

## Handbook of Operating Procedures

### INSTITUTIONAL BASE SALARY (IBS) POLICY

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#### A. Purpose

The purpose of this policy is to define The University of Texas Rio Grande Valley's (UTRGV's) concept of institutional base salary (IBS) in accordance with the Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200), also referred to as OMB Uniform Guidance Circular, Subpart E "Cost Principles for Educational Institutions," so that salary charges are consistently determined and applied to all sponsored projects.

#### B. Persons Affected

This policy applies to all UTRGV employees who have payroll charge(s) to a sponsored project and to employees responsible for providing administration or oversight of a sponsored project.

#### C. Policy

1. It is the policy of UTRGV that salary charges to sponsored projects will be based on institutional based salary (IBS) and subject to any other limitations imposed by the sponsor. UTRGV follows federal regulations, which are consistently applied to all sponsored projects regardless of the source of funding. This policy is aligned with 2 CFR 200.430(h)(8)(x), which recognizes that teaching, research, service, and administration are often inextricably intermingled in an academic setting and that in recording salaries and wages charged to federal awards, a precise assessment of factors that contribute to costs is not always feasible nor expected.
2. IBS is the total annual base compensation set by UTRGV for an individual's appointment (either nine or twelve months), whether that individual's professional time for UTRGV is spent on instruction/teaching, research, service, administration, or other activities, and whether that employee is appointed full-time or part-time. For faculty with a nine-month appointment, the IBS is annualized to equal a twelve-month total compensation for budget purposes, including salary cap calculations.
3. A UTRGV faculty or staff cannot charge to a sponsored project more than the proportionate share of the IBS for the period worked on the award.
4. While IBS determines the limit an individual earns annually based on all teaching, research, and service activities combined (Total Institutional Activities), there are restrictions imposed by sponsors in terms of source and amount of funds that can be used. For example, the National Science Foundation (NSF) limits the salary compensation requested in a proposal to no more than two months per year.

#### 5. IBS Compensation Categories

- a. An Individual's IBS includes the following:
  - i. For a 9-month faculty member with no long-term stipends or administrative supplements:
$$\text{IBS} = \frac{9\text{-Month Salary}}{9} \times 12$$
  - ii. For a 9-month faculty member with long-term (more than 9 months) additional stipends or administrative supplements:
$$\text{IBS} = \left[ \frac{9\text{-Month Salary}}{9} \times 12 \right] + \text{supplement}$$
  - iii. For a 12-month faculty or staff member, IBS includes the 12-month salary plus long-term (more than 9 months) stipends or administrative supplements.
- b. An Individual's IBS must exclude the following:
  - i. fringe benefit payments (as these are separately charged to the sponsor);
  - ii. reimbursed expenses;
  - iii. temporary, supplemental compensation or stipends for assignments paid by UTRGV for incidental activities that are for less than 9 months;
  - iv. incidental activities, which include infrequent, irregular activities, such as honorariums, intra- university consulting, eligible professional development, course development (these activities are evaluated on a case-by- case basis by the UTRGV Division of Research); and
  - v. outside employment or consulting type activities (which require approval prior to any UTRGV employee to pursue such engagements).

#### D. Procedures

1. The Office of Sponsored Programs will:
  - a. verify the IBS of individuals that will be charged to a sponsored project as well as any salary limitation requirements from the sponsor at time of proposal preparation.
  - b. validate that the salary charges and effort committed are allowable and allocable.
  - c. prepare budget and mandatory/volunteered cost share forms.
  - d. document all salary charges and effort commitments appropriately.
  - e. provide guidance on sponsor-specific restrictions.
2. The Office of Grants and Contracts will:
  - a. establish a cost share cost center and ensure that a funded project is managed in accordance with the University's IBS limitations and Cost Sharing policy.
  - b. track any committed cost sharing according to the Cost Sharing Policy.

**E. Definitions**

1. *Administrative Stipend (Supplement)* – the payment for performing administrative duties such as chairing a department or directing a program. While administrative stipends (supplements) are included in the IBS calculation, they cannot be charged to a sponsored project.
2. *Sponsored Project* – has the same meaning as in ADM 07-200 Sponsored Projects.

**F. Related Statutes or Regulations, Rules, Policies, or Standards**

[2 CFR Part 200, Office of Management and Budget \(OMB\) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

UTRGV Handbook of Operating Procedures Policy [ADM 07-103 Managing and Certifying Effort on Sponsored Projects](#)

UTRGV Handbook of Operating Procedures Policy [ADM 07-200 Sponsored Projects](#)

**G. Dates Reviewed or Amended**

Reviewed and amended – April 21, 2025.