

HOWARD UNIVERSITY POLICY

Policy Number: 100-003
Policy Title: INSTITUTIONAL BASE SALARY (IBS)
Responsible Officer: Provost and Chief Academic Officer
Responsible Office: Office of the Provost and Chief Academic Officer
Effective Date: May 31, 2012 (Original); December 6, 2013 (Revised)

I. POLICY STATEMENT

- A. Institutional Base Salary (“IBS”) is the annual compensation paid by Howard University (“University”) through a school or college or an administrative unit for an individual’s professional services, whether they consist of research, teaching, clinical or other activities, and whether the individual is employed full-time or part-time. The IBS is established annually and confirmed by letter to each full-time faculty member who falls under the scope of the policy. IBS may not be increased solely as a result of the University having received an externally sponsored award.
- B. The IBS of part-time faculty members who will be engaged in sponsored projects will be confirmed by letter. For all other employees, the IBS is the annual salary recorded in the PeopleSoft Human Capital Management (HCM) system.
- C. For members of a faculty practice plan in the Health Sciences, the IBS may be the same as or may be less than the Total Allowable Salary.
- D. The IBS for faculty members may include the following salary components as defined below:
 - University base salary
 - Clinical base salary
 - Administrative Stipends

The IBS excludes the following salary components:

- Temporary extra compensation
- Incidental payments or honoraria
- At-risk portion of clinical salary under a faculty practice plan
- Incentive payments under a faculty practice plan
- Veterans Administration (VA) salary

The IBS must be used in any submission related to funding for sponsored work including grant applications and reports to sponsors relating to salary of any University employee.

- E. This policy applies to all faculty and all other employees engaged in sponsored projects.
- F. Salary charges made to sponsored projects must be calculated pro rata based on the IBS, with the salary billed to the sponsor being directly proportional to the effort devoted to the project. If the sponsoring agency has a Salary Cap, then the portion of an individual's salary in excess of the cap is considered an *unallowable cost*. The unallowable portion of salary over the cap should be charged to a cost sharing account of the project or program. Sponsors will not be billed for the unallowable portion.
- G. Faculty members on nine-month contracts may be compensated for work on sponsored projects during the summer, with the salary based on the IBS of the previous academic year and the level of summer effort devoted to the project. Charges to sponsored awards for summer salary must take into account commitments to summer instruction or administrative responsibilities as they may apply in individual cases. Sponsoring agencies may also limit summer compensation.

II. RATIONALE

Howard University has implemented this policy to define the components of Institutional Base Salary (IBS), to explain the relationship between IBS and Total Allowable Salary, and to formalize practices and procedures for the consistent budgeting and expensing of salaries and effort reporting in compliance with federal regulations, including those issued by the Office of Management and Budget (OMB) and the National Institutes of Health (NIH).

III. ENTITIES AFFECTED BY THIS POLICY

This policy applies to all schools, colleges, and administrative units.

IV. DEFINITIONS

- A. **Institutional Base Salary (IBS)** - the annual compensation for an individual's appointment, whether for research, teaching, service, clinical activity, administration or other activities. It is the compensation for 100 percent of the individual's effort at the University.

- B. **University Base Salary (UBS)** - the salary for performing duties as a faculty member of the University; these duties include but are not limited to teaching, research, service, professional development. The University Base Salary is a component of IBS.
- C. **Clinical Base Salary** - the guaranteed clinical portion of a Faculty Practice Plan salary. The Clinical Base Salary is a component of IBS. The Clinical Base Salary is separate from the University Base Salary.
- D. **Administrative Stipend** - the payment for performing administrative duties such as chairing a department or directing a program. An Administrative Stipend is a component of IBS.
- E. **FPP At-Risk Component** - the variable portion of a faculty practice plan salary that is dependent upon meeting established criteria in accordance with policies or compensation plans issued by a faculty practice plan. The At-Risk Component is excluded from IBS.
- F. **FPP Incentive Component** - a bonus or incentive payment for exceeding performance goals or satisfying other criteria established by a faculty practice plan and approved by the Compensation Committee of the Howard University Board of Trustees. The Incentive Component is excluded from IBS.
- G. **Temporary Extra Compensation** - compensation approved for a temporary period for assuming additional responsibilities, such as teaching an extra class. Temporary Extra Compensation is excluded from IBS.
- H. **Incidental Payments or Honoraria** - for one-time activities not included within the normal workload. Incidental payments or honoraria are excluded from IBS.
- I. **Veterans Administration (VA) Salary** - salary paid directly by the VA for VA appointments. VA Salary payments are excluded from IBS.
- J. **Total Allowable Salary** - the total maximum salary paid to faculty members in a faculty practice plan, inclusive of IBS, the At-Risk Component and the Incentive Component of the practice plan, and all other sources. Because of its variable components, the Total Allowable Salary may be greater than the IBS.

V. POLICY PROCEDURES

- A. The Office of the Provost and Chief Academic Officer will develop and implement the process for creating and distributing IBS letters.
- B. The Provost will issue IBS letters to all full-time faculty members at or before the start of each academic year. The letters will state the IBS and may reference the source components. For faculty members who are participating in a Faculty Practice Plan, the IBS letter shall also reference the non-guaranteed portion of the FPP salary, such as the at-risk component and incentive payments, and the Total Allowable Salary. When a part-time faculty member will be engaged in

a sponsored project, the faculty member will inform the academic dean, who in turn will request that the Provost issue an IBS letter.

- C. The University Office of Human Resources is responsible for recording each employee's IBS, and its components, in the University's PeopleSoft system so that it is available as needed, for example in connection with program applications, administration, and effort reporting. The Office of Human Resources will develop, implement, and maintain the business process for entering and maintaining this data.
- D. The Office of the Provost, the offices of the respective academic deans and the Office of Human Resources, Department of Compensation and Performance Management shall each maintain copies of IBS letters.
- E. The Department of Compensation and Performance Management will perform an internal review of the IBS letter components against salary components recorded in PeopleSoft and prepare a summary of variances for the Senior Human Resources Officer on a periodic basis and not less than once a year.

VI. SANCTIONS

Failure to follow this policy or any other approved University policy may result in disciplinary action, including termination of employment.

VII. WEBSITE ADDRESS

University Policy website: www.howard.edu/policy

Other relevant links:

- Office of Management and Budget Circular A-21, "Cost Principles for Educational Institutions,"
http://www.whitehouse.gov/sites/default/files/omb/assets/omb/fedreg/2005/083105_a21.pdf
- Office of Management and Budget Circular A-110, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations"
http://www.whitehouse.gov/omb/circulars_a110/
- NIH Grants Policy Statement
http://grants.nih.gov/grants/policy/nihgps_2011/index.htm
- NIH Salary Cap
http://grants.nih.gov/grants/policy/salcap_summary.htm