of an employee’s primary appointment, it is excluded from IBS and from effort reporting. When additional compensation is for an indefinite period (more than a semester) and covers activities which are aligned with the individual’s appointment, and is in excess of the normal responsibility of an individual primary position, it is included in the IBS and is part of effort reporting. An example of additional compensation included in the IBS is an individual receiving an administrative stipend for serving as a department chair or director. The chart below demonstrates how the new appointment causes an increase in the IBS and changes the effort distribution for the individual.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Example of How to Calculate Effort** | **Salary** | **Effort for 9-Month Appt.** |   | **Effort incl. Chair Appt.** |   | **Effort incl. Additional Teaching** |
| Dr. X earns 90,000 during the 9-month appointment and dedicates 50% time to **Research** | $45,000  | 50% |   | 40% |   | 38% |
| Dr. X earns 90,000 during the 9-month appointment and dedicates 50% to **Teaching** | $45,000  | 50% |   | 40% |   | 38% |
| **Current Institutional Base Salary (IBS)** | **$90,000**  |   |   |   |   |   |
| **Total Effort**  |  | **100%** |   |   |   |   |
|  |  |  |   |   |   |   |
| Dr. X takes on additional duty as **Dept. Chair** and receives $20,000 over 9-month appointment  | $20,000  |   |   | 20% |   | 16% |
| **Increased IBS** | **$110,000**  |   |   |   |   |   |
| **Total Effort**  |   |   |   | **100%** |   |   |
|   |   |   |   |   |   |   |
| Dr. X will **teach** an additional class for the Fall, and receives $10,000  | $10,000  |  |  |  |  | 8% |
| **Increased IBS** | **$120,000**  |   |   |   |   |   |
| **Total Effort** |   |  |   |  |   | **100%** |