

STANDARD OPERATING PROCEDURE (SOP)

SOP Number: 10
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Title:

Institutional Base Salary & Compensation in Grant Budgets

Sponsored Programs Contact Information

Business Hours: 8:00 a.m. to 4:30 p.m., Monday-Friday (excluding holidays).

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I. Overview

The purpose of this policy is to establish a definition of Institutional Base Salary (IBS) when utilized for external funding proposals. Institutional Base Salary is the basis for calculating Key Person or Other Personnel compensation requests in a grant budget. Federal regulations under [2 C.F.R. 200.430](#) state that salary charges to sponsored projects must be based on an individual's Institutional Base Salary and will not exceed any salary caps established by the funding agency.

II. Applicability

This procedure applies to all individuals who request or are receiving compensation under a sponsored project account, in whole or in part, and to all individuals who have committed effort to a sponsor but are not receiving any form of compensation (also known as cost sharing). Sponsored Programs staff and Grants Accountants should be familiar with this procedure and the process contained herein so they can appropriately review requests for salary compensation in both the Pre-Award and Post-Award phases. Individuals such as PIs or department administrators who assist the PI with development of the grant proposal budget should also be familiar with this process to ensure salary requests are correctly calculated based on anticipated effort and base salary.

III. Procedure:

Institutional base salary (IBS) is defined as annual compensation paid by the University for an individual's appointment, whether the person spends time on research, instruction, administration or other activities and whether that employee is appointed full-time or part-time. The IBS is based on the full workload for which the individual is compensated by the University, regardless of the source of funding or the number of hours expended. Faculty IBS generally includes the following duties and responsibilities for a 9-month contractual period (i.e. academic year):

1. Teaching
2. Non-Teaching Activities
 - a. Professional Development and Scholarly Activity
 - b. Institutional and extra-institutional services

Academic Staff are typically appointed to 12 month contracts while most faculty and Instructional Academic Staff are appointed to 9-month (AY) contracts. The appointment type can be obtained from Human Resources, or through WISER or the Shared Financial System for individuals with access to those systems.

Additional appointed duties are not considered part of the individual's IBS. For example, a faculty member may request summer compensation to accommodate time spent on additional duties, such as sponsored research, during the summer months. Overload is also not considered part of the IBS.

The process for requesting compensation for inclusion in a grant proposal budget can be found below:

1. Principal Investigators shall identify individuals who will request compensation under a grant budget, in addition to the level of effort each individual will commit to the proposed project.
2. OSP Pre-Award staff will verify base salaries and appointment length (9-month or 12-month) of these individuals with the Grants Accountant or Human Resources.
3. OSP Pre-Award staff will calculate compensation charged to the grant budget. When salary support is requested for the individual, their IBS is multiplied by the anticipated effort percentage in order to obtain the requested salary total. This is the total that should be included in the grant proposal budget. Appropriate justification to support the request should be included in the Budget Narrative.
4. Fringe rates will be added to the salary request for each Key/Senior Person and Other Personnel. Fringe benefit rates vary by job classification (Faculty/Academic Staff, Classified Staff, Graduate Students, etc.) and the designated fringe rate is applied to the requested salary for each job category.
 - a. [Current fringe rates for UW Oshkosh](#)
5. Corresponding indirect cost must be associated with the compensation cost and included in the grant budget. The indirect cost rate for UW Oshkosh is currently 31% applied to a Modified Total Direct Cost (MTDC) base. The definition for MTDC can be found under [2 C.F.R. 200.68](#).
6. Institutional Base Salary may not be increased as a result of replacing UW Oshkosh salary funds with grant funds, following federal regulations under [2 C.F.R. 200.430](#). However, IBS may be changed in the following circumstances:
 - a. Employee receives a merit salary adjustment as part of a University-wide adjustment of salaries
 - b. Employee receives a salary increase as a result of a retention or equity adjustment, promotion in rank or position, or change in employment responsibilities
 - c. UW System Board of Regents approve a pay plan adjustment
 - i. Cost of living adjustments are not permitted under grant budgets
7. Sponsored Programs staff will work with the PI in the pre-award phase to determine how the salary request will be handled at the University level, if funded. There are various options for requesting salary as described below:

a. **Course Release/Buyout:**

Faculty who need additional time to accommodate more extensive sponsored research activities during the 9-month academic year may choose to request course release/buyout. The Dean must approve the buyout request in writing (e-mail) before it can be included in the grant budget. The PI should also notify their Department Chair of the intended buyout during proposal development so the Chair has adequate time to seek a replacement instructor.

1. The standard method for buyout is to designate each 3-credit course as 12.5% of an individual's IBS. This assumes that the faculty member has a 24-credit course load for the academic year and that $3/24 = 12.5\%$ of IBS.
2. Other methods include assigning a flat cost per credit. It is important to check with your Dean's office prior to building your proposal budget as flat rate costs per credit may only provide replacement or partial costs to the College, rather than full recovery costs.
3. Corresponding fringe benefits and indirect cost must be associated with the buyout request and included in the grant budget unless deemed unallowable per sponsor regulations.

b. **Compensation for Additional Services (Summer CAS):**

Employees on 9-month contracts who intend to perform the majority of their sponsored project duties during the summer months (June, July or August) can request compensation for additional Services (CAS) during the summer months. Summer compensation is supplemental to the 9-month salary received by the institution. CAS is allowable per institutional policies under [UW System UPS Operational Policy TC3: Compensation](#) and [UW System Administrative Policy 230: Salary and Fringe Benefits Calculations for Unclassified Staff](#). These policies provide the following terms:

1. Faculty can request up to 2 summer months, in aggregate, per year (2 CAS)
2. One CAS is equivalent to 1/9 of IBS; Two CAS is equivalent to 2/9 of IBS.
3. Corresponding fringe benefits and indirect costs must be associated with the CAS request and included in the grant proposal budget.
4. Federal sponsors, such as the National Science Foundation (NSF) may set limits to salary compensation. The NSF does not permit more than two months of base salary in any one year across all NSF-funded grants. UW Oshkosh is responsible for defining and applying the term “year.”
5. Summer compensation in excess of two months must be pre-approved by the Provost via the “**Overload and Additional CAS Under External Funding**” form. If approved, the additional CAS will be disclosed in the proposed budget, justified in the budget narrative, and specifically approved in the award notice budget.
6. Federal sponsors understand that minimal activity and oversight may take place throughout the academic year when summer compensation is requested. Minimal project activity may include student supervision, answering project-related e-mails, occasional project meetings, or similar.

c. Reassigned Time

Staff typically choose to reassign their time from a department or unit account to the sponsored project account. If awarded, a pre-established portion of the individual’s salary is reallocated from the department/unit account to the project account. Reassigned Time pay is not supplemental to their base salary (i.e. no additional pay is received).

d. Overload:

Overload requests are for “*completion of additional, short-term duties that are non-recurring in nature.*” Overload is supplemental to the individual’s IBS in that the individual’s employment at UW Oshkosh exceeds 100% during this short period of time. Overload is not an option if the employee is not full-time. Overload requests must remain consistent with [University of Wisconsin System UPS Operational Policy: TC3, Compensation](#). Overload is rare and should only be utilized when all other compensation options have been considered and exhausted. For example, faculty members with 9-month contracts and no CAS should consider requesting CAS rather than overload since summer compensation is not considered overload per UW System. Overload requests in a grant proposal must be pre-approved by the Provost and reviewed by the Dean before they can be built into the grant budget.

Overload payments are not permissible for an employee who is paid on a federal grant unless:

1. It is agreed upon and explicitly stated in the grant proposal approved by the funding agency ([2 C.F.R. 200.430](#)) or;
2. The sponsor approves the specific overload circumstance in writing per [UW System UPS Operational Policy TC3: Compensation](#)

Procedure to Request Overload:

1. **Pre-Award Phase:** OSP Staff work with Principal Investigator (PI) to develop the budget for their grant proposal. Staff explain the options for compensation under external funding. All compensation options are discussed and vetted for applicability.
2. If overload is the only viable option for compensation, the PI is asked to complete the “**Overload and Additional CAS Requests Under External Funding**” form (see below). The PI should work with their Unit Business Officer (UBO) and copy their Academic Department Associate (ADA) on correspondence in order to pull the necessary information for the form. Overload compensation may not exceed the higher of 20% of the employee’s base appointment salary, or \$18,000 unless the Provost determines good cause exists to exceed this threshold and issues an exception.
3. The PI obtains Dean signature on the Overload Request form and sends to OSP@uwosh.edu
4. OSP staff review the request and update the project file and master tracking sheet.
5. OSP staff route the Overload Request Form to the Unit Business Officer (UBO) for the Provost & Vice Chancellor’s Office via e-mail.
6. The UBO of the Provost will review and investigate the request to confirm overload is an option for the PI (full-time employee, other compensation options exhausted, ensure \$18,000 threshold has not been exceeded, etc.). This may include discussion with other UBOs or ADAs.
7. The UBO of the Provost will route the Request for Provost review. OSP staff should allow one week of turnaround time.
8. Provost will review and either 1). Approve or 2). Deny the request.
9. UBO of the Provost will notify OSP of the Provost’s decision:
 - a. **If Approval Received:** Provost will select “Approved Overload” on the form and provide signature. The form is returned to the UBO. The UBO will document overload approval in the unit’s tracking system and return the signed request form to OSP (e-mail or hand-delivered). OSP staff will build the overload request into the grant budget and provide justification in the budget narrative. If the grant is funded, OSP will notify the appropriate unit UBO of the funded compensation structure.
 - b. **If Approval Denied:** Provost will select “Denied Overload” on the form and will sign the form. The Provost may choose to leave a comment on the form detailing the reason for denial. The UBO of the Provost will document denial in tracking system and return the Overload Request form to OSP (e-mail or hand-delivered). OSP will work with the PI on other options for compensation.
10. **Award Phase:** If the grant is funded, the Grants Accountant will work with the PI to establish overload compensation via the Personnel Transaction Form (PTF).
11. **Late Requests:** Overload requests received in the Award or Post-Award phase of the grant life cycle will be handled as described below:
 - a. Obtain Sponsor Approval
 - b. Obtain Provost Approval

IV. Guidance Documents/Policy Links:

Uniform Guidance [2 C.F.R. 200.430-Compensation-personal services](#)

[UPS Operational Policy TC3: Compensation](#)

[UPS Administrative Policy 230: Salary and Fringe Benefits Calculations for Unclassified Staff](#)

[NSF Proposal and Award Policies and Procedures Guide \(PAPPG\)](#), Section II-16

[Fringe Benefit Rates, UW Oshkosh](#)

V. Templates/Forms

- a. Overload Request Form for External Funding, contact [Office of Sponsored Programs](#)
- b. [Personnel Transaction Form \(PTF\)](#), [Human Resources](#)

VI. Definitions

Buyout: Faculty may choose to request course buyout when they intend to spend a portion of their time during the academic year on a grant-funded project. The faculty member can “buy out” of a pre-established number of course credits so they can instead focus their time on their sponsored project duties. The standard method for buyout is to designate each 3-credit course as 12.5% of an individual’s IBS. This assumes that the faculty member has a 24-credit course load for the academic year and that $3/24 = 12.5\%$ of IBS. Prior approval of buyout requests is required from the Dean and the Department Chair should also be notified during Pre-Award phase.

Compensation for Additional Services (CAS): Employees on 9-month, academic year appointments may choose to request summer compensation, or, Compensation for Additional Services (CAS) that occur outside the scope of their 9-month appointment. Summer compensation is supplemental to the 9-month salary received by the institution and can be requested for up to 2 summer months per fiscal year. Each summer month of compensation is equivalent to 1/9, or 11.111% of base salary

Institutional Base Salary (IBS): Annual compensation paid by the University for an individual’s appointment, whether the person spends time on research, instruction, administration or other activities.

Overload: Overload requests are rare and should only be utilized when all other compensation options have been considered and exhausted. Overload requests are for completion of additional, short-term duties that are non-recurring in nature. Overload is supplemental to the individual’s IBS in that the individual’s employment at UW Oshkosh exceeds 100% during this short period of time. Overload requests must be pre-approved by the Provost and the Dean notified before overload requests will be built into the grant proposal budget in Pre-Award.

Reassigned Time: Time for an individual is reassigned from their normal department or unit account to the sponsored project account for a pre-determined period of time. This allows the individual to focus on their duties under the sponsored project while saving their department or unit compensation costs. This type of compensation is not supplemental to base salary.

Salary Cap/Limitation: A sponsor’s limit on the amount of salary that can be charged to a sponsored award. If the award has a salary cap, an individual’s salary in excess of that cap cannot be charged to the award or included in the grant budget. Salary costs and associated fringe benefits above the sponsor’s salary cap cannot be considered as cost sharing since they are unallowable costs on the award. For example, NIH establishes a salary cap for sponsored awards and regularly updates that cap.

Shared Financial System (SFS): SFS is the financial database for UW Oshkosh. It provides a single integrated financial system that allows UW Oshkosh to execute core business processes. It is integrated with WISDM.

WISER: Provides financial information for all accounts associated with the University. This includes information on all account types, including federal grants (144), non-federal grants (133) and all departmental or discretionary accounts. Data housed in WISER includes expenses and

revenue accrued per account, expenses by category and payroll data for all UW Oshkosh employees. Grants administrators and accountants will have access to WISER for grant budget development and later, tracking. Principal Investigators of grant awards are highly recommended to also obtain WISER access.

VII. Contact Information

For questions or comments, please contact OSP@uwosh.edu or 920-424-3215

VIII. Revision History:

Created:10/18/18

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