



## TEXAS TECH UNIVERSITY

### Operating Policy and Procedure

#### **OP 74.16: Institutional Base Salary**

**DATE:** September 24, 2014

**PURPOSE:** The purpose of this Operating Policy/Procedure (OP) is to define institutional base salary for all purposes. The definition of institutional base salary is especially important for calculation of salaries in sponsored project proposals and for effort reporting required for sponsored projects.

**REVIEW:** This policy will be reviewed in June of even-numbered years by the senior associate vice president for research, the managing director of Human Resources, and the managing director of the Office of Research Accounting with substantive revisions presented to the vice president for research, the vice president for administration and chief financial officer, and the chief of staff for the president.

#### **POLICY/PROCEDURE**

##### **1. Definition**

Institutional base salary (IBS) is the annual compensation paid by the university for an employee's appointment whether the employee's time is spent on research, teaching, or other activities. IBS excludes fringe benefits, reimbursed expenses, temporary supplemental compensation for incidental work, and income earned outside of duties to the institution such as consulting. A complete list of earnings codes included and excluded from IBS is at <http://www.depts.ttu.edu/hr/documents/ibslistearncodes.pdf>.

For employees with nine-month appointments, regular summer appointments are part of IBS. For these employees the nine-month salary shall be annualized to determine IBS.

For employees with less than full-time appointments, IBS will be calculated on a full-time-equivalent basis.

##### **2. Notification**

At the time of hire, all employees should receive an official letter or notification that includes their IBS. After employees are hired, they can access their salary information electronically any time using the university's portal Raiderlink.

##### **3. Sponsored Projects**

When requesting salary support from a sponsor or providing committed effort or voluntary cost sharing on a sponsored project, the anticipated effort, in the form of or percent of effort, must be calculated on the basis of IBS.

IBS shall be used to compute salaries charged to sponsored projects unless the sponsor's policies further limit salary charges.

IBS will be used to calculate payroll distribution for effort certification.

IBS may not be increased as a result of replacing university salary funds with sponsored project funds.

On rare occasions when exceptions to this policy are needed, departments must submit a written request with justification to the Office of the Provost or to the appropriate vice president's office, and prior written approval by the Office of the Provost or the appropriate vice president's office must be obtained before payment of salary will be processed. For exceptions involving employees paid from sponsored projects, requests must be routed through the Office of Research Services prior to submission to the Office of the Provost.

**5. Right to Change Policy**

Texas Tech University reserves the right to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time without the consent of employees.