

# **Faculty Incentive Plan**

Effective October 1, 2008

## **Underlying Principles**

- Scholarly activities and creative works that probe the unknown or seek to advance new methodologies and technologies should be recognized and encouraged. Such recognition should be heightened when new resources are brought to the university as sponsored activities.
- Faculty can be motivated to perform new scholarly activities, creative works and service by receiving a performance bonus derived from salary release budgeted in externally sponsored projects.
- The ability of the university to reach new levels of scholarship, creative works, instructional effectiveness, and service will increase directly proportional to the degree that competitive sponsored activities are increased.
- An incentive payment should enhance faculty recognition, help retention of successful scholars, and promote additional interest in pursuing sponsored activities.

## **Policy Guidelines**

- Only full-time faculty and Assistant/Associate Deans will be eligible to participate in the Faculty Incentive Plan. In order to qualify they must receive competitively reviewed sponsored awards from federal or state agencies, industries, or foundations. Only PIs and Co-PIs on sponsored projects can participate. Funds distributed for incentive payments have to be accrued in the fiscal year prior to the distribution in the December paycheck. Faculty or administrators who terminate their appointment (or die) will be considered for a pro-rata share of their incentive payment accumulated prior to their last paycheck. Incentive payments cannot require additional hours of work.
- Regardless of the size of the sponsored award, the unit must first meet obligations for cost matching on contracts and grants, meet teaching load replacement costs (for reassigned time), and provide for facilities costs, administrative services, and supplies in support of external grant and contract activities. For research faculty whose salaries are dependent, either wholly or in part, on reimbursed salary from contracts and grants, their consideration for an incentive payment can only take place after their present or past annual salary commitments are/were met.
- Under no circumstances shall an incentive payment be provided to any full-time faculty member or administrator whose externally funded activities are solely the result of direct state or federal appropriations.
- No incentive payments will be made to PIs (Assoc. Deans, Dept. Heads, etc.) who receive awards as a requirement of the agency or by virtue of the office that they hold.

## **Policy Implementation**

- All incentive payments paid under this plan can only be considered upon the dean's recommendation and approval from the appropriate Vice President. Only those individuals performing meritorious activity on sponsored activities during the present fiscal year can be recommended. Approval of release of incentive funds will only occur after sponsored awards have been awarded and fiscal year (non-incentive) commitments for unrestricted funds are met.
- The only source of funds to be considered for paying incentive payments will be from salary release budgeted in the sponsored awards and pooled at the unit/department level.
- Matching commitments and teaching load replacement costs will be deducted from lapsed salary and remaining funds will be disbursed to the priority investigators up to 50% of net lapsed salary or \$15,000 whichever is less.
- No faculty member can receive more than \$15,000 in any fiscal year.
- No more than two faculty members may receive an incentive payment from any given project.
- Incentive payments paid under authority of this plan constitute one-time income subject only to State and Federal taxes and FICA and will not be counted toward Alabama Retirement System contributions.
- Faculty members participating in this plan, who currently receive unfunded reassigned time from teaching to research, should not expect further reductions in teaching load until all such reassignments are funded via sponsored agreements.
- Incentive payments will not be counted against a recipient's eligibility for merit or other salary increases.
- At the dean's discretion funds remaining in pool after distributing incentive payments to investigators will be used for academic enrichment in the college.