WMU research incentive procedure for administrators
Extramural research incentive examples from other universities

- UMBC: maximum 20% of annual salary.
- U Arkansas: 50% of the salary paid by grants, up to a maximum of 25% salary
- Bosie state: 50% of the “recovered” salary, up to 25% salary
- Montana State: up to 75% of the net recovered salary max of 25% of base salary.
- U Texas El Paso: Incentive payments shall be limited to an amount not to exceed 50% of the “recovered” or “bought out” salary, and cumulative payments shall not exceed the total amount of 25% of the faculty member’s academic base salary per fiscal year (nine-month salary)
- Virginia Tech: Up to 50% of their base salary max of 50% base salary.
- U of Memphis: may not exceed 50% of salary recovered. Appears to be no cap.
- IUPUI: 13.2-25% of academic base salary.
- UT Knoxville: 20% of the 9 month pay or 12 month pay.
- FAU: Shall not to exceed 25% of the total contract salary

NOTE: these include faculty and administrators
Who is included

• Non-bargaining Unit Administrators Including:
  • Fiscal year chairs/center/institute directors and specified associate/assistant directors
  • Deans, Associate Deans, Associate Provosts
  • Executive leadership (VPs etc.)
  • Other unique positions as approved by the provost and VP for Research
General principles

• The source of funds and model is built on salary recovery and total expenditures charged to the grant or contract.

• Eligibility will be defined based on the type of expenditures, which must be classified as research (broadly defined).

• Those who are grant or contract funded “soft money” positions would not be eligible for the incentive.

• The model has 3 parts:
  - Salary recovery (30% of salary recovered)
  - Total research expenditures on the grant (direct and F&A)
  - Inclusion and payment of graduate students (or undergraduates in BS/BA only colleges and under specific circumstances).

• The program runs on a academic year cycle (Sept.-August).

• Eligible funds must recover the full appropriate F & A (i.e. no waiver requested) unless a specific exemption is added such as due to a large number of students supported on the grant or contract.

• The program caps at 50% effort (allows 50% effort for administration).

• The model assumes no course buy out is required.

• The administrator must be PI of Co-PI on the grant or contract.

• The program will be reviewed at the end of the first partial cycle (academic year 2020).
Rules to participate

- A minimum 2% salary recovery is required to participate
- Fringe benefits must also be recovered from the grant as appropriate
- The grant or contract must recover full appropriate F & A
- Only externally funded, competitively awarded grants and contracts to qualify. Noncompetitive grants and contracts (e.g., earmarks, gifts, etc) do not qualify for the program.
- Only research grants and contracts qualify
Administrative example capped at 50% effort (12 month appointment) to maximum of incentive

1 million dollar grant expenditures with 40% of the expenditures for students (stipend and tuition)

<table>
<thead>
<tr>
<th>% effort</th>
<th>Salary Recovery ($)</th>
<th>Incentive (Salary Recovery)</th>
<th>Incentive (Grant Size)</th>
<th>Incentive (Students)</th>
<th>Total Salary +Incentive</th>
<th>Total Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0%</td>
<td>10,000.00</td>
<td>3,000.00</td>
<td>2,000.00</td>
<td>1,400.00</td>
<td>106,400.00</td>
<td>6,400.00</td>
</tr>
<tr>
<td>20.0%</td>
<td>20,000.00</td>
<td>6,000.00</td>
<td>4,000.00</td>
<td>2,800.00</td>
<td>112,800.00</td>
<td>12,800.00</td>
</tr>
<tr>
<td>30.0%</td>
<td>30,000.00</td>
<td>9,000.00</td>
<td>6,000.00</td>
<td>4,200.00</td>
<td>119,200.00</td>
<td>19,200.00</td>
</tr>
<tr>
<td>40.0%</td>
<td>40,000.00</td>
<td>12,000.00</td>
<td>8,000.00</td>
<td>5,600.00</td>
<td>125,600.00</td>
<td>25,600.00</td>
</tr>
<tr>
<td>50.0%</td>
<td>50,000.00</td>
<td>15,000.00</td>
<td>10,000.00</td>
<td>7,000.00</td>
<td>132,000.00</td>
<td>32,000.00</td>
</tr>
</tbody>
</table>

47% of the incentive maximum is salary recovery
31% of the incentive maximum is grant expenditures
22% of the incentive maximum is funding for students (stipend and tuition)
Real life impact

- Average award (total costs) at WMU (FY18) is $112,311
- Average awards for people with multiple grants (not removing Co-PIs) is $239,530
- Large grants (*the majority have Co-PIs therefore few people will have $1,000,000*)
  - 2 over $1,000,000 (all have Co-PIs)
  - 6 over $500,000
  - 13 over $300,000
- PIs with multiple grants
  - 2 PIs over 1,000,000 (1 also has a single grant over 1 million, 1 is sole PI on all the contracts but funds no students)
  - 9 PIs over $300,000 (some overlap with the 13 above)
Administrative example capped at 50% effort (12 month appointment)

250K grant expenditures with 25% of the expenditures for students (stipend and tuition)

### Administrator Base
- Salary Recovery: $100,000.00
- Incentive weight salary recovery: 30.0%
- Incentive weight total expenditures: 24.0%
- Incentive weight student inclusion: 35.0%
- Grant Expenditure Amount: $250,000.00

These numbers are used to balance the distribution of incentive between categories.

### % of expenditures paying 0.25 students/tuition

### % of incentive from category

<table>
<thead>
<tr>
<th>% effort</th>
<th>Salary Recovery ($)</th>
<th>Incentive (Salary Recovery)</th>
<th>Incentive (Grant Size)</th>
<th>Incentive (Grad S)</th>
<th>Total Salary +Incentive</th>
<th>Total Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0%</td>
<td>10,000.00</td>
<td>$3,000.00</td>
<td>$391.48</td>
<td>$875.00</td>
<td>$104,266.48</td>
<td>$4,266.48</td>
</tr>
<tr>
<td>20.0%</td>
<td>20,000.00</td>
<td>$6,000.00</td>
<td>$782.96</td>
<td>$1,750.00</td>
<td>$108,532.96</td>
<td>$8,532.96</td>
</tr>
<tr>
<td>30.0%</td>
<td>30,000.00</td>
<td>$9,000.00</td>
<td>$1,174.44</td>
<td>$2,625.00</td>
<td>$112,799.44</td>
<td>$12,799.44</td>
</tr>
<tr>
<td>40.0%</td>
<td>40,000.00</td>
<td>$12,000.00</td>
<td>$1,565.91</td>
<td>$3,500.00</td>
<td>$117,065.91</td>
<td>$17,065.91</td>
</tr>
<tr>
<td>50.0%</td>
<td>50,000.00</td>
<td>$15,000.00</td>
<td>$1,957.39</td>
<td>$4,375.00</td>
<td>$121,332.39</td>
<td>$21,332.39</td>
</tr>
</tbody>
</table>

70% of the incentive maximum is salary recovery
9% of the incentive maximum is grant expenditures
21% of the incentive maximum is funding for students (stipend and tuition)
Implementation Considerations

• Will grandfather people with existing agreements for current funded or submitted grants to that prior agreement unless the person chooses to move all grants and contracts to the new plan at inception of the plan.

• All grants and contracts submitted after inception will follow the new methodology.

• When a person changes positions they change to the plan for that title at the time they change positions (if you return to faculty you no longer are in the administrator plan).

• Expenditures of undergraduates count for
  • administrators who only have access to undergrads in their college
  • professional students count only with Dean and VPRI approval, otherwise must be graduate students
  • Grants that require (or explicitly recommend such as an NIH R15) inclusion of undergraduates or training grants
  • Undergraduates on grants that utilize more than 75% of all student support funds for graduate students

• All grant salary support for research is effort

• New process must be complaint with policy (no >100% effort, no paying summer salary for 12 month employees)

• This will be based on expenditures only

• Incentive is paid once a year.

• The incentive can be used for faculty income or research funding for their work (in a WRAP account) in all or part.
Appendix
Examples from other universities

• Bosie state: Incentive payments are limited to up to 50% of the “recovered” or “bought out” salary, and cumulative payments shall not exceed 25% of the faculty member’s institutional base salary per fiscal year.

• Montana State: Participation in the program requires eligible faculty to charge at least 10% effort and related portion of his/her Institutional Base Salary and fringe benefits in a federal or state grant/contract budget. The incentive payment made under the program shall not exceed 75 percent of the net recovered salary and shall not exceed 25 percent of the faculty member’s institutional base salary for the year in which the incentive payment is earned.
Examples from other universities

• U Texas El Paso: Incentive payments shall be limited to an amount not to exceed 50% of the “recovered” or “bought out” salary, and cumulative payments shall not exceed the total amount of 25% of the faculty member’s academic base salary per fiscal year (nine-month salary)

• Virginia Tech: Up to 50% of their base salary. Exceptions to the 50% limit will be considered on a case-by-case basis. The research incentive payment equals 50% of the E&G salary recovered based on the percentage of salary funded on grants/contracts above the 10%. Recovered &G salary that is associated with a reduction in responsibilities (e.g., teaching, administrative service) is excluded from the research incentive calculation. Can be up to 50% of their base salary. Only externally funded, competitively awarded grants and contracts qualify for this compensation program. Noncompetitive grants and contracts (e.g., earmarks) do not qualify for the program.
Examples from other universities

• U of Memphis: Incentive compensation may not exceed 50% of the amount recovered. Salary recovery funds shall be allocated as follows: To the department to compensate for costs incurred in replacing the faculty member’s contributions to the department first amount for temporary instruction and the rest to incentive compensation. Appears to be no cap.

• IUPUI: 13.2-25% of academic base salary.

• UT Knoxville: The incentive pay is limited to 20% of the 9 month pay for 9 month employees and 20% of the 12 month pay for 12 month employees, contingent upon availability of resources within the unit, assigned by Deans.

• FAU: A faculty member may be eligible for an incentive salary from the incentive pool from salary support not to exceed 25% of the total contract salary.
Examples from other universities

• UMBC: the minimum amount of a faculty member’s academic year salary paid from external funds must equal or exceed 10% (plus all applicable fringe benefits). The maximum externally funded salary proportion that may be used for incentive calculation under this policy is 20% (plus all applicable fringe benefits) of a faculty member’s academic year salary.

• U Arkansas: The extramural funded salary must be for at least 0.1 FTE in the fiscal year for 12-month appointments. For 9-month appointments, the expectation is that the investigator would first want to use grant funds to pay summer salary. This incentive plan would only apply to extramural funded salary during the academic year for 9-month appointees. The academic year funding must be for at least one month to be considered for this program. This program applies only to salary paid for research and scholarly efforts. It is expected that faculty will not be relieved completely from teaching responsibilities through this program. The incentive payment will be calculated as 50% of the salary paid by grants, up to a maximum of 25% of the faculty member’s annual salary for 12-month appointments or academic year salary for 9-month appointments.