

# RADFORD UNIVERSITY

<b>Policy Title: Institutional Base Pay Policy</b>	<b>Effective Date: 12/14/2022</b>
<b>Policy Number: HR-PO-1406</b>	<b>Date of Last Review: NEW</b>
<b>Oversight Department: Department of Human Resources</b>	<b>Next Review Date: 12/1/2025</b>

## 1. PURPOSE

The *Institutional Base Pay Policy* for Radford University (University) defines the components of institutional base pay to provide consistent budgeting and expensing of salaries and effort reporting in compliance with federal and state regulations.

## 2. APPLICABILITY

The Institutional Base Pay Policy applies to all University employees and all funding sources.

## 3. DEFINITIONS

**Human Resources Information System:** The system (i.e. Banner) that provides a centralized repository of employee data and solutions for managing human resources, payroll, and position/budget management.

**Institutional Base Pay (IBP):** The annual salary or equivalent rate of pay for an employee's primary appointment at the University for their defined contract period.

**Primary Appointment:** An employee's principal role at the University which is identified in the appointment or reappointment letter, position description, and/or other documents regarding employment expectations that are typically found in the personnel file. The role typically is spent performing instruction, research, service, administration, and/or other activities as defined in the aforementioned documents.

**Total Compensation:** For the purposes of this policy, the institutional base pay and all additional earnings processed through payroll, which would be reflected on an employee's Internal Revenue Service Form W-2 Box 1.

## 4. POLICY

- A. Institutional Base Pay (IBP), also commonly referred to as institutional base salary, is an employee's base pay paid by the University, regardless of funding source. IBP often is not the same as an employee's total compensation.
- B. At the time of hire into the primary appointment, an employee will receive an official letter or notification identifying the IBP.

- C. Total compensation for all employees will be recorded and maintained in the University's Human Resources Information System.
- D. All compensation costs associated with activities performed for and charged to sponsored programs must be based on the IBP, regardless of the source of funds (e.g., sponsor, University, or third party).
- E. Financial penalties, expenditure disallowances, and harm to the University's reputation could result from the failure to accurately propose, charge, and/or document compensation relating to sponsored projects.
- F. IBP may not be increased solely as a result of the University having received an externally sponsored award.

## 5. PROCEDURES

### A. Sponsored Programs and Grant Management Responsibilities

The Office of Sponsored Programs and Grants Management is responsible for the following:

1. Ensuring sponsored program proposal budgets use IBP as the basis for compensation requests.
2. Ensuring all compensation costs associated with activities performed for and charged to sponsored programs are based on IBP, regardless of funding source.
3. Monitoring proposals to confirm provided compensation information complies with sponsor instructions and requirements, as well as this policy.
4. Verifying that compensation costs applied to sponsored programs are consistent with the terms and conditions of the funding agreement and this policy.
5. Establishing and monitoring compliance with policy and procedures for [Effort Reporting and Certification](#).

### B. Human Resources Responsibilities

**The Department of Human Resources is responsible for the following** for Administrative and Professional Faculty, Classified staff, and Wage employees:

1. Specifying position details.
2. Establishing and enforcing policies related to employment and compensation.
3. Establishing standards for information that must be included in appointment/offer letters.
4. Maintaining appointment and position documentation within personnel files.

### C. Provost Office Responsibilities

**The Office of the Provost, in coordination with the Department of Human Resources, is responsible for the following for Teaching and Research Faculty:**

1. Specifying and approving position details to include ranks and contract periods.
2. Establishing and enforcing policies related to employment and compensation.
3. Establishing standards for information that must be included in appointment/offer letters.
4. Maintaining appointment and position documentation within personnel files.

## **6. EXCLUSIONS**

None

## **7. APPENDICES**

None

## **8. REFERENCES**

[Executive Office of the President, Office of Management and Budget, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[31 U.S.C., TITLE 2, PART 200, Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards](#)

## **9. INTERPRETATION**

The authority to interpret this policy rests with the President of the University and is generally delegated to the Vice President for Finance and Administration & Chief Financial Officer.

## **10. APPROVAL AND REVISIONS**

The *Institutional Base Pay Policy* was submitted to and approved by the President's Cabinet at the meeting held on December 14, 2022.

**For questions or guidance on a specific policy, contact the Oversight Department referenced in the policy.**