

ADMINISTRATIVE DIVISION RSCH Office of Research		POLICY NUMBER RSCH 1.08
POLICY TITLE Institutional Base Salary		
SCOPE OF POLICY USC System		DATE OF REVISION November 15, 2021
RESPONSIBLE OFFICER Vice President for Research		ADMINISTRATIVE OFFICE Office of Sponsored Awards Management

PURPOSE

This policy defines Institutional Base Salary (IBS) and its use in estimating, accumulating, and reporting salary charges to sponsored projects at the University of South Carolina.

DEFINITIONS AND ACRONYMS

Base Pay: The rate of pay approved for an employee in their position exclusive of any additional pay, such as supplements, bonuses, longevity pay, temporary salary adjustments, shift differential pay, on-call pay, special assignment pay, or market or geographic differential pay.

Institutional Base Pay (IBS): Salary paid to an individual for performance of all professional obligations required by the individual’s primary appointment. These professional obligations may include research, teaching, and/or other service activities, and are identified in the individual’s appointment letter.

Salary Adjustments Outside of Base Pay: Non-base pay compensation to employees for duties and responsibilities that are in addition to the primary position or appointment. Mechanisms for salary adjustments outside of base pay include, but are not limited to, supplements, bonuses, temporary salary adjustments, special assignment pay, or market differential pay.

POLICY STATEMENT

Institutional Base Salary (IBS) is the salary paid to an individual for performance of all professional obligations required by the individual’s primary appointment. These professional obligations may include research, teaching, and/or other service activities, and are identified in the individual’s appointment letter. The annual salary stated in the (re)appointment letter fully compensates the individual for all professional obligations required by their primary appointment. IBS excludes any income that an individual is permitted to earn outside of duties performed as part of their primary appointment.

- A. IBS is set prospectively either for an indefinite period or for a specified term of not less than one year.

B. Characteristics of IBS:

1. Includes base salary, endowed chairs, named professorships, administrative salary adjustments, grant salary adjustments or variable pay, salary from an affiliated practice plan (see procedures below)
2. Is guaranteed by USC regardless of the source of funds
3. May not be increased because of replacing USC salary funds with sponsored project funds
4. Excludes secondary assignments such as incidental, temporary or overload work assignments
5. Excludes summer salary, lump sum bonus payments, honoraria, extra compensation, etc.

C. Externally Sponsored Research:

1. Salary costs included in a sponsored project proposal or charged to a sponsored project are calculated by multiplying the IBS by the percent of effort expended on the sponsored project. In cases where the IBS exceeds the applicable federal salary cap or sponsor limitation, the salary limitation amount is used instead of the IBS to calculate salary costs. The amount of IBS above the salary limit may only be paid from non-sponsored sources.
2. Summer salary may be paid to an individual on an academic year appointment for their research obligations performed during the summer months. Summer salary is calculated based on the IBS of the preceding academic year and can only be charged to a sponsored project in proportion to the effort expended on the project during the summer months. One month of summer compensation may not exceed one-ninth (1/9th) of IBS for the preceding academic year.

PROCEDURES

- A. All components of an employee's IBS and professional obligation must be documented in an appointment letter furnished by the respective unit head and the Dean's Office at the time of initial appointment or reappointment and submitted to Division of Human Resources.
- B. Proposals for externally funded sponsored projects, including the budgeted IBS are routed to and approved by unit heads and academic deans via USCeRA.
- C. USC IBS may represent the combined salaries from USC and an affiliated practice plan if the following criteria are met
 1. Clinical practice compensation must be set by the institution.

2. Clinical practice activity must be shown on the institution's payroll or salary appointment forms and records approved by the institution.
3. Clinical practice compensation must be paid through or at the direction of the institution.
4. Clinical practice activity must be included and accounted for in the institution's effort reporting and/or payroll distribution system.
5. The institution must assure that all financial reports and supporting documents associated with the combined IBS and resulting charges to NIH grants are retained and made available to Federal officials or their duly authorized representatives consistent with the requirements of [Uniform Guidance § 200.333](#).

RELATED UNIVERSITY, STATE AND FEDERAL POLICIES

[HR 1.38 Base Salary Increase](#)

[HR 1.79 Salary Adjustments Outside of Base Pay](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
November 15, 2021	New policy approval