

Institutional Base Salary Policy

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Scope

This policy applies to all individuals whose salary or any other compensation is charged to sponsored projects, in whole or in part, and who have committed effort to a sponsored project, or if their salary is paid from UNO sources or funds and constitutes voluntary or mandatory committed cost sharing. Adherence to this policy is the responsibility of all UNO university personnel involved in proposing and administering sponsored projects including project directors/principal investigators, department and grant administrators, administrative heads, deans, and office of sponsored programs.

Policy Statement

This policy establishes (1) the definition of Institutional Base Salary (IBS), (2) provides the basis for calculating faculty and staff salaries for allowable activities on proposals and awards to ensure compliance with federal regulations, and (3) for reporting purposes under the Project Verification Statement (PVS) policy. The federal government requires recipients of federal funding to establish an institutional policy that documents the budgeting and expensing of salaries and other types of compensation on sponsored projects, whether charged directly or provided as cost-sharing, and to treat them consistently across all funding sources. UNO will maintain compliance with federal guidelines by using an Institutional Base Salary (IBS) for purposes of all compensation requests, expenditures, and commitments on all sponsored projects.

1. IBS is defined as the annual compensation paid by the University for an employee's appointment for the period of their annual employment contract (typically 9-months or 12-months), whether that individual's time is spent on research, instruction, service, administration, or other activities.
2. The compensation relevant in determining IBS is the amount that is guaranteed and fixed in advance by the appointment letter or employment agreement and paid through the UNO payroll system. IBS wage codes are defined in UNO's Wage Code Types. IBS excludes some wage code types; therefore, IBS may be less than the total institutional salary.

The IBS includes one or more of the following salary components in SAP (**must have identified FTE in SAP**):

- UNO base salary
- Administrative Stipends (such as chairing/directing a college/school/department)
- Other Stipend, which includes interim and acting assignments

The IBS excludes the following salary components such as, but not limited to:

- Paid activities without identified effort or FTE.
- Summer Salary
- Fringe benefits (as these are separately charged to the sponsor)
- Veterans Affairs (VA) salary (paid directly by VA to the employee)
- Income that an individual is permitted to earn outside of their university responsibilities from:
 - # Approved outside paid consulting activities amounts paid as honoraria
 - # Housing allowances
 - # Tuition reimbursement
 - # One-time payments/ supplemental pay, for activity outside their normal University responsibilities
- Unpaid activities include but are not limited to:
 - # Service on an NIH study section or NSF peer review panel
 - # Peer review of manuscripts
 - # Leadership in professional societies
 - # Volunteer community or public service not directly related to university employment
 - # Unpaid absences

Additional Considerations

- Sponsors (federal or non-federal) may have a salary rate cap that would limit the amount of IBS that can be used as a basis for charging salary to their projects. The terms and conditions of the solicitation should be reviewed for salary rate caps before submitting a proposal. When such limitations apply, the requested salary support is determined by multiplying the proposed level of effort by the maximum IBS allowed. An individual's salary above the salary rate cap is an unallowable cost that may not be reported as cost share for the project and must be funded from non-sponsored research accounts. This amount will be captured in a cost-share account, although it cannot be used to fulfill any cost-share commitment.
- UNO allows inflation factor comparable with the most recent University of Nebraska budget increase to be applied to sponsored project budgets. Note: Although National Institutes of Health (NIH) allows applicants to request cost-of-living increases in accordance with institutional policy, NIH typically eliminates such increases from awarded budgets.

3. In conformance with federal regulations, UNO IBS can be charged to sponsored awards if the IBS is properly allocated to the project and certified in accordance with UNO's PVS policy. The PVS process ensures UNO maintains records that accurately reflect the work performed and that are supported by internal controls which provided reasonable assurance that the compensation charges are allowable, reasonable, consistently applied, and properly allocated.

Reason for Policy

The purpose of this policy is to establish UNO's definition of IBS for the purposes of sponsored projects. The federal government requires recipients of federal funding to establish an institutional policy that documents the basis for all budgeting and expensing of salaries on sponsored projects, and requires that all such costs be treated consistently regardless of source of funds, whether charged directly or provided as cost-sharing, to treat them consistently across all funding sources. Specific details are provided in the Federal Office of Management and Budget (OMB) Uniform Guidance, 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 200.430, Compensation-Personal Services.

Failure to properly budget, document IBS or charge awards, may result in expenditure disallowances, financial penalties, disciplinary actions, audit findings and harm to UNO's reputation.

Procedures

Office of Sponsored Programs (OSP) will review and approve sponsored project budgets and calculations at both the submission and award processing stages. During post-award, direct expenditures and cost-sharing will be reviewed for accuracy. All compensation expenditures on sponsored projects will be reviewed by the OSP's Grants Accounting team.

Definitions

Academic Year Appointment (AY): Up to 9-month academic appointment paid out over 12 months.

Fiscal Year Appointment (FY): Up to 12-month appointments paid equally over the FY. This is also referred to as a calendar year appointment. Summer salary is not available to individuals with calendar year appointments.

Full-Time Equivalency (FTE): Full-time equivalent, or whole-time equivalent, is a unit that indicates the workload of an employed person in a way that makes workloads comparable across various contexts. FTE is often used to measure a worker's involvement in a project.

Institutional Base Salary (IBS): Annual compensation paid by the University for an employee's appointment, whether that individual's time is spent on research, instruction, service, administration, or other activities.

Project Verification Statement (PVS): PVS is a project-based methodology that focuses on a system of internal controls. These controls involve the amount and type of documentation required to support salary, wage, and benefit charges to federal, federal pass-through, and cost share awards. One report is generated for each project three times per year, listing all employees assigned to it.

Individual: An Individual is any UNO employee who has payroll charges (whether paid by the Sponsor or cost shared) on a Sponsored Project.

Systems Applications and Products in Data Processing (SAP): SAP is the UNO software that integrates all the business functions of UNO. This is where all appointment, salary, and FTE is stored.

Sponsors: Entities including, federal, state, local, industry, and private that provide awards to fund Sponsored Projects at UNO.

Sponsored Projects: A Sponsored Project is an externally-funded financial award governed by specific terms and conditions established in a written agreement between the sponsor and UNO for the purposes such as research, instruction, training, public service or other scholarly activities.

Additional Contacts

Subject	Contact	Phone & Email	Additional Contact Information
Pre-Award Activities	Assigned Grants Coordinator	402.554.2286 unosponpro@unomaha.edu	Find Your OSP Contact
Post-Award Activities	Assigned Grants Accountant	402.554.2286 grantsaccounting@unomaha.edu	Find Your OSP Contact

Related Information

More information about [Pre-Award Activities](#)

More information about [Post-Award Activities](#)

[Uniform Guidance, 2 CFR 200.430](#)

[UNO Project Verification Statement Policy](#)

[UNO Additional Compensation on Sponsored Projects Policy](#)

[Summer FAQ](#)

History

This is a new policy, approved by the Executive Leadership team on 02/13/2024, to establish consistent operational practices for identifying the appropriate IBS rate for calculating compensation charged to sponsored projects.

04/17/2025: Removed Office of Sponsored Programs from Responsible Office

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