

**University of South Alabama Division of Academic Affairs  
Faculty Research Performance Incentive Plan (FRPIP)**

**Preamble**

The USA Faculty Grant Incentive Pilot Plan was adopted in August, 2004 as a trial for two years. During the 2006-07 academic year an ad hoc committee was charged by the Senior Vice President for Academic Affairs to review the policy and make recommendations regarding the continuance and/or modification of the policy. The committee recommends that the policy, as modified below, be continued. The committee further recommends biennial review.

**USA Faculty research performance incentive plan (FRPIP)—May, 2007**

USA Faculty members employed in the Division of Academic Affairs may earn a performance bonus through the USA Faculty research performance incentive plan in accordance with the policy, eligibility criteria and other provisions as described herein.

**Purpose**

The FRPIP is intended to meet the following goals:

1. To enhance the University's research programs by increasing the level of extramural funding to the institution;
2. To stimulate accomplishments in scholarship, instructional effectiveness, and service associated with increases in externally funded grant activity;
3. To improve the institution's ability to recruit and retain faculty members who are capable of competing successfully for externally funded grants and contracts.
4. To stimulate the economic development of the community, state and region through the development of the research enterprise.

**Policy**

To qualify for a performance bonus, a faculty member must include part, or all, of his or her base salary and applicable fringe benefits in a grant or contract budget (base salary = 9 months salary except for those faculty specifically employed on 12-months contracts). This bonus is restricted to the redistribution of available unrestricted funds from lapsed salary revenues that are derived from competitively funded extramural grants and contracts. Funds from gifts and Federal direct appropriations are not eligible. No other source of funds may be used to fund this incentive plan.

The bonus will be paid in a one-time lump sum payment each year on the first working day of December based on the preceding fiscal year (October 1 through September 30).

The lapsed salary accumulated for faculty member's activity on a grant or contract for the preceding fiscal year will be distributed according to the following guidelines:

1. Costs associated with the project such as equipment, supplies, cash match, and costs for any faculty unfunded non-administrative reassigned time based on a 12 credit full-time teaching load and any replacement costs, will be deducted from the total lapsed salary recovery amount prior to calculation of an incentive salary distribution. Typically, the amount deducted for reassigned time costs will be equivalent to the salary paid to a Ph.D. level part-time faculty member to teach courses needed to replace the full-time faculty member, whose time has been reassigned to non-administrative duties. In some cases, replacement costs may exceed the normal rate paid to part-time instructors. In these cases, actual replacement costs will be deducted.
2. The investigator may be eligible to receive a performance bonus not to exceed 50% of the funds remaining in the performance bonus pool after deducting all replacement and other costs as described above that were contributed by that faculty person. The remaining lapsed salary funds will be distributed to the college. A maximum of 30% of a faculty member's annual base salary may be earned as a performance bonus.

#### **Summary: Distribution of Performance Bonus Funds**

- Amount available for distribution to college/school and to investigators:

Total amount of lapsed salary minus: (1) any cash match for the grant; (2) instructional replacement costs for the investigator's reassigned time for the project and any unfunded non-administrative reassigned time based on a 12 credit full-time teaching load; and (3) any other direct costs associated with the project such as equipment, supplies, etc.

- Distribution of available funds after deductions

- Fifty percent (50%) to college/school

- Fifty percent (50%) to investigator(s) \*

\*A maximum of 30% of the annual salary base may be earned from the grant incentive plan.

Example: If a faculty member is teaching 9 hours each semester and has \$8000 in academic year lapsed salary in a grant, replacement of 6 semester hours of unfunded reassigned time (typically charged at \$788 per semester hour) would be deducted, leaving \$3272 available for distribution. Of this, up to 50% or \$1636 could be paid as a bonus to the faculty member. The remainder would be transferred to the college.

## Eligibility Criteria

1. Completion of FRPIP Form #1 and a memorandum requesting a performance bonus under the plan must be submitted as attachments to the Application for FRPEP during internal review of the application/proposal. Also, requests for payment must be documented on the "Request for FRPIP Payment" form and must be approved by the departmental chair, the college or division dean, and the Vice President, and must be accompanied by a current copy of the individual's Federal Time and Effort Certification, if applicable.

2. All non-administrative members of the full-time faculty in the Division of Academic Affairs (Colleges of Allied Health Professions and Nursing included) are eligible to file a request to participate in the FRPIP if their base university salary and benefits are charged to a grant or contract, and if they are principal investigators or co-principal investigators on the project. Administrators (below level of Dean) may be eligible to participate only when they are the principal investigator. Support staff and research assistants are not eligible to participate in the Plan.

3. Some faculty have research appointments with contracts that require that they receive external funding to pay a percentage of their base salary. Faculty in this category must first recover that contracted portion of their base salary before being eligible for incentive pay. After recovering the amount or percentage specified, research faculty are entitled to receive a performance bonus in accordance with the FRPIP. For example, consider a research faculty member who by contract must recover \$20,000 of his/her base salary. If that faculty member recovers \$50,000 of his/her base salary, the university will recover the first \$20,000. If there are no other deductions for cash match, etc., the bonus for the faculty member is \$15,000, and the college would receive \$15,000. Those faculty who are appointed in a full-time research track and who are expected to generate 100% of their salary from grants are excluded from this incentive plan.

Furthermore, if for any reason the university covered in the past a proportion of the investigator's salary that should have recovered from extramural funds, those funds will also be subtracted from any additional funds before any bonus is distributed to the investigator. For example, assume that an investigator is expected to recover \$40,000 of his/her base salary, but in past years the University had to cover \$10,000 of those \$40,000 because the investigator was not able to secure the total amount. Now the investigator receives a grant that will cover \$60,000 of his/her base salary. In this case the university will receive \$50,000 (\$40,000 expected by contract plus \$10,000 previously provided by the institution) and the college and investigator will receive \$5,000 each.

4. The performance bonus must be derived from competitively funded extramural grants or contracts. Funds from gifts and from direct federal appropriations will not apply.
5. The grant must include F & A costs at the maximum rate allowed by the funding agency.
6. Faculty members may request to participate in the plan for all competitive grants or contracts that generate lapsed salary revenues, and to which applicable fringe benefits are charged, including research, service, and training grants and contracts. Investigators' lapsed salary funded via direct appropriations from the U.S. Congress will be excluded from the Incentive Plan (FRPIP).
7. Prior to the payment of any performance incentive, the departmental chair, dean and Vice President must certify that the faculty member has exhibited satisfactory performance in all assigned duties. Sound fiscal and administrative management of all extramural funds, completion of necessary reports in a timely and complete manner are also expected as conditions for receipt of performance bonuses.
8. The plan will not apply retroactively. Any salary charged to a grant or contract for work performed after the date the plan is implemented may be eligible for the plan. Salary charged to a grant or contract for work performed prior to the date the plan is implemented is not eligible for the plan.
9. Full-time faculty, upon initial appointment to the University, will be eligible to participate in this plan in accordance with the terms of the FRPIP. However, in all cases, all eligibility criteria must be met and performance bonus can only be derived from funds accrued while employed at the University of South Alabama and payment of bonus is made only on funds accrued in the previous fiscal year.
10. Faculty members who terminate employment at USA will be entitled to a bonus payment in accordance with all terms of the FRPIP accrued to the date of employment termination. However, such payment will not be made until at least 90 days following termination of employment and certification of satisfactory performance in all assigned duties, as defined in #7 above, is provided. The estate of faculty members who die will be entitled to payment in the amount accrued to the date of the death. Faculty who transfer within the University into a position that would not entail securing extramural research funding will also be entitled to the same disbursement.

## **Other Policy Provisions**

1. Performance bonuses paid under authority of this plan constitute one-time-only income. Such payments will not affect the base salary of the participating faculty member. Base salary refers to the 9 month salary for all faculty members, except for those explicitly appointed to 12 month contracts, e.g. those in Health Sciences.
2. Performance bonuses' paid under authority of this plan are subject to federal and state tax withholding and Alabama Retirement Systems contribution requirements.
3. Any participating faculty member may elect to assign all, or a portion, of the incentive payment into an account to support professional development in lieu of a performance bonus. Such deposits into professional development accounts are not personal income, and therefore nominally are not subject to tax withholding or required retirement system contributions. Un-obligated balances in professional development accounts are subject to review by the college at the end of each fiscal year and subject to withdrawal if plans for their use are not approved annually by the respective department chair and dean.
4. 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 grants or contracts.
5. The performance bonus will be in addition to the recipient's regular annual compensation and is not payment for additional work. The performance bonus payment does not affect a recipient's eligibility for merit or other salary increases.
6. The FRPIP is intended primarily to create an incentive for participation in the solicitation and awarding of extramural funds. However, the performance incentive bonuses allocated to any individual faculty person shall be negotiated with that faculty person's dean and department chair and shall be related to overall performance as well as to success in obtaining extra mural funding.