

## 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.

## 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

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