THE UNIVERSITY OF
SOUTHERN MISSISSIPPI

OFFICE OF THE VICE PRESIDENT FOR RESEARCH

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MEMORANDUM

TO: All faculty
FROM: Gordon Cannon, Vice-President for Research
DATE: March 29, 2018
RE: Faculty Research Incentive Program

In response to the changing federal research funding landscape, Associate Vice-President for Research Marcia Landen, a committee of faculty, and I have undertaken a study to determine if and how an incentive program might be reinstituted at USM for faculty who are awarded external funding for their research, scholarship, and creative activities. The study included a review of incentive programs at other universities and consideration of numerous options. The following describes the decisions made by the group for purposes of

- increasing resources available to the University community;
- increasing proposal submissions and awards received to support USM's mission;
- increasing salary recovery funds;
- increasing funding for graduate students; and
- increasing the recognition and reward received by faculty members for their efforts in attracting and managing contract and grant support.

Based on new grant proposals submitted after April 1, 2018, a monetary incentive program, to be known as the Faculty Research Incentive Program, will be instituted for faculty members 1) whose base salary is supported through E&G funds, and 2) are serving as a principal investigator or co-principal investigator on an externally-funded sponsored project.

To be considered for inclusion in the Faculty Research Incentive Program, externally funded projects must

- Charge at least 10% of a PI/Co-PI's E&G-funded base salary to the sponsored project. Salary charged to the sponsored project may not exceed actual time spent on the project. PIs and Co-PIs with 100% buyout are not eligible for inclusion in the incentive program.
- Include full Facilities and Administration (F&A, or indirect) costs in the award or the maximum F&A rate a sponsor will pay with a minimum rate of 8%. Projects with an F&A waiver (full or partial) are not eligible for inclusion.
- Pay graduate or undergraduate students for involvement in the sponsored project's scope of work if the sponsor allows that category of expense.

Provisions for payments from the incentive program include

- If all eligibility and program requirements are met, the PI/Co-PI will receive supplemental pay of 40% of their "recovered" salary, up to an annual cap of $15,000.
- PIs/Co-PIs may only receive a combined total of up to $15,000 per grant (i.e., a PI and Co-PI for the same grant would receive an incentive payment proportional to each individual's salary buyout charged to the grant, up to a combined total of $15,000). Only $15,000 of recovered salary per grant can be awarded as incentive payment.
- If these same PIs or Co-PIs are awarded an additional grant that meets incentive program eligibility, they may receive incentive pay up to an individual total of $15,000. No individual PI or Co-PI may receive more than $15,000 in annual incentive pay.
- In order to receive the incentive, PIs/Co-PIs must complete a Faculty Research Incentive Program payment request form for approval by their school director and dean with final approval by the Vice President for Research.
- The Office of Research Administration will verify project eligibility and the recovered salary amount.
- The Office of Research Administration will also present the PI/Co-PI with an addendum to their existing contract that describes inclusion in the Faculty Research Incentive Program. Future contracts will include generic language related to the Faculty Research Incentive Program in all faculty contracts.
- Incentive payments for the academic year will be paid to individuals as an annual, one-time payment during the fall semester following the academic year in which the salary was recovered. The supplemental pay will not be included in the faculty member's retirement base salary, but the incentive will be subject to applicable federal and state taxes and FICA withholdings. Receipt of supplemental pay from the program will not affect a faculty member's eligibility to teach summer semester nor will it affect the recipient's eligibility for merit or other salary increases.
- A recipient who leaves USM prior to the incentive being paid will forfeit the right to receive the incentive payment.
- Incentive payments will be made from university funds. Funding from an external sponsor (grants or contracts) cannot be used for research incentive payments.

Example: Salary Recovery for Faculty with Academic Year or Calendar Year Appointments:
Example: Professor Y's E&G-supported base salary is $85,000. She has been awarded a National Institute on Aging research grant to cover some of the expenses of one of her research projects. This project pays full F&A and includes salaries for three graduate students to serve as data collectors. Thirty percent of her base salary is being charged to this grant.

E&G-supported Base Salary	Must Fund 10% of E&G-supported Salary to be Eligible for Incentive	Additional % Grant Funded	Eligible E&G Salary Savings (30% of $85,000)	40% Faculty Research Incentive Payment = $25,500 x 40% = $10,200 (up to a cap of $15,000)

$85,000	$8,500	20%	$25,500	$10,200 incentive payment goes to Professor Y

Example: Salary Recovery Divided Between PIs/Co-PIs

Example: Professor X is the PI of a funded Robert Wood Johnson Foundation-sponsored program that meets eligibility criteria for the incentive program. Professor X's E&G-supported base salary is $100,000. Twenty-five percent of Professor X's salary is charged to the grant.

E&G-supported Base Salary	Must Fund 10% of E&G-supported Salary to be Eligible for Incentive	Additional % Grant Funded	Eligible E&G Salary Savings 25% of $100,000)	40% Faculty Research Incentive Payment = $25,000 x 40% = $10,000 (up to a cap of $15,000)
$100,000	$10,000	15%	$25,000	$10,000 ***POTENTIAL*** incentive payment to Professor X

In addition to her own recent NIA grant for which she was eligible for $10,200 in incentive payment, Professor Y is Professor X's Co-PI on this sponsored project. Professor Y's E&G-supported base salary is $85,000. Twenty percent of Professor Y's salary is charged to this second sponsored project.

E&G-supported Base Salary	Must Fund 10% of E&G-supported Salary to be Eligible for Incentive	Additional % Grant Funded	Eligible E&G Salary Savings (20% of $85,000)	40% Faculty Research Incentive Payment = $17,000 x 40% = $6,800 (up to a cap of $15,000)
$85,000	$8,500	10%	$17,000	$6,800 ***POTENTIAL*** incentive payment from this grant to Professor Y

Professor X and Professor Y's combined potential incentive payment for the RWJ grant equals $16,800. Since Professor Y has a $10,200 incentive payment based on her NIA grant, she is only eligible to receive an additional $4,800 from the RWJ grant, for a total incentive payment to Professor Y of $15,000. Professor X would receive his full potential payment of $10,000 based on the RWJ grant.

EXAMPLE: PROPORTIONAL DISTRIBUTION OF MAXIMUM INCENTIVE PER GRANT

Professor A and Professor B are PI and Co-PI, respectively, for an industry-supported sponsored project that meets eligibility criteria for the incentive program. Professor A's E&G-supported base salary is $100,000, as is Professor B's. Fifty percent of Professor A's salary is charged to the grant. Thirty percent of Professor B's salary is charged to the grant. See the example below for a depiction of how these professors would receive proportional incentive funding based on this sponsored project.

	E&G-supported Base Salary	Must Fund 10% of E&G-supported Salary to be Eligible for Incentive	Additional % Grant Funded	Eligible E&G Salary Savings	40% Faculty Research Incentive Payment (up to a cap of $15,000)
Professor A	$100,000	$10,000	40%	(50% of $100,000) $50,000	$20,000 ***POTENTIAL*** incentive payment from this grant to Professor A
Professor B	$100,000	$10,000	20%	(30% of $100,000) $30,000	$12,000 ***POTENTIAL*** incentive payment from this grant to Professor B

Professor A is eligible to receive a greater portion of the maximum $15,000 incentive payment associated with this grant due to his greater percentage of salary recovery. The proportion of Professor A's potential incentive payment is 3 to 5, or 60%. Sixty percent of the maximum $15,000 incentive payment ($9,000) will go to Professor A and 40% of the maximum payment will go to Professor B ($6,000).

Any questions or requests for exceptions to these eligibility criteria and provisions for payment should be directed to me, and will be reviewed and considered on a case-by-case basis. It is my sincere hope this Faculty Research Incentive Program will result in the stated purpose of increasing University resources and recognizing and rewarding faculty who compete for, manage and deliver externally-funded research.