

## **MONTANA STATE UNIVERSITY INCENTIVE PROGRAM FOR RESEARCHERS**

### **100.00 Introduction**

The MSU Incentive Program for Researchers has been developed to enhance sponsored research and scholarly activities. By providing the opportunity for tenured and tenure track faculty to be eligible for annual incentive payments, the program provides incentives for faculty to secure externally-funded research grants and contracts. The program is in addition to and complements existing [summer salary policies and procedures](#) for Academic Year (AY) faculty.

### **101.00 Purpose**

A. The purpose of the program is to encourage faculty to secure externally-funded research, scholarship and sponsored program projects, and reward those who successfully secure extramural funds by providing an annual payment to the faculty member in November. This program replaces certain compensation policies and practices which are hereby discontinued as described below.

B. The incentive payment is intended as a one-time, annual supplement to the recipient's regular base salary (Institutional Base Salary or IBS). The payment is not part of the IBS [Insert link] for any purpose. The incentive payment is subject to the applicable federal and state taxes and FICA withholdings. The incentive payment does not affect a recipient's eligibility for merit or other salary increases.

C. The expected outcomes of this program include:

- Increased number of extramural funding proposal submissions
- Improved success rate for extramural funding awards
- Improved recruitment and retention of research-active faculty
- Increased generation of institutional facility and administrative (F&A) cost recovery
- Increased compensation for participating employees

### **102.00 Participation in the Program**

A. 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 faculty member will draw salary from the grant/contract account proportionate to his/her effort devoted to the project, thereby creating funds for this incentive program.

B. Under exceptional circumstances and on a case-by-case basis, faculty may be eligible for the program if they successfully acquire significant external funding from sources that do not allow for inclusion of salary in the grant/contract budget. Such exceptional circumstances must be justified by the

dean and department head and approved by VPR and the Provost. In such case, the annualized effort for the employee approved on the grant/contract submission will be used to calculate the recovered salary for the parameters for incentive payment calculations.

C. Incentive payments are contingent upon the faculty member meeting the eligibility requirements and complying with the terms and conditions of the Program. 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. The payment will be subject to all normal withholding for taxes and benefits.

D. Incentive payments may not be paid from federal or state grants/contracts. Incentive payments will be paid from institutional accounts. The source of funds in these accounts will normally be funds recovered from charging a portion of the faculty member's salary to grant/contract funds. The payment may not be made by offsetting salary from one grant/contract account to another grant/contract.

E. Under normal circumstances, a faculty member's effort charged to a grant/contract will be attributed to the research portion of the faculty member's workload. For pre-approved cases where the faculty member has already fulfilled the effort related to research portion of his/her workload, incentive payments from recovered salary will occur only after the amount of funds necessary to acquire the services needed to fulfill the teaching, advising and other responsibilities of the faculty member carrying out the grant/contract funded research has been determined and set aside for such purposes.

#### 103.00 **Program Terms and Conditions**

A. All tenured and tenure-track faculty members, except those currently on University Sponsored Research Appointments (USRA), are eligible for the program. The program is in addition to and complements existing [summer salary policies and procedures](#) for AY faculty.

B. To be approved, eligible faculty members must have:

(1) received at least "meets expectations" in their most recent annual review in all assigned duties; and

(2) demonstrated proper fiscal and administrative management of all grants/contracts for which he/she is/was principal investigator, including: compliance with all relevant institutional, state, and federal research-related policies; and completion of time and effort reports in a timely and accurate manner, as determined by the their department head/director and MSU Office of Sponsored Programs.

The program will be implemented in compliance with all applicable federal regulations and policies of MSU.

C. To be eligible for the incentive program, a grant or contract must pay all direct costs and the maximum facility and administrative (F&A) costs. Except that, in cases where the funding agency has a

written F&A limit which is less than the institution's officially negotiated rates, the program will apply provided the recovered F&A rate is at least 8% of modified total direct costs.

D. To be eligible for the incentive program, a grant or contract must have been routed and approved by the official University processes established by the MSU Office of Sponsored Programs.

E. To be eligible for the incentive program, a grant or contract may not include provisions for voluntary cost sharing or voluntary in-kind matching. For grants or contracts that involve multiple institutions, this requirement will be enforced for only the MSU portion of the project budget.

F. The incentive program does not apply to external funds obtained from gifts, testing service contracts, private sponsors or contracts or fees for services.

G. Administrative personnel at the rank of Dean or above, as well as the Director of the Montana Agricultural Experiment Station and the Director of the Montana Extension Service, are eligible for incentive compensation under this program only with the prior written approval of the Provost and the President.

H. All incentive payments under the program shall be subject to the availability of financial resources for the program and to any applicable state or federal laws, regulations or policies.

#### 104.00 **Procedures**

A. Intent to participate and to include a grant or contract in the program must be approved by Office of Sponsored Programs as part of the campus routing process for grants and contracts submission. On the ePCF, mark Yes on the "will be included in the IPR".

B. After a grant proposal has been successfully awarded, the faculty member and department head, dean or director will process an EPAF to charge the correct proportion of salary to the appropriate grant or contract. The incentive payment will be contingent upon completion of the approval process, which includes approvals by the faculty member's Department Head/Director (if applicable), Dean, Provost and VPR based on the eligibility guidelines.

C. The first obligation on recovered salary is the payment of any costs incurred to provide services a faculty member will not be providing because of the responsibilities to the grant/contract research/scholarly activities. Only after these obligations have been fully and completely accounted for shall the net recovered salary be available to fund an incentive payment. For the purposes of this incentive program, a buyout of teaching will not normally be approved unless the faculty member has exceeded his/her research percentage assignment.

D. To request an incentive payment for the previous academic year, the faculty member and his/her department head/director will need to initiate a Request to Receive Faculty Incentive and forward to the Office of Sponsored Programs for review. The request shall be submitted no later than August 20 each year. Incentive payments will be made in November.

E. No incentive payment shall exceed 75% of the net recovered salary generated and incentive payment shall not exceed 25% of the employee's Institutional Base Salary (IBS) for the year in which the incentive payment is earned.

F. Eligible faculty must be employed by MSU at the time of the pay-out (November) to receive any incentive payment.

**105.00 Program Termination.**

The Incentive Program for Researchers may be terminated at any time by the President of Montana State University.

**106.00 USRA Appointment Discontinued**

This program replaces the USRA program for faculty and the USRA appointment is hereby discontinued and shall have no further applicability, except as provided herein. Faculty members on USRA appointments for FY 2012-2013 shall continue on USRA appointment until they terminate their employment or voluntarily choose to discontinue their USRA appointment. The USRA appointment must be approved annually by the Provost and VPR. These USRA appointees are not eligible for the Incentive Program for Researchers unless they discontinue their USRA appointment.