



UT Health Science Center: FI0200-H Faculty Incentive Program - Sponsored Projects	
Version 1	Publication Date: 05/26/2022

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Related Policies: FI0205 - Sponsored Projects		

PURPOSE

To provide procedures on faculty salary incentive payments provided as a result of gaining external salary support on sponsored projects. The overall goal of the Health Science Center (HSC) is to encourage faculty participation in the incentive program, therefore, increasing overall research and external funding at the HSC.

WHO IS ABLE TO PARTICIPATE

- Faculty subject to this procedure must be classified as Regular employees. This refers to employment, full-time or part-time, for a period expected to be 12 months or more and includes academic year (9 months) appointments. Temporary/term faculty (including retirees) are not eligible. In addition, faculty must meet the requirements set forth below:
 - Tenured or tenure-track faculty with a portion of their salary paid from an Eligible Sponsored Project.
 - Non-tenured faculty who serve as PIs of a sponsored project that pays a portion of his/her salary from an Eligible Sponsored Project. This includes a PI on a multi-PI project as designated by the sponsor.
- Faculty must be employed as Regular faculty by the Health Science Center on the date incentives are paid in order to be eligible.
- Faculty must have demonstrated satisfactory performance in all areas of their evaluation by the College/Department on their most recent annual evaluation. Each case is to be reviewed with departmental and college leadership annually.
- Faculty must have demonstrated adherence to good fiscal and administrative management of college or campus resources. Each case is to be reviewed with departmental and college leadership annually.

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CALCULATION METHOD

The amount of the faculty member’s incentive payment is based on the allowable F&A received on each of the sponsored projects that pays a portion of the faculty member’s salary during the fiscal year (12-month period ending June 30th). The faculty member’s actual salary paid during the fiscal year on each sponsored project is multiplied by the incentive percentage (%) as follows:

- **Incentive based on F&A Rate for each sponsored project:**

<u>F&A Rate Range</u>	<u>Incentive % of Salary</u>
▪ $\geq 30\%$ →	40%
▪ $10\% \leftrightarrow 30\%$ →	20%
▪ $\leq 10\%$ →	5%

EXAMPLE CALCULATION:

Grant Number	F&A Rate	Salary (FY)	Incentive	Amount of Incentive %
A	8%	\$22,800	5%	\$ 1,140
B	50%	\$35,235	40%	<u>\$14,094</u>
TOTAL INCENTIVE PAYMENT				\$15,234

NOTE: ADA pay is not eligible for the incentive program.

OTHER PROVISIONS

- Each year, the HSC will pay incentive payments to eligible faculty no later than the November following the Fiscal Year ending June 30th.
- Instead of receiving payment, a faculty member may choose to put all or a portion of his/her incentive payment into a HSC support account for their use and/or the department’s use. Once this is done, the funds become HSC funds and cannot be returned to the faculty member at a later date even if the faculty member is leaving the HSC. These funds also must be used in accordance with HSC policies.
- Faculty that leave HSC employment (including retirees) prior to the pay-out month will not be eligible to receive an incentive payment.

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- The College may choose to withhold an incentive payment to a faculty member who has consistently failed to adhere to good fiscal and administrative management of the sponsored projects for which they are responsible.

DEFINITIONS

Eligible Sponsored Projects - includes all externally funded grants and contracts except for gifts, endowments, graduate medical education funding, practice plan support, mission support, chairs, centers of excellence, and other funds allocated at the discretion of the HSC.

Regular - employment for a period expected to be 12 months or more and includes academic year (9 months) appointments paid over a 12-month period to satisfy the 12-month requirement.

Temporary/Term - employment for a period expected to be less than 12 consecutive months. This employee group includes faculty who are paid for performing a one-time service and other special appointments and faculty who have retired from service with the University of Tennessee. Retirees must remain in the temporary employee group regardless of the length of their post-retirement service due to requirements imposed by state retirement statutes.

Includes all functions - research, instruction, public service, and academic support.

Principal Investigator (PI) – faculty member who is responsible for the design, conduct, or reporting of research or other sponsored projects externally funded as designated by the sponsor. Faculty members who are named as PI on department or college-wide contractual relationships may not qualify as PI for the purpose of the incentive program – each such case to be reviewed with departmental and college leadership annually.

Fiscal Year – July 1 through June 30.

F&A Rate – facilities & administrative (indirect cost) rate applicable to a sponsored project (includes federal and non-federal).

ADA – Pay received for duties performed outside or in addition to regular duties.

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