

## UMB POLICY ON INSTITUTIONAL BASE SALARY

Issued by the President effective July 1, 2006

### I. Definition and Use of Institutional Base Salary

Institutional Base Salary is the base annual compensation set by UMB (through a School or administrative unit) for an employee's appointment, whether that employee's professional effort for UMB is spent on research, teaching, patient care, or other activities, and whether that employee is appointed full-time or part-time.

In all submissions for funding for sponsored work, the Institutional Base Salary is used as the salary of the employee. Institutional Base Salary may not be increased as a result of replacing UMB salary funds with NIH grant funds or other grant or contract funds. Institutional Base Salary and FTE (as shown in the payroll system) of an employee will not be increased or decreased during a fiscal year as a result of receipt or loss of salary support from grants, contracts, clinical income, and other revenues.

Institutional Base Salary may be changed at the beginning of any fiscal year, and may be increased or decreased at that time. During a fiscal year, Institutional Base Salary of an employee generally will not be changed. However, it may be changed in the following limited circumstances:

- the employee's formal appointment, and required professional effort, is changed from full-time to part-time, from part-time to full-time, or from one required level of part-time effort to another required level of part-time effort;
- 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 chair or program director;
- the employee receives a cost of living or merit salary adjustment as part of a University-wide adjustment of salaries that occurs during a fiscal year; or
- the employee receives a salary increase as a result of a retention or equity adjustment, promotion in rank or position, or change in employment responsibilities.

## II. Relation of Institutional Base Salary to Payable Institutional Salary and Total Approved Salary

A Payable Institutional Salary, as well as an Institutional Base Salary, will be established for faculty and staff who will receive from UMB variable compensation as well as Institutional Base Salary during a fiscal year. Payable Institutional Salary includes all compensation payable through the biweekly UMB payroll. Payable Institutional Salary is not reflected on funding applications, and is subject to revision during a fiscal year consistent with the terms of the policies or approvals which authorize a change in salary component (e.g., faculty salary enhancement plans, faculty practice plans, approvals of bonuses for special duties).

Several of the UMB schools establish a Total Approved Salary for faculty pursuant to practice plans or salary enhancement plans. Total Approved Salary includes all compensation that a full-time or geographic full-time faculty member is allowed to earn for full-time professional effort, and may be payable from any of these sources: UMB, authorized faculty practice organizations, and affiliated organizations (e.g., the VAMC). Total Approved Salary will correspond to Institutional Base Salary only if the entire Total Approved Salary is guaranteed by the School to be paid for an entire fiscal year.

If under a School's policies Total Approved Salary includes estimates of compensation that is variable under the terms of a faculty practice plan or salary enhancement plan, such variable compensation is not included in Institutional Base Salary. It may be included in Payable Institutional Salary, or it may be paid by another organization if so provided by the relevant plan or policy and approved by the School.

For School of Medicine faculty who participate in the faculty practice (the Medical Service Plan), Institutional Base Salary is that part of the Total Approved Salary which is to be paid by UMB or by a practice plan organization, and is not variable during the fiscal year. For other faculty and for all staff, Institutional Base Salary is paid entirely through the UMB payroll system.

Salary paid directly by the VA for VA appointments (8ths), or paid directly by any other health care organization that is an affiliate of the School, is not included in Institutional Base Salary or Payable Institutional Salary.

## III. Salary Letters

Annual salary letters to employees will state the Institutional Base Salary, indicating the anticipated sources of payment. In addition, as applicable where required by a salary plan or a practice plan, salary letters will state the Payable Institutional Salary (as of July 1) and/or Total Approved Salary.

## IV. Compensation not Included in Institutional Base Salary

The following compensation is **not** included in Institutional Base Salary but is included in Payable Institutional Salary and Total Approved Salary if paid through the biweekly UMB payroll:

- payments under salary enhancement plans;
- payments under performance incentive plans; and
- payments of compensation that is incentive practice income under any faculty practice plan.

Special, one-time payments that may be approved by UMB policy, although processed through the payroll system, are not included in Institutional Base Salary or Payable Institutional Salary.

With respect to compensation of faculty under faculty practice plans:

- Dental School faculty practice compensation is not included in Institutional Base Salary or Payable Institutional Salary, as it is paid through the practice plan organizations.
- Medical School faculty practice compensation is included in Institutional Base Salary if the compensation is set at the beginning of the fiscal year and will be paid to the faculty member through the fiscal year. If any part, or all, of Medical Service Plan compensation is not guaranteed through a fiscal year, it should not be included in Institutional Base Salary.
- Compensation that is incentive practice income under faculty practice plans is never included in Institutional Base Salary.

#### Administration

This Policy is effective July 1, 2006.

Institutional Base Salary information shall be reported to UMB and tracked in campus financial systems so that it is available as needed in connection with sponsored programs applications and administration, including effort reporting. Procedures to convey the appropriate information to Administration and Finance upon hiring of employees and upon change of Institutional Base Salary will be developed under the direction of the Vice President, Administration and Finance, and the CIO and Vice President for Information Services. Procedures will be announced and implemented by September 1, 2006.

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