



POLICY STATEMENT

Policy Statement Title: Institutional Base Salary
Functional Area: Research Administration

Related Policy:	U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR, Chapter II, Part 200
Effective Date:	September 1, 2018
Last Reviewed/Updated:	March 1, 2024
Approved by:	Massimo Ruzzene, Vice Chancellor for Research & Innovation and Dean of the Institutes 
Responsible Office:	Research & Innovation Office

I. PURPOSE

The U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR, Chapter II, Part 200, Uniform Guidance) incorporates guidance on standards, restrictions, and requirements related to personal services compensation when charged to federally funded awards.

[2 CFR 200.430](#) states that the compensation cost of personal services for work performed by a non-Federal entity on Federal awards is allowable as long as it conforms to requirements outlined by the Uniform Guidance.

Further, 2 CFR 200.430(h)(4)(ii) requires Institutions of Higher Education (IHE) to establish a written policy defining these requirements as related to that Institution, which will be consistently applied to all sponsored awards. This Policy document attempts to meet this requirement by defining CU Boulder's Institutional Base Salary (IBS) and how the IBS is used to determine compensation amounts that can be charged to sponsored projects for work performed by academic year (AY) faculty (HCM Job Codes 1100-1105, 1449, 1442). The policy applies to all AY faculty whose salary is charged to sponsored projects. It does not apply to other CU Boulder employment classifications, including but not limited to, full-time University Officers or Research Faculty positions.

II. DEFINITIONS

Academic Year Faculty: Academic year faculty includes tenured and tenure-track (TTT) as well as non-tenure track faculty who have a 9-month appointment (eg, appointments as Professor, Assistant Professor, Senior Instructor, Instructor). Faculty with 12-month or fiscal year (FY) appointments are excluded from this definition and policy.

Academic Year Base Salary: This is the sum paid in consideration of the normal services rendered by AY faculty during the academic year and determines the maximum rate that can be charged to sponsored projects.¹ Normal services are defined by their individual workload formulation (usually a mix of teaching, scholarly or creative work, and service) and constitutes their academic year appointment. Academic year base salary may be referred to as the "teaching appointment" salary. The academic year base salary does not include: academic year portion of administrative appointment salary or the academic year portion of an endowed professorship and/or endowed chair appointment salary. These are separate and distinct appointments for AY faculty.

Institutional Base Salary (IBS): The IBS for CU Boulder's AY faculty includes: a) the academic year base salary; b) the academic year portion of administrative appointment salary;

¹ The academic year base salary is used when determining the NIH salary cap limitation.

and c) the academic year portion of an endowed professorship and/or endowed chair appointment salary. The IBS determines the maximum amount of salary that can be earned during the summer and does not include: overload teaching, continuing education appointments, monetary awards, compensation earned for services performed external to the University, administrative salary paid during the summer months, and endowed professorships and endowed chairs paid during the summer months.

Three-Ninths Rule: CU Boulder [campus guidelines and policy](#) allow AY faculty to earn the maximum of an additional 3/9^{ths} of their IBS for summer work. There is a limit of 1/9 in any specific month and a total of 3/9^{ths} over the summer months occurring within the same calendar year². When administrative and/or endowed appointment salaries are part of the 3/9^{ths} summer effort and earnings, only the remaining effort and salary can be earned from teaching and/or scholarly and creative work. The total earnings from summer administrative and endowed appointments, scholarly and creative work, and teaching can be no greater than 3/9^{ths} of the IBS.

III. APPLICATION OF INSTITUTIONAL BASE SALARY LIMITATIONS

A. Institutional Base Salary (IBS) Documentation

CU Boulder's IBS is composed of salary earned from three different types of appointments during the academic year: 1) academic year appointment, 2) academic year portion of administrative appointments, and 3) academic year portion of endowed professorship or endowed chair appointments. All AY faculty have an academic year appointment; only a portion of AY faculty have academic year administrative and/or endowed appointments.

Appointment salaries for AY faculty are set by the College or School with which they are affiliated and information for these appointments is contained in separate records for each appointment within the University's HCM (Human Capital Management) System. An IBS page has been developed and is located within the HCM System to display a tool combining academic year salary figures from these separate appointments to calculate the total IBS salary.

B. Limitations on Faculty Salary Charged to Externally Funded Projects

Federal agencies require CU Boulder to use the IBS as the basis for determining the amount of compensation charged to a Federal award. However, 2 CFR 200.430(a)(1) and (3)(b) state that compensation charged to the award should be consistent with salary earned for similar work expected for that person's appointment. For Boulder campus, the academic year appointment reflects similar work to be performed on externally funded projects. Therefore, CU Boulder defines the maximum salary that can be proposed and charged to sponsored awards in any given month as 1/9th of the academic year base salary³. The amount of paid effort a faculty can charge to sponsored projects during summer months is determined in conjunction with other paid summer positions for non-research activities. See the [Summer Session Informational Memo](#) for various scenarios illustrating how this is calculated.

C. Proposed Salary Support

When requesting direct salary support, including course buyouts, from an external sponsor or when providing effort on a sponsored project in the form of mandatory or voluntary committed cost share, the amount must be based on the academic year base salary portion of the overall IBS. There may be an effort limit on a sponsored project if effort is being devoted to other activities, such as administrative appointments. Several sponsors, such as NIH, may have a salary rate cap based on the IBS which shall apply to direct salary support that can be proposed or charged to an award.

² Beginning in calendar year 2025, the 3/9^{ths} limit is calculated within a single calendar year. Prior to 2025, the 3/9^{ths} limit was calculated within a single fiscal year, which spanned two calendar years. The change was made to decrease the complexity of calculations with the change in merit increases for faculty to January of each year.

³ Compensation earned in any given summer month that is derived solely from teaching activities may not be subject to the 1/9th limit. This provision **only** applies when 1/9th of the faculty's academic year salary is less than what would be earned by teaching a summer course.

Sponsored project salary support can be requested for work performed during the academic year which creates salary savings for the university. Procedures for handling such salary savings are implemented at the College or School level.

D. Full-Time AY Faculty Appointments on Reduced Work Schedules

Faculty members having full-time appointments who are working a reduced work schedule (e.g. faculty with phased retirements) are considered full-time employees. They can charge for work performed on sponsored awards based upon their full-time academic year base salary and follow the standard IBS guidelines.

E. Part-Time AY Faculty

The IBS tool in the HCM System adjusts part-time academic year appointment salary to a 100% level to provide consistent treatment of all faculty salary and associated IBS. Part-time AY faculty appointments can charge for summer work performed on sponsored awards following standard IBS guidelines that apply to full-time AY faculty appointments.

IV. SALARY NOT GOVERNED BY INSTITUTIONAL BASE SALARY LIMITATIONS

A. Non-Federally Funded Sponsored Project Work

Charges for work performed by AY faculty on non-federally funded work as part of their CU Boulder appointment shall not be less than the academic year base salary rate of pay but can be higher if the sponsor is willing to bear the additional cost. Projects charging a rate of pay higher than the academic year base salary rate must include facilities and administrative (F&A) costs at CU Boulder's federally negotiated rate or higher. In those instances where a higher rate of pay will be accepted by the sponsor, prior approval is required from the Office of Contracts and Grants (OCG) in consultation with the PI's department.

V. RESOURCES

Board of Regents Policy 5.C.4.(D) [Other Terms and Conditions of Faculty Appointments](#)
CU Boulder Office of Faculty Affairs [Additional Compensation Guidelines for Faculty](#)
CU Boulder Policy [Summer Salary Limits for Tenured and Tenure-Track Faculty](#)

VI. HISTORY

Changes	Date	Approved By
Adopted	9/1/2018	Terri Fiez
Reviewed – no substantial updates	1/1/2019, 1/30/2020	
Minor updates to URLs	4/16/2021	Denitta Ward
Minor updates to URLs, Board of Regents Policy 5D and 5E replaced with Policy 5.C.4.(D), updated “research” to “scholarly and creative work” to reflect changes to APS 1022	2/28/2022	Colisse Franklin
Change of application of policy from only TTT faculty to all AY faculty, addition of AY faculty definition, change of approver to Massimo Ruzzene, minor edits	4/1/2023	Massimo Ruzzene
Reviewed to ensure policy is consistent with change in faculty merit cycle such that 3/9ths limit year changed from fiscal year to calendar year	3/1/2024	Massimo Ruzzene



POLICY STATEMENT

Policy Statement Title: Summer Salary Limits for Academic Year Faculty

Functional Area: Research Administration

Related Policy:	2 CFR 200; CU Boulder Institutional Base Salary Policy Statement
Effective Date:	March 1, 2017
Last Reviewed/Updated:	March 1, 2024
Approved by:	Massimo Ruzzene, Vice Chancellor for Research & Innovation and Dean of the Institutes
Responsible Office:	Research & Innovation Office

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I. PURPOSE

The Office of Management and Budget (OMB), a branch of the Executive Office of the President, issued Circular 2 CFR 200 to establish principles for administrative requirements and costs applicable to federally funded grants, contracts and other agreements. 2 CFR 200 also expects the University to establish and consistently apply compensation policies that apply uniformly to all faculty members, not just those working on federal awards. Sections [2 CFR 200.430\(h\)\(2\) and \(h\)\(5\)](#) of that document address maximum salary rates for faculty members that can be charged to federal awards during and outside the academic year and this sets the basis for the campus 3/9^{ths} rule. These Federal rules and this campus policy apply to academic year faculty but do not apply to faculty paid on a fiscal year 12-month appointment.

II. POLICY STATEMENT

Federal regulations state that the allowable rate of pay for summer scholarly and creative work effort is based on the Institutional Base Salary (IBS), and the maximum that can be earned from federally funded awards in any one month, whether in summer or during the academic year, should not exceed 1/9th of the IBS. For academic year faculty appointments, [campus guidelines allow](#) for the maximum of an additional 3/9^{ths} of the IBS to be earned for summer work during the summer months,¹¹ including summer teaching, scholarly and creative work pay in any proportion, administrative appointments, etc., with no month exceeding 1/9th of the IBS. For the majority of faculty, their summer salary limit will be calculated from an IBS composed only of their academic year appointment base salary. However, when the faculty member has an administrative and/or endowed appointment, the academic year appointment base salary will be only a portion of their total IBS salary.

Compensation earned in any given summer month that is derived solely from teaching activities may not be subject to the 1/9th limit. This provision **only** applies when 1/9th of the faculty's academic year salary is less than what would be earned by teaching a summer course. If a faculty member has a unique, limited and exceptional circumstances that may merit a waiver of this 1/9th limit, such as when there is a strong curricular need for the teaching of a specific summer course, a written waiver may be requested from the Provost.

Faculty members often receive multiple grants for a single scholarly or creative work area.

- Paid effort should be supported by a proposed salary budget and adequate funding that is consistent with the plan that was agreed to at the time of the award.
- It is essential to ensure salary is not charged to one project for effort expended on a different project, or to pay for salary on a different project solely because funding is available.

¹ It is important to note that not all granting agencies allow the entire 3/9ths to be charged to the grant.

- The amount of effort devoted to summer scholarly and creative work should correspond to the percentage of the IBS salary being paid by the grant. 100% paid support should reflect no less than a standard 40-hour work week.

Summer salary charged to a scholarly and creative work project must represent actual expended effort.

- Academic year faculty do not accrue paid vacation leave; therefore, planned vacation time that reduces work week effort to less than 40 hours cannot be charged to scholarly and creative work projects.
- It is inappropriate to have summer salary pay for effort expended during the academic year, **regardless of the fund type supporting the summer salary.**

When administrative and/or endowed appointment salaries are part of the summer effort and 3/9^{ths} of IBS earnings, only the remaining effort and salary can be earned from teaching and/or scholarly and creative works.

The [Summer Salary Calculator and Request Form](#) is not required for those faculty involved solely with summer teaching. However, it is required for faculty who are engaged in summer teaching plus scholarly or creative works, or solely involved in scholarly or creative works. **To comply with this policy, faculty should request all summer salary by the end of September to be disbursed by the end of October. After October, all requests will require additional justification and approval.**

III. DEFINITIONS

Academic Year Faculty: Academic year faculty includes tenure and tenure-track (TTT) as well as non-tenure track faculty who have a 9-month appointment (eg, appointments as Professor, Assistant Professor, Senior Instructor, Instructor). Faculty with 12-month or fiscal year (FY) appointments are excluded from this definition and policy.

Academic Year Base Salary: Faculty academic year appointment base salary is compensation for a faculty member's time spent on a mix of scholarly or creative work, instruction, service, administration, or other instructional activities according to their workload formulation. It determines the maximum rate that can be charged to sponsored projects.²

Institutional Base Salary (IBS): The compensation set by the University for faculty academic year salary, whether that faculty member's time is spent on scholarly or creative work, instruction, service, administration, or other instructional activities. CU Boulder's IBS includes academic year salary, and any academic year compensation earned from administrative appointments and/or endowed professor or endowed chair appointments. The IBS does not include overload teaching, continuing education appointments, monetary awards, compensation earned for services performed external to the University, administrative salary paid during the summer months, and endowed professor or endowed chair stipends paid during the summer months.

IV. IMPLEMENTATION OF THIS POLICY

The Department of Human Resources (HR), the Office of the Provost, the Office of Contracts and Grants (OCG), the Office of Faculty Affairs (OFA), and the Research & Innovation Office (RIO) all contributed to the creation of this policy. As stipulated by [APS #1012, Sponsored Research Policies](#), each of these units should develop written procedures, as needed, to provide guidance on implementing it.

V. RELATED PROCEDURAL STATEMENTS, FORMS, POLICIES, & TOOLS

CU Boulder Office of Faculty Affairs [Additional Compensation Guidelines for Faculty](#)

[CU Boulder Policy Institutional Base Salary Policy Statement](#)

[Summer Salary Guidelines for Boulder Campus](#)

² The academic year base salary is used when determining the NIH salary cap limitation.

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Adopted	3/01/2017	Terri Fiez
Reviewed – no substantial updates	9/01/2018, 1/01/2019, 1/30/2020	
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