

Depending upon the effort devoted to different activities each month during the academic year, it may be appropriate for a faculty member to charge a percentage of his or her research activity to a grant or contract, if the funding agency permits this. As a result of the salary savings that are realized, the Dean of the Faculty will set up a Grant Incentive Fund to provide research support for the faculty member. This does not apply to faculty members whose academic year salary is not normally covered by the DOF budget or to those already covered by other approved arrangements, e.g., departments in the Division of Biology and Medicine. The guidelines for this fund are the following:

### **Grant Incentive Fund**

1. In general, 70% of the dollar amount of academic year salary and benefits charged to the grant will be placed in a Grant Incentive Fund (GIF). However, 100% of such funds will be placed in a GIF if they could otherwise have been charged to cover summer salary (in keeping with the rules of the grant) but are allocated for academic year salary in order to better reflect the actual distribution of effort over the course of the entire year. More precisely, if there is a gap, say \$ $x$ , between the amount of summer salary charged to a grant and the maximal amount permissible under the rules<sup>1</sup>, then 100% of the first \$ $x$  (and 70% in excess of \$ $x$ ) of academic year salary that is charged to the grant will be placed in a GIF.
2. If the funding agency requires any caps to salaries, then the maximum rate at which activity can be charged must not exceed that cap.
3. The normal overhead rate will continue to apply on academic year salaries charged to a grant.
4. The GIF is made available to a faculty member as a flexible research fund, which may be used for legitimate research expenses in accordance with University policy. As is the case with all research funds, the balances revert to the University when a faculty member resigns or retires.
5. No overhead will be charged when funds are expended from the GIF. If the funds are used to support summer salary, the prevailing benefits rate will be charged to the GIF.

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<sup>1</sup> The maximal amount permissible under the rules refers to the amount that could be charged to the grant if the faculty member were to work 100% on the grant. Suppose, for example, that Professor Smith has an academic year salary of \$117,000, and his grant permits him to charge a full summer month's salary if he were to devote 100% time to the grant. Then, the maximal amount permissible under the rules for a summer month, say July, is \$13,000. If Professor Smith is expected to spend 10% of his effort during July to administrative duties, then he could charge \$11,700 (90% of \$13,000) to the grant in July. In this case  $x=1,300$ . If he can devote 10% of his effort in September to the grant, and the grant permits charging academic year salary, then \$1,300 of September salary could be charged to the grant and \$1,300 would be made available in a GIF. If, everything else being the same, 30% effort could be devoted to the grant in September, then \$3,900 (30% of \$13,000) could be charged to the grant in September and \$3,120 (100% of \$1,300 and 70% of \$2,600) will be made available in a GIF. In this same example, if the grant had a salary cap of \$10,000 per month, then devoting 90% time on the grant in July would result in charging \$9,000 to the grant in July and  $x=1,000$ .

6. There will be no time limit on the use of balances in a GIF. However, total expenses in any given year may not exceed 50% of the faculty member's academic year salary.

### **Course Buy-Out**

It may also be possible to use funds from grants and contracts to reduce teaching obligations during the academic year, subject to the following conditions:

1. The normal teaching load must be more than one course in a given semester. In such cases, a faculty member who wishes to devote significant time to research may, with approval of their department chair and the Dean of the Faculty, be relieved of teaching one course. This should not result in the faculty member teaching less than one course per semester. (It will therefore exclude faculty in some Science departments with a normal teaching load of one course per semester).
2. The department chair must assess the impact of the proposal on the department's curriculum. Teaching relief will only be considered if the department's curricular needs can be met.
3. In general, 25% of academic year salary (plus benefits), from a grant that provides usual fringe and overhead, would allow for a one-course reduction.
4. The Dean of the Faculty will contribute \$10,000 to the department to cover the cost of hiring an adjunct faculty member to cover the course.
5. Any faculty member who wishes to have no teaching responsibilities during a given semester should apply for a leave of absence. It remains possible to use grant funds to cover salary during a leave of absence.

Please note that approval for course reduction or for a GIF must be obtained in writing from the Dean of the Faculty.