


INSTITUTIONAL BASE SALARY CAMPUS GUIDELINE

Title: Institutional Base Salary and Additional Faculty Compensation for Faculty on 9-Month/Academic Year Appointments

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Office of Contracts and Grants

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I. SCOPE

Faculty on 9-month/Academic Year appointments have opportunities to obtain additional salary support for research and other activities during and outside of the standard academic year; however, there are limitations regarding what types of activities can be charged and how much can be charged. These limitations may differ if the funding comes from an industry or nonprofit source rather than from a federal grant or from the campus for additional teaching or certain service tasks.

This document sets forth the basic regulations and policies as well as the University of Colorado Boulder's (CU Boulder) definitions of key terms related to base salary and compensation for 9-month teaching faculty, and the requirements for such activities. This Guideline also applies to all individuals whose salary is charged to sponsored projects, in whole or in part, when such salaries are subject to cost-sharing. This document does not apply to other CU Boulder employment classifications, including but not limited to, full time University Officers, Research Faculty positions, and non-tenure track teaching positions.

While operating within the Guidelines, there are options for additional pay and the ability to change the treatment of academic year salary. The Procedures related to these new options and the ability to exercise such provisions, internal approvals, and reporting beyond that required by outside entities will be developed by the Provost office. In other words, these Guidelines spell out what is possible, the Procedures will define how such is handled within CU-Boulder.

II. DEFINITIONS

Academic Year (AY) Salary: The same as "Institutional Base Salary" for academic year appointed faculty.

Institutional Base Salary (IBS): The annual compensation set by the University for an individual's tenure track teaching appointment, whether that individual's time is spent on research, instruction, administration, or other institutional activities. Overload teaching, director and chair stipends, honoraria, monetary awards, incentive pay, and work performed for for-profit entities at a higher rate of pay are not included in the IBS calculation. IBS excludes any income that an individual earns outside of duties performed for the University of Colorado

Boulder. See [University Policy 3C, Outside Consulting and Service on External Boards](#) and [University Policy 5E, Additional Remuneration for Consultative Services](#).

Cost-sharing salaries: The portion of an individual's salary who has formally committed effort to a sponsor but who is not receiving salary support from such sponsor.

Government Source: Funding provided from the federal or state government either directly, indirectly, or through another sponsor (i.e. flow-through). Government restrictions apply as long as the government is the "prime" sponsor – that is, the ultimate source of funds.

Incentive Pay: Compensation paid to an employee that is based on cost reduction, or efficient performance (e.g. suggestion awards, safety awards, etc.).

Non-Government Source: Funds for the payment of labor or expenses that do not originate from the federal or state government either directly, indirectly, or through another sponsor (e.g., flow-throughs of federal or state Prime awards). This funding could come from a variety of sources including but not limited to foundations, associations, foreign entities or for-profit entities.

One-Ninth Calculation: The limitation on salary charged to the Government Source projects during the non-academic portion of the year. The government may not be charged a rate that is greater, on a pro-rated basis, than 1/9 of the 9-month Institutional Base Salary. The IBS sets a maximum for what can be charged to Federal projects. In very limited circumstances (explained below, Section III, B.) faculty may apply to the Provost for a waiver to exceed the 1/9 limit.

One-Sixth Rule: The Rule established by Board of Regents [Policy 5D](#) that allows faculty members to seek approval to spend up to one-sixth of their effort doing consulting outside of the University provided that such faculty members continue to meet the obligations of their CU position(s). Boulder Campus policy can be found in the Boulder Campus "[Application for Approval of Regular and Periodic Consulting Activities](#)" policy. This guideline establishes that some of this effort may be paid through a separate appointment established at CU or it may be handled by the faculty member independently, outside of CU.

Three-Ninths Rule: The campus limitation on summer salary payment charged to Government Source contracts, grants, and services. There is a limit of 1/9 in any specific month and a total of 3/9 over the summer months occurring within the same University fiscal year which occurs from July 1 through the following June 30. The campus procedures for all summer activities follows this standard as documented in the [Summer Salary Limitations](#) resource guide.

Procedures: The campus defined ability to exercise certain options within these Guidelines. The Procedures will be developed by the Office of the Provost.

III. APPLICATION OF INSTITUTIONAL BASE SALARY

- A. **Institutional Base Salary Documentation.** The annual fiscal year salary set by the University for that particular tenure track appointment as contained in the HR record number for that appointment, as adjusted for a 100% appointment level. Elements not included in IBS are paid under a separate HR record number. Faculty receive notices of annual IBS adjustments via email; copies of all electronic notices are retained with the University's HR records, per the University [Records Retention and Management](#) policies.

- B. Limitations on faculty salary charged to Government Source projects.** That portion of a faculty member's salary charged to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award, unless there is prior approval by the Federal awarding agency. The written definition of work covered by IBS, as required by OMB Uniform Guidance, 2 C.F.R. § 200.430(4)(ii), must be “specific enough to determine conclusively when work beyond that level has occurred.” Nine-month tenured and tenure-track salary appointments are subject to this limitation.
- C. Institutional Base Salary in Sponsored Project Proposals.** When requesting salary support from a Government Source sponsor or providing effort on a Government Source sponsored project in the form of mandatory or voluntary committed cost sharing, the anticipated effort calculated in the form of person months or percent effort must be based on the individual's IBS rate of pay. Some sponsors – such as [NIH](#) – may have a salary rate cap which shall apply to direct salary support requested from an award.

$$\text{Dollars to request from the sponsor} = \% \text{ of effort} * \text{IBS}$$

Note: This is also the calculation for determining the cost-share commitment sum that includes the full IBS rate, and requires University prior approval.

IV. SALARY OUTSIDE OF INSTITUTIONAL BASE SALARY

Pursuant to 2 C.F.R. § 200.430, certain permissible and fully documented adjustments may be made to salary outside of IBS. In circumstances when compensation above IBS is permitted, additional approval must be obtained from the Department Chair/Director to ensure this work does not conflict with the researcher's other duties, and determine how this affects the Department/Institute. Additional approval will also be required from the Office of Industry Collaboration (OIC) to confirm full IDC is being charged, all direct costs are covered, and no issues exist with the for-profit entity, as well as ensuring consistent standards are being applied in all similar situations. The Vice Chancellor for Research (VCR) is the highest level approver, when necessary.

- A. Intra-University Consulting.** Intra-university consulting by faculty is assumed to be undertaken as a University obligation requiring no compensation in addition to IBS. However, in limited circumstances where consultation is across departmental lines or involves a separate or remote operation and the work performed by the faculty member is in addition to his or her regular responsibilities, charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are permitted by the sponsor. For federal awards, the consulting arrangement must be specifically authorized in the federal award or approved in writing by the federal sponsor. Also, all additional pay for intra-university consulting must be approved by the University's Office of Faculty Affairs. .
- B. Extra Service Pay.** Extra service pay normally represents overload compensation, subject to the Board of Regents [Policy 5D Additional Remuneration for Extra Work](#) and the [University's Additional Compensation Guidelines for Faculty](#), for services above and beyond a faculty member's regular duties. Where extra service pay is a result of intra-university consulting, it is subject to the same requirements of paragraph A above, including approval of the Office of Faculty Affairs.

Charges for extra service pay are allowable if all five of the following conditions are met: (i) such extra service pay is made pursuant to Board of Regents Policy 5D; (ii) the work is thoroughly described in the faculty's appointment letter or similar written documentation; (iii) the supplementation amount paid is commensurate with the IBS rate of pay and the amount of additional work performed; (iv) the salaries, as supplemented, are within the salary structure and pay ranges established by and documented in writing by the University; and (v) the total salaries charged to Federal awards including extra service pay are properly documented.

C. Outside the Academic Year.

1. **Government Source Work.** Charges for work performed by faculty members on Government Source awards during periods not included in the base salary period will be at a rate not in excess of the IBS. The amount paid in total shall not exceed the 1/9 or 3/9 limitations. [See *Summer Salary Limitations for the Boulder Campus: Compliance and Technical Implementation of the 3/9ths Rules \(March 2015\)*.](#)

Exception: Charges for teaching activities performed by faculty members during periods not included in IBS period will be based on the University's policy governing compensation to faculty members for teaching assignments during such periods.

2. **Non-Government Source Work.** Charges for work performed by faculty on Non-Government Source awards outside of the academic year shall not be less than the IBS rate of pay. Projects charging a rate of pay higher than the IBS must include full direct costs as well as facilities and administrative (F&A) costs at our federally negotiated rate or higher. In those instances where a rate of pay that exceeds the IBS may be accepted by the Sponsor, advance approval is required as defined in the Procedures.

D. During the Academic Year. Sponsored research or external sales and service activities paid through a non-government source may be budgeted and paid at a rate equal to or greater than the IBS with the advance approval as set forth in the Procedures. Such activities must include full direct and F&A costs at our federally negotiated rate or higher. Utilizing such a source for salary during the Academic Year will result in:

1. **Reduction in University funded IBS level with supplement from non-government funding.** The faculty member may utilize this non-governmental funding to relieve a portion of her/his academic year salary, replacing such portion with funding from the non-government source at the same or a higher rate of IBS. In such cases, the obligations associated with the IBS appointment do not change. The funds relieved are put into a pool and managed as defined by the Procedures.
2. **Outside Consulting, through CU.** Where there is a joint interest of the campus and the faculty to support external consulting during the academic year, such work may be performed in accordance with the One-Sixth Rule but managed through CU under a different position number and job code. The funding source must be a Non-Governmental Source and have no guarantee of continuation beyond the funding provided by the Non-Governmental sponsor. To engage in such consulting, a full-time faculty member needs to complete and submit the [One-Sixth Request Form](#) and obtain the advance approval of

the Department Chair/Institute Director and Dean and also follow the requirements defined by the Procedures. This work, when managed through CU, requires inclusion of appropriate F&A costs. For such authorized consulting during the academic year under the One-Sixth Rule, university facilities may be used, other University personnel may support the work, and the work will be facilitated through the use of the SpeedType established for the consulting project. There are two options for handling compensation for this work:

Payment in addition to IBS. The faculty member may receive a rate of pay equal to or greater than the IBS for consulting work with such amount as supplemental pay that is over and above IBS. The faculty member must still meet all obligations of her/his appointment.

Reduction in level of IBS appointment salary with supplement from consulting. The faculty member may utilize this non-governmental funding to relieve a portion of her/his academic year salary or for other appropriate expenses. In such cases, the expected level of normal obligations is reduced (and then replaced with the obligations from the new funding source at the same or higher rate of pay than the IBS, total appointment level not to exceed 100%). The funds relieved are put into a pool with access and use defined in the Procedure.

3. **Committed Research Effort for Tenured and Tenure Track Faculty.** Where a research project specifically proposes – to a federal or non-federal sponsor – that the sponsor pay for a certain level of academic year effort, the salary savings may be transferred to a pool as defined in the Procedures.

V. Faculty Working Less Than Full-Time.

Faculty with part-time appointments are not governed by this Guideline. However, faculty members having full-time appointments who are working less than full time (e.g. faculty with phased retirements) are considered full-time employees. They can charge for work performed on Government Source awards at a determined rate not in excess of their full-time IBS rate. Subject to demonstration of an ability to commit additional effort beyond that identified in the academic year and with prior approval by her/his Chair or Director, such faculty members may commit up to 100% effort to a sponsored research project during the non-academic year. Requests for approval shall (i) be made in writing to the faculty member's Chair or Director; (ii) identify the academic year appointment level; (iii) state the percentage level of effort available and to be committed during the non-academic year; and (iv) document the reasons supporting the ability to provide such additional effort. If approved, the approval shall be documented in a letter and reflected in the University's Human Resources Management System.

VI. Exception Request.

Written request for authorization and waiver of the limitations in this Guideline shall be submitted to the Provost for consideration under limited and unique circumstances on a case-by-case basis. Such circumstances may include a strong curricular need for the teaching of a specific summer course.

VII. ADMINISTRATION

Roles and responsibilities for administration of the Institutional Base Salary are as follows:

A. Chairs, Directors, Deans, VCR, and/or Provost

- Ensures that salary letters are provided on an annual basis to faculty indicating the approved institutional base salary (Chair/Director)
- Approves One-Sixth Rule requests (Chair/Director and Dean)
- Approves any other variations from the standard (Provost)
- Confirms that activities are in the best interest of the campus and that proper procedures have been followed, including restricted use of CU assets for external consulting activities (Chair/Dean)
- Defines the Procedures for pay above IBS (Provost office)
- Defines the Procedures for the creation, use and reporting of AY salary funds relieved by charging external entities. (Provost office)
- Ensures that Procedures are followed as permitted.

B. Principal Investigator

- Ensures that all requests for salary support in sponsored projects proposals are based on the individual's correct IBS
- Submits requests for approval in advance for external activities under the One-Sixth Rule
- Maintains an accurate Disclosure of External Professional Activities (DEPA) to protect the PI and campus from any apparent or actual conflicts of interest
- Submits requests for rate of pay in excess of IBS in accordance with the Procedure
- Does not inappropriately utilize campus resources (facilities or personnel) when performing external activities under the One-Sixth Rule (not managed through CU)
- Provides Office of Contracts and Grants with documentation of the approved salary at least 5 business days in advance of the proposal submission deadline

C. Payroll and Personnel Liaison (PPL)

- Ensures that entries into PeopleSoft are correctly based on the individual's IBS or that new positions are established to handle approved rates in excess of IBS
- Complies with Procedures established
- Retains copies of appointment and salary letters, in accordance with campus record keeping policies, for audit purposes
- Retains copies of One-Sixth Rule Approvals

D. Office of Contracts and Grants

- Ensures proposal budgets include accurate salary requests
- Reviews and submits proposals, including budgets, to external sponsors