I. PURPOSE

This guidance establishes Georgia State University’s (GSU) definition of Institutional Base Salary (IBS) and the basis for calculating faculty salaries and those of other employees with exempt classifications. The purpose is to describe the allowable activities in proposals and on awards in order to comply with federal regulations as described in the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance or UG), 2 CFR 200.430 which require that federal awardees establish a consistently applied definition of IBS. Financial penalties, expenditure disallowances, and harm to GSU’s reputation could result from failure to accurately propose, charge, and/or document faculty salaries associated with sponsored projects – whether charged directly or provided as cost share. The purpose of this guidance is to provide requirements and guidelines for Institutional Base Salary for all sponsored programs – federal, state, and private – at GSU.

II. SCOPE OF THIS GUIDANCE

This guidance is applicable to all faculty and other exempt employees, whose salary is charged in whole or in part to sponsored projects. It also applies to faculty and other exempt employees who have committed effort to a sponsored project but received no salary support from the sponsored project (i.e., their salary is paid from GSU funds and constitutes voluntary or mandatory committed cost share).

III. DEFINITIONS

INSTITUTIONAL BASE SALARY (IBS): The compensation paid by GSU for an employee’s appointment, whether the individual’s time is spent on research, teaching, administration, or other activities. For nine-month appointments, IBS is for the nine-month period. For 12-month appointments, IBS is for annual compensation. The compensation relevant in determining IBS is the amount that is established by the appointment letter or employment agreement and paid through OneUSG. IBS does not include amounts paid as
bonuses, honoraria, housing allowance, tuition reimbursement, or non-compensatory benefits. IBS does not include one-time payments for a one-time event or activity paid extra service pay (see Extra and Supplemental Compensation on Externally Sponsored Projects Compensation procedure). Summer salary is paid to faculty for research completed in addition to their nine-month academic appointment and is considered IBS.

**Note: Institutional Base Salary:**

- May not increase because of replacing University salary funds with sponsor project funds.
- Is established by the University in an appointment letter, or other similar documentation, regardless of the source of funds.
- Includes regular salary, as well as any second assignment such as chair of a department.

**IV. GUIDANCE**

The Federal government requires recipients of federal funding to establish an institutional policy that documents the budgeting and expensing of salaries on sponsored projects, whether charged directly or provided as cost sharing, and treats them consistently across all funding sources. GSU will maintain compliance with federal guidelines by using IBS for purposes of salary requests and/or effort commitments on all sponsored projects. This document sets forth GSU’s definition of *Institutional Base Salary (IBS)* for sponsored projects and for effort reporting purposes.

**PROVISIONS**

1. Department heads will provide appointments and salary letters to faculty and other administrative professionals paid on sponsored projects, indicating the approved institutional base salary and approximate effort distribution.
2. Departments will retain copies of appointment and salary letters for audit purposes. GSU policy is that personnel records be retained in accordance with GSU policy.
3. Data for each appointment will be entered in OneUSG by Human Resources once the hire transaction has been approved by HCM.
4. IBS will be used for the purposes of salary requests on all sponsored projects. IBS should be reviewed annually by the employee and the department chair/director and may be changed at the beginning of any fiscal year. To change a faculty member’s IBS, the request should follow normal faculty action approval protocols and be routed through the faculty member’s Chair and Dean’s office. Once approved by the Dean, the request should be routed to the Provost’s Office (via Faculty Affairs) for review and final approval. Once the Provost has approved, the department can initiate an MSS transaction in OneUSG to enact the IBS change.
5. Subject to all required approvals, any change to IBS will be reported by the department head/director to Human Resources, who will update the IBS in the HR system. During the fiscal year, IBS of an employee generally will not change. However, it may be changed in the following limited instances.
a. The employee’s formal appointment, and required professional effort, is changed from full-time, or vice-versa, or from one required level of part-time effort to another required level of part-time effort.

b. The employee receives an increase or decrease in salary as a result of assuming or relinquishing specific academic or administrative duties, e.g., serving as a department head or director, promotion or other change in employment responsibilities; or

c. The employee receives a salary increase as a result of an adjustment due to promotion in rank or as part of a university-wide adjustment of salary.

6. PIs and their designees will charge IBS accurately and make corrections if necessary. Sponsors (federal and non-federal) may have a salary 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 caps before submitting a proposal. When such limitations apply, the requested salary support is determined by multiplying the proposed level of effort by the IBS. An individual’s salary in excess of the salary cap is an unallowable expense that may not be reported as cost sharing for the project and must be funded from non-sponsored accounts. This amount will be captured in a cost share account, although it cannot be used to fulfill any cost share commitment.

V. COMPLIANCE

Failure to comply with this guidance may result in financial penalties, expenditure disallowances, and harm GSU’s reputation. Failure to accurately propose, charge, and document salaries related to sponsored projects may also jeopardize future sponsored projects and may subject the responsible individuals to disciplinary action; therefore, compliance is mandatory.

For compliance assistance please contact OSPA.

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**Responsible Unit:** Office of Sponsored Projects and Awards  