

Principal Investigator Incentive Policy

The incentive pay program is currently being reviewed. During that time, the program is on hold until further notice for all new requests

Introduction

The Chapman University Principal Investigator (PI) Incentive Pay Program has been developed to enhance sponsored research and scholarly activities. By providing the opportunity for Principal Investigators (as defined in Chapman University's PI Eligibility Policy) to be eligible for annual incentive payments, the program provides incentives for PIs to secure externally-funded research grants and contracts. The program is in addition to the Institutional Base Salary for PIs. Participation in the program is voluntary and is not mandated upon either the PI or the university.

Purpose

The purpose of the PI Incentive Pay Program is to recognize and reward recipients of external funds that enhance research, scholarship, service and creativity; promote best practices in teaching and learning; implement other program improvements that advance the mission of Chapman University.

The incentive pay 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 for any purpose. The incentive payment is subject to the applicable federal and state taxes and FICA withholdings, but not eligible for contributions under retirement plans. The incentive payment does not affect a recipient's eligibility for merit or other salary increases. Incentive payment may also be taken as funds to the PIs indirect cost account for research purposes if all financial obligations have been covered for the project by the sponsor.

Participation in the Program

Participation in the program is voluntary and is possible when eligible faculty charge at least 5% effort and related portion of his/her Institutional Base Salary and fringe benefits to an extramurally sponsored grant/contract budget. The PI will draw salary and fringe from the grant/contract account proportionate to his/her effort devoted to the project, thereby creating funds for this incentive program as salary savings from a Chapman University operational budget.

Under exceptional circumstances and on a case-by-case basis, a PI 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 the Vice President for Research and the Provost. In such cases, the annualized effort for the employee approved on the grant/contract submission will be used to calculate

the recovered salary for the parameters of the incentive payment calculations.

Incentive payments are contingent upon the PI meeting the eligibility requirements and comply with the terms and conditions of the program.

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

Under normal circumstances, a PIs effort charged to a grant/contract will be attributed to the research portion of the PIs workload. For pre-approved cases where the PI has already fulfilled the effort related to the 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 PI carrying out the grant/contract funded research has been determined and set aside for such purposes.

Eligibility Criteria; Terms and Conditions

All Principal Investigators, as defined in Chapman University's PI Eligibility policy, are eligible for the program. To be approved, eligible PIs must have:

1. received at least "meets expectations" in their most recent annual review in all assigned duties;
2. demonstrated proper fiscal and administrative management of all grants/contracts for which he/she is/was principal investigator or co-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 their department head/director and the Director of Sponsored Projects Services; and
3. charged at least 5% effort and related portion of his/her Institutional Base Salary and fringe benefits to an extramurally sponsored grant/contract budget.

Incentive payment(s) shall not modify the PIs IBS and shall not, under any circumstances, be paid from sponsored project funds.

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

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. In cases where the funding agency has a written F&A limit which is less than the institution's federally negotiated rates, the program will apply provided the recovered F&A rate is at least 8% of modified total direct costs.

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 Office of Research Sponsored Projects Services.

The incentive program does not apply to external funds obtained from unrestricted gifts.

Administrative personnel at the rank of Dean or above are eligible for incentive compensation under this program only with the prior written approval of the Provost and the VP of Research.

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.

Procedures

1. Intent to Participate in PI Incentive Program: Intent to participate and to include a grant or contract in the program must be approved at the proposal submission stage by Office of Research Sponsored Projects Services as part of the campus routing process for grants and contracts submission. On the proposal routing form (in Cayuse SP), mark "Yes" on the "will be included in the Faculty Incentive Pay Program".

2. Award and Charging PI Time to Grant: After a grant proposal has been successfully awarded, the PI and department head, dean or authorized director will approve an ERCR form to charge the correct proportion of salary to the appropriate grant or contract.

3. Incentive Payment: The incentive payment will be contingent upon completion of the approval process, which includes approvals by the PIs Department Head/Director (if applicable), Dean, Provost and VPR based on the eligibility guidelines.

The first obligation on recovered salary is the payment of any costs incurred to provide services a PI 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 PI has exceeded his/her research percentage assignment.

Eligible PIs must be employed by Chapman University at the time of the pay-out at the end of Chapman's fiscal year to receive the incentive payment.

Incentive Pay Calculations

The amount of the incentive payment to the PI is 50% of the net salary savings to the appropriated funding source.

The following costs may be factored into the incentive payment calculation:

1. Compensation to the department for costs incurred to replace the PIs contributions to the department
2. Other costs incurred by the department for support of the project that is not recovered elsewhere.

Examples of Incentive Pay Calculations:

#1 Dr. Jones' institutional base salary is \$100,000. His annual workload assignment allocates 20% of his time to research activities. He is a co-PI on a grant that pays for 10% of his time to conduct research on a sponsored project during his 12 month on-contract period.

Net salary savings: \$10,000

50% of net salary savings: \$5,000

The faculty member may receive \$5,000 in incentive pay as salary or to IDC account

#2 A faculty member with a 9-month appointment receives external funding to pay for her salary to work on a sponsored project during the fall semester and negotiates with her chair to buyout a course to conduct the research for the sponsored project. The faculty member's base salary is \$75,000 and the course buyout is \$9,375 (12.5% of the base salary) which will make up the total amount of salary savings.

Salary savings: \$9,375

Net Salary Saving = Salary savings – replacement instructor (varies among College/School)

The faculty member may receive 50% of the **Net Salary Savings** in incentive pay as salary or to IDC account

Program Modification and/or Termination

Modifications to any aspect of this program may be implemented at any time, as determined by the Vice President for Research in consultation with the Provost. Such modifications may occur through amendment of this program or through written notice to the deans of affected academic units.

The PI Incentive Pay Program may be terminated at any time by the Vice President for Research in consultation with the Provost and Vice President of Human Resources.