

## Salary and Wage Administration Functions and Responsibilities

### Intent

The Salaries and Wages section of the Employees: Personnel Administration business area is intended to ensure consistent application of Research Foundation (RF) policies and procedures for salary and wage administration. Compliance with these policies and practices is subject to audit review.

These provisions are not conditions of employment and can be modified, revoked, or changed at any time without notice. No part of this section is intended to be an employment contract between the Research Foundation and its employees nor is to be misconstrued as such a contract.

The Research Foundation's salary and wage policies and procedures are designed to

- provide guidelines for project directors and managers when determining employee salaries.
- reinforce the separation of Research Foundation from SUNY employment.
- reward performance.
- attract, retain, and motivate competent personnel.

### External Constraints

As a private, nonprofit organization, the Research Foundation is subject to state and federal regulations, including:

- Fair Labor Standards Act (FLSA)

The Research Foundation must comply with the equal pay, minimum wage, and overtime pay standards of the Fair Labor Standards Act (FLSA) as amended. The FLSA includes provisions on minimum wage and/or overtime pay requirements and establishes rules for determining employee exclusion from these requirements.

- NYS Labor Laws

The Research Foundation must comply with New York State Labor Law Article 19 regarding minimum wage provisions and overtime provisions, and Article 6, which requires prompt payment of wages and accrued benefits to employees who have terminated employment.

- IRS regulations

The Research Foundation must comply with IRS requirements regarding reporting and taxation of all monetary compensation, including approved reimbursements for moving expenses and for meal expenses incurred during nonovernight travel.

- Sponsor regulations

The Research Foundation must comply with sponsor requirements regarding salaries and wages when such requirements are more restrictive than Research Foundation policy, such as charging of overtime to awards and caps on salaries and wages. Individual sponsor guidelines must be consulted and adhered to.

### **Example: NIH Salary Cap**

The U.S. Congress has mandated limits on the direct salary of an individual under a grant or contract award issued by the National Institutes of Health (NIH). The Research Foundation is responsible for complying with these limits for Research Foundation and Income Fund Reimbursable appointments under an NIH award.

## **Internal Controls**

The Research Foundation has established internal controls to ensure that the salary and wage administration policies and procedures are followed and related legal requirements are met. The key internal controls are

- the classification and compensation system

The salaries of Research Foundation employees are controlled by a classification and compensation system that consists of two parts: a classification structure and an annual salary plan. The purpose of the classification and compensation system is to maintain equitable and consistent compensation of employees.

## **Classification Structure**

The classification structure establishes standards for each Research Foundation position and identifies the appropriate pay range.

The structure consists of

- titles for each Research Foundation position
- standards for each position that define the typical duties and other distinguishing features of the position
- pay ranges for each level of positions.

Positions are classified into one of two categories related to FLSA overtime requirements: exempt or nonexempt. An exempt position is one that satisfies the FLSA tests for exemption from eligibility for overtime payment based on salary and position responsibilities. A nonexempt position is one that does not satisfy the FLSA tests.

The structure has separate salary schedules for nonexempt positions, exempt administrative positions, and exempt positions in sponsored programs.

## **Annual Salary Plan**

The Board of Directors annually approves a salary plan that may authorize across-the-board and/or discretionary salary increases subject to the availability of funds and the general responsibilities and approvals associated with these increases.

- review and approval of salaries

All Research Foundation salaries require the review and approval of the project director or co-project director, the operations manager or designee, and one or more additional administrative officials as required by the operating location.

Individual campus procedures should be consulted for requirements for additional approvals. In all cases, approval is demonstrated by signing the appropriate appointment or change form.

- updating and monitoring the computerized business system

The Research Foundation's computerized business system has been designed to produce a broad spectrum of standard and customized monitoring reports.

## **Responsibilities**

### **Operating Locations**

The Research Foundation operations manager is responsible for ensuring that

- the Research Foundation annual salary plan is implemented.  
Research Foundation and sponsor salary policies and procedures are adhered to when establishing salaries and wages.
- initial salary offers and proposed increases are within available funds and approved schedules.
- salaries established above designated limits for positions receive proper approvals.
- required notices of compliance with wage laws are posted in a conspicuous place, allowing inspection by employees and government agencies.

### **Delegation**

The Research Foundation operations manager at each operating location is responsible for all Research Foundation operations at the location, regardless of who performs the operations. The operations manager is accountable to the Research Foundation Board of Directors for the conduct of such operations. Therefore, the operations manager is permitted to delegate the authority to perform operations but may not delegate responsibilities.

For cases when signatory delegation is allowed, there must be a list of authorized signatory delegates kept on file at the operating location.

### **Central Office**

The Research Foundation Central Office is responsible for

- informing operating locations of changes in Research Foundation policies and legal requirements.
- maintaining the Research Foundation computer system as necessary to support the salary and wage function.

## **Additional Responsibility**

### **Locations that Input Data into the Computer System**

Locations that input data into the Research Foundation computer system are responsible for inputting and maintaining salary information in the system.

### **Central Office**

The Research Foundation Central Office is responsible for inputting and maintaining salary information in the Research Foundation computer system for locations that elect not to input their own data.

## **Additional Information**

The Salary Plan provides guidelines for across-the-board increases and discretionary salary increases. The plan is approved annually by the Research Foundation Board of Directors.

Salary Rules contain documents describing the policies and procedures for establishing salaries, paying for overtime, and making salary adjustments for promotions, demotions, and transfers.

The salary schedules (pay ranges) for sponsored program exempt, administrative exempt, and nonexempt positions are located in the Salary Schedules section.

Position Titles contain one list of Research Foundation titles ordered by position title. Descriptions of the position standards for each Research Foundation title are located in the Position Standards section.

The following table provides sources for further information:

For more information on...	Refer to document...
FLSA rules on overtime pay requirements	<a href="#">State Minimum Weekly Salary Rate for Exemption from Overtime Provisions</a> <a href="#">Requirements for Overtime Pay</a>
How to test positions for overtime payment eligibility	<a href="#">Position Classification Policy</a> <a href="#">Position Classification Procedures</a>
Compensation payments to terminated employees	<a href="#">Compensation at Termination of Employment</a>
Federal and State minimum wage requirements	<a href="#">Minimum Hourly Wage Rates</a>
NIH and DOD Salary Caps	<a href="#">Sponsor Salary Restrictions: NIH and SAMHSA</a> <a href="#">Sponsor Salary Restrictions: Department of Defense</a> <a href="#">Sponsor Salary Restrictions: NIH Limitations for Graduate Students</a>
Classifying positions	<a href="#">Position Classification Policy</a> <a href="#">Position Classification Procedures</a>

## Change History

- **June 12, 2001** - Update document by removing central office responsibility to review above-the-maximum proposed salary offers.

## Feedback

Was this document clear and easy to follow? Please send your feedback to [webfeedback@rfsuny.org](mailto:webfeedback@rfsuny.org).

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