



<b>RGC Procedure Name:</b> Salary Verification	<b>Revised:</b> 12/20/2005
<b>Procedure Owner:</b> Deborah Golden-Eppelein	<b>Approval:</b> Thomas Marcussen

## I. PURPOSE

Salaries are verified as part of the application/proposal review and approval process. This verification ensures that salaries requested in the application or proposal match the salary that is paid or will be paid to the employee by OHSU at the time the project begins. This verification process ensures that OHSU consistently proposes personnel costs in accordance with applicable federal regulations.

At the time of award, salaries are not verified a second time. However, the compliance responsibilities of RGC and SPA require the monitoring of sponsored project budgeting practices to ensure that proposal salary representations are reasonably accurate and compliant with federal policies.

When proposal budgets commit to increases in FTE for personnel with partial appointments, RGC will verify at the time of award that the appropriate FTE change has been made.

## II. DEFINITIONS

**FTE:** Full-Time Equivalent

## III. RESPONSIBILITIES

**Department Administrator:** Department Administrators may have responsibility for developing application/proposal budgets and for gathering any required documentation.

**Principal Investigator (PI):** PIs may have responsibility for developing application/proposal budgets and for gathering any required documentation.

**Grants & Contracts Administrator (GCA):** GCAs perform the salary verification procedure at time of application/proposal. At the same time GCAs will obtain any documentation required to support budget salary representations that cannot be immediately verified in the OHSU HR/Payroll system.

**Grants & Contracts Manager:** The Grants & Contracts Manager is responsible for monitoring this procedure to ensure that it allows OHSU to comply with Federal regulations. Additionally, the Grants & Contracts Manager approves all applications/proposals, and verifies that the salary verification requirements were completed appropriately by the GCAs.



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**Sponsored Projects Administration (SPA):** An internal auditing plan will be developed and implemented by SPA, to ensure that any variations in salaries between application and award are incidental, not intentional.

#### IV. PROCEDURE

##### At Application

Upon receipt of a new application or proposal, the Grants & Contracts Administrator (GCA) will review salaries for those individuals named in the application/proposal. When documenting budgeted salaries, salary calculations should be based on a 1.0 FTE appointment.

The salary requested in the application/proposal is then compared to the annualized salary for that individual as stated in the OHSU Discoverer database.

When a salary request exceeds a person's current or inflation-adjusted salary level, documentation is needed to attest to the department's intention to increase it to the higher level by the time of the proposed project start date, whether or not an award is made.

The standard inflation adjustment is 3 to 5% for the first year, depending on the time interval between application and potential award. NIH and many other major sponsors restrict inflation adjustments between non-competing years to 3%. An increase greater than the standard inflation adjustment can be given when an individual's salary will increase by a definite amount due to a raise or change in appointment such as a promotion. Projected increases that exceed standard inflation rates will require an explanatory email from the department fiscal authority. Major increases may require written confirmation from the department chair.

Personnel with partial appointments at OHSU, including Principal Investigators, may commit effort at a level that exceeds their current OHSU FTE level, if written approval and confirmation from the department chair is provided at the time of application. The institutional base salary should be indicated as the full-time equivalent of their current partial-appointment salary. For example: An investigator holds a .05 FTE appointment at OHSU, for which he receives a salary of \$5,000. He wants to commit 25% effort to a grant on which he will be the Principal Investigator. His full-time equivalent rate of pay would be \$100,000/year. With his chair's approval and full disclosure in the budget and budget justification, he can indicate his institutional base salary as \$100,000, show his proposed effort on the project as 25%, and request a salary of \$25,000. Full disclosure is provided with an asterisk next to the institutional base salary number on the budget, linked to an explanatory note in the budget justification.



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At Award

If, at the time of award, a budgeted salary increase is delayed or deferred, notice to the sponsor is not required, except in the rare circumstance that the difference results in significant rebudgeting. If a person's salary increases unexpectedly, any resulting cost sharing will be considered voluntary uncommitted cost sharing, not reportable nor trackable. If an unbudgeted salary increase necessitates a reduction in effort on an award, the appropriate agency guidelines will be reviewed and action will be taken as required.

When a commitment to an FTE increase has been made on the application, RGC will provide a reminder on the Department Award Checklist (DAC) that this FTE must be increased to the committed level at the time of award. RGC will validate that the FTE has been increased appropriately in HR/Payroll when the award is being prepared for set-up. This will occur prior to the award being sent to Sponsored Projects Administration (SPA) for OGA setup.

**V. REVISION HISTORY**

N/A

**VI. OPEN ISSUES**

N/A