



MERRIMACK COLLEGE

Institutional Base Salary Policy Office of Research and Sponsored Programs

Approved By:	Dr. Christopher E. Hopey, President
Effective Date:	June 1, 2025
Supersedes:	
Official Responsible:	Vice President of Research or their Designee
Legal Counsel Review Date:	May 31, 2025

I. POLICY STATEMENT

This Policy defines Institutional Base Salary (IBS) at Merrimack College and provides guidelines for calculating faculty and staff salaries charged to sponsored projects to ensure compliance with federal regulations, [2 CFR 200.430 Compensation-personal services](#) and the National Institutes of Health (NIH) requirements.

II. PURPOSE

This Policy establishes the definition and components of IBS at Merrimack College and ensures that salary charges to sponsored projects are accurate, allowable, and consistent with federal regulations and institutional practices.

III. SCOPE

This Policy applies to all Merrimack College personnel who receive compensation in whole or in part from Sponsored Projects (grants, contracts, cooperative agreements) including: faculty, postdoctoral researchers, professional research staff, and graduate and undergraduate research assistants.

IV. DEFINITIONS

IBS is the annual compensation paid by Merrimack College for an individual's annual contract, encompassing all activities such as research, teaching, administration, and other duties. It excludes any income earned outside of institutional responsibilities, such as consulting or external work, as well as internal extra-service pay such as stipends for special projects. The table below lists the types of faculty effort which should be included and excluded from the IBS.

Faculty Effort – Included in IBS	Faculty Effort – Excluded from IBS
Externally sponsored research, including seminars, delivering special lectures about the	Extra-service pay (e.g. stipends), such as compensation for short-term assignments.

ongoing sponsored program, attending related meetings and conferences.	Consulting and other outside compensated professional work including service on scientific advisory boards compensated by external organizations.
Departmental/College research and unfunded effort on externally funded projects.	Volunteer community or public service.
Instruction/College supported academic effort, including presentations to students, mentoring trainees.	Bonuses, incentives and certain "one-time" payments for which other compensation is paid by Merrimack College
Administrative effort, e.g., Academic Dean, Associate Dean, Department Chair, Program Director, Research Center Director	
Effort expended on preparing proposals.	

V. COMPONENTS OF IBS

IBS includes:

- Base Salary: Compensation for standard duties, including teaching, research, and service.
- Supplemental Pay: Additional compensation for duties beyond standard responsibilities, such as administrative roles or special projects, if it aligns with institutional policies and is approved by the sponsoring agency when applicable.

Exclusions from IBS

IBS does not include the following types of compensation:

- Bonuses – Performance-based or discretionary incentive payments.
- One-time payments – Lump-sum payments not tied to ongoing salary, such as stipends for special projects.
- Income from external consulting – Compensation from outside organizations for professional services.
- Overload teaching payments – Additional pay for teaching beyond the standard workload.
- Other non-IBS compensation – Any payments not directly related to an individual's regular institutional duties.

Application of IBS in Sponsored Projects

When charging salaries to sponsored projects:

- Salary charges must be based on the individual's IBS and the proportion of effort dedicated to the project.
- Charges should not exceed the proportionate share of the IBS for the period during which the work was performed.

Accounting for IBS

To determine the amount of faculty IBS per month (it is the same whether it is academic year or summer months) the following formula **must** be used:

Monthly IBS = Annual IBS ÷ # of appointment months

Summer Salary

Salaries for work performed by nine-month faculty on sponsored projects during the summer months will be determined for each faculty member at a rate not more than the IBS divided by the period to which the base salary relates.

For example, for faculty with nine-month appointments, the rate of pay for one summer month is calculated as 1/9th of the IBS. Merrimack College's policy is to permit a maximum of 95% to be charged to a sponsor in any given month, including the summer (2.75 out of 3 months).

Salary Cap Compliance

Some sponsors, most notably NIH, impose a salary cap limiting the maximum annual rate of compensation that can be charged to grants. As of January 1, 2025, the NIH cap is set at \$225,700.

Example Calculation:

An individual with an IBS of \$240,000 commits 50% effort to an NIH-funded project.

- Calculate the maximum allowable salary charge:
 - o NIH Salary Cap: \$225,900
 - o 50% of Salary Cap: $\$225,900 \times 0.50 = \$112,950$
- Determine the actual salary based on IBS:
 - o 50% of IBS: $\$240,000 \times 0.50 = \$120,000$
- Calculate the amount exceeding the cap:
 - o Excess Amount: $\$120,000 \text{ (Actual)} - \$112,950 \text{ (Cap)} = \$7,050$

In this scenario, \$112,950 can be charged to the NIH grant, while the excess \$7,050 must be covered by institutional funds, not the federal award.

Procedures for Implementation

1. **Annual Salary Notification:** Faculty receive official notification of their IBS via their annual contracts.
2. **Effort Certification:** PIs must certify that salary charges align with IBS and actual effort spent on awards as required by the Merrimack College Effort and Salary Confirmation Policy.
3. **Budget Approval:** The Office of Research and Sponsored Programs (ORSP) reviews and approves all salary allocations on sponsored projects.

Adjustments & Corrections: Any salary charge discrepancies must be corrected within 90 days of discovery and documented appropriately.

IV. ROLES & RESPONSIBILITIES

The Office of the Provost:

- Ensure that faculty salary contracts are provided on an annual basis and as changes occur, documenting the approved institutional base salary.
- Retain copies of appointment and salary letters or other notification for audit purposes.

Principal Investigators (PIs)/ Co-PIs:

- Confirm that all requests and charges for direct faculty salary support and cost sharing commitments for sponsored programs are based on the individual's correct IBS.

Office of Research and Sponsored Programs (ORSP)

- Review and approve proposals (including budgets) for funding from external sponsors.

- Respond to questions regarding IBS requirements and the correct IBS calculation and administration.

Review and Updates

This Policy will be reviewed annually and updated as necessary to remain compliant with federal regulations and institutional practices.

Federal Regulations

- OMB Uniform Guidance 200.430 Compensation-Personal Services.

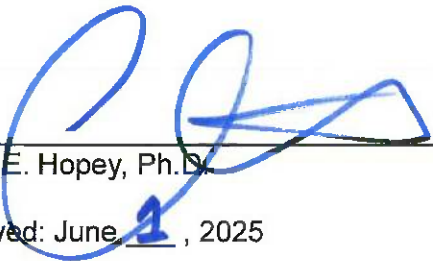
VI. RELATED POLICIES

- **Effort and Salary Confirmation Policy**

VII. EFFECTIVE DATE

This policy is effective June 1, 2025.

Approved:



Christopher E. Hopey, Ph.D.
President
Date Approved: June 1, 2025



Caitlyn Borwirth
Vice President and General Counsel
Date Approved: June 2, 2025