

The University Senate of Michigan Technological University

Defeated by Senate

PROPOSAL 05-07
(Voting Units: Academic)

MICHIGAN TECHNOLOGICAL UNIVERSITY FACULTY EXTERNAL FUNDING INCENTIVE PROGRAM

Purpose

The purpose of the External Funding Incentive Program (EFIP) is to enhance the research, scholarship, and instructional activity of faculty by increasing the level of external funding. The mechanism for doing so is to provide a semi-annual incentive payment to general fund supported tenured and tenure-track faculty who secure funding for their academic year salary from external sources.

Provisions

To participate in the program, a faculty member must include all or part of his/her general fund academic year salary and fringe benefits in an externally funded grant or contract budget. If eligible and approved prior to the beginning of a semester, the incentive payment will be made to the faculty member in accordance with the procedural criteria after the end of the semester (approximately January 15 and June 15). Such payment(s) will be made in a lump sum or, if necessary to assure adherence to all prevailing laws and policies, in multiple payments over consecutive months. The payment(s) will be subject to applicable withholding.

Criteria

1. The faculty member must hold a tenured or tenure-track general fund supported faculty appointment.
2. This incentive program only applies to externally funded salary during the academic year. Faculty participating in this program will not be released from teaching or service responsibilities as defined by their respective academic unit.
3. Academic year support for the participating faculty, and the associated fringe benefit cost (academic year rate) must be expensed in a sponsored account. The total amount available from the general fund for disbursement in accordance with the EFIP criteria will be equivalent to the academic year support expensed.
4. The faculty member is not required to expense all academic year salary available in a grant or contract through this program. A portion can be expensed in accordance with the provisions of this policy and the remainder in accordance with the normal policies of the faculty member's department or school.
5. Salary funds released from the general fund through this incentive program will be distributed 75% to the faculty member and 25% to the department or school. A faculty member can receive up to a maximum of 20% of the faculty member's academic year general fund salary through this incentive program. The EFIP payment received by the faculty will be fringed at the existing summer (extra compensation) fringe rate. The difference between the fringes expensed in the sponsored account, and the fringes

charged on the EFIP payment received by the faculty, shall be available to the department or school for use at the Chair/Deans discretion. Calculation of any incentive payment shall exclude the value of any benefits. Any incentive payment made shall not modify the faculty member's base salary nor be counted towards the faculty member's summer salary. Availability of any payments under this plan is subject to any applicable university, State, or Federal laws, regulations, or policies.

6. The salary support must be derived from externally supported research, instructional, or other sponsored grants or contracts that pay applicable facilities and administrative costs. Grants and contracts must include authorization to use funds for faculty salaries and fringe benefits. Salary support derived from external funds must fully pay all direct costs, including associated fringe benefits, and applicable federally negotiated facilities and administrative costs.
7. A request by a faculty member to seek an incentive payment under this program must be submitted at least two weeks prior to the beginning payroll date of the semester for which the incentive payment is desired. Approval by the relevant Department Chair and Dean will be contingent upon meeting the criteria and purpose of the program and upon the faculty member maintaining a high level of productivity and satisfying the workload expectations of their academic unit. If not explicitly approved by appropriate Chair and Dean prior to the first payroll date of the semester for which the incentive payment is desired, the request for participation in the plan shall be considered to be rejected.
8. The faculty member must exhibit satisfactory performance in all assigned duties as determined by the appropriate chair/dean. Included is the responsibility of providing good fiscal and administrative management of all external funds for which the faculty member is principal investigator and completion of necessary reports in a timely and effective manner. Failure to exhibit satisfactory performance is grounds for suspending the participation of the faculty member in this program until such time that their performance as improved to a satisfactory level.
9. Participation in the program is voluntary and is not mandated upon either the faculty member or the University. Participation is not an entitlement, but may be made available to eligible faculty members when both the University and the faculty member determine that it is in their mutual best interests to do so. A Chair or Dean may not arbitrarily withhold or deny approval for participation in this program by any individual faculty member.
10. Modifications to any aspect of this program may be implemented by the President at any time. It is expected that such changes would normally occur in consultation with the University Senate. For a faculty member participating in this program at the time of any approved changes, those changes will not become effective until the academic year following the year in which they were approved.
11. Academic units may use some of the salary savings achieved through this program for non-bonus awards or other support for outstanding teaching, research, or service activities.

Example

Professor A in COE has an academic year general fund salary of \$70,000 and has a funded DOE project with \$10,000 of salary and \$4,100 of fringes in the approved project budget; there is \$7,896 (56%) of facilities and administrative costs associated with these items and the project has the standard incentive returns (6% of the F&A to the PI, 12% to the department, and 7.3% to the college). Professor A applies for and receives approval for participation in this program

and elects to distribute all \$10,000 through the EFIP. After the semester, the total of \$21,996 of budgeted project expenditures is distributed as follows:

Professor A:

\$ 7,500 EFIP

\$ 1,515 Fringe Benefit on EFIP

\$ 474 PI incentive return

Department

\$ 2,500 Salary recovery

\$ 2,585 Fringe recovery

\$ 948 Departmental incentive return

College

\$ 576 College incentive return

General Fund

\$ 5,898 F&A remaining after incentive returns

Total - \$ 21,996

Introduced in Senate: 11 October 2006

Defeated by Senate: 25 October 2006