

AUSTIN PEAY STATE UNIVERSITY POLICIES AND PROCEDURES MANUAL

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Date: August 5, 2011	Dated: March 26, 2008
Subject: Research and Scholarly Activity Incentive Award	Mandatory Review Date: August 5, 2016
Initiating Authority: Director, Office of Grants and Sponsored Research	TBR Policy/Guideline Reference:
Approved: President: Signature on File	

This policy supports the mission of the Office of Grants and Sponsored Research by providing a financial incentive for principal investigators, their departments, and colleges as a reward for participating in competitive grant seeking, and successfully obtaining external funding for the University. This policy principally applies to new grants submitted by Austin Peay State University and does not apply to continuation grants—funds awarded for the continuation of a previously funded proposal (including continuing TRIO and Children Services grants).

The Research and Scholarly Activity Incentive Award will be notable in a number of ways. Among them are the following:

- A monetary reward for faculty who are active in funded research and/or grant-seeking efforts, thus encouraging continued participation in the funded research and grant enterprise within the campus community.
- Encouragement for previously inactive faculty to conduct funded research and write grants, thus increasing the number of faculty involved in externally funded projects.
- The attraction of accomplished researchers who have the ability to establish labs and centers in areas of high growth and also grant writers for additional high funding potential.
- The retention of productive funded researchers and successful grant writers.

These elements are critical for the success of any efforts to increase external funding to the desired level.

Policy Compliance

To comply with federal cost principles in OMB Circular A-21, the cost to the external sponsor must remain unchanged as a result of the University's research incentive award. In general, federal grants do not allow extra compensation to be directly charged.

Thus, it is not allowable to add incentive awards to a federal grant outside of indirect costs.

Most federal grant programs provide for facilities and administrative costs (generally referred to as indirect costs or IDC) to be recovered. Once the University receives indirect costs (see explanation below) funds from a federal sponsor, the funds are incorporated into the University's budget and then are considered state funds which can be dispersed at the discretion of the administration. These funds can then be used to provide such incentives without violation of any federal cost-accounting principles.

For many years, TBR limited extra compensation to 20 percent of the annualized salary. That limit was liberalized with the approval of TBR policy 5:01:05:00 "Outside Employment and Extra Compensation." However, Tennessee law still limits the number of extra hours faculty are allowed to work and so extra compensation is limited by Tennessee law, as well. In contrast, Tennessee law does not limit incentive awards because they are recognized as a bonus and require no additional hours of work.

The research and scholarly activity incentive award is a financial bonus; it does not require additional work beyond 100 percent effort. Thus, it is exempt from the extra service compensation limit. Conversely, extra service pay is compensation that requires additional work beyond the 100 percent effort, and as a consequence, is subject to the extra service compensation cap set by TBR. A principal investigator may not increase their own salary by including extra compensation without administrative approval. Faculty may receive both incentive compensation and extra compensation if the situation warrants. That is, payment of extra compensation does not preclude the payment of an incentive award.

Operational Definition: Indirect Costs

Indirect costs are those institutional costs, often referred to as facilities and administrative costs, which are not readily identifiable with a particular project or activity but nevertheless are necessary for the general operation of the institution and the conduct of its activities. The cost of operating and maintaining buildings and equipment, depreciation, general and departmental administrative salaries and expenses, and library costs are types of expenses usually considered as indirect costs. OMB A-21 defines indirect costs as those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

An indirect cost rate is a device for fairly and expeditiously determining (within boundaries of sound administrative principles, subject to governmental regulations) that proportion of an institution's costs that should be borne by each of its projects or activities.

To recover its allowable indirect cost pool of expenses, an institution must allocate and collect its proportionate share from every project being performed by the institution.

Research Incentive Award Guidelines

Below is the list of suggested guidelines for the research incentive award policy.

- For faculty and staff to be eligible for the Research and Scholarly Activity Incentive Award, they must be successful in obtaining competitive external funding with an indirect cost component at an approved rate. This rate may be that which is approved by APSU's cognizant federal agency (Department of Health and Human Services), the maximum rate allowable by the sponsor (as identified in the RFP), or a rate approved by the Office of Grants and Sponsored Research.
- Faculty and staff are typically not eligible to obtain Research and Scholarly Activity Incentive Awards on non-competitive grants, earmarks, or external funds.
- Any exception to the indirect rates or waiver of indirect costs must be approved in advance of any contractual commitment by the Director of Grants and Sponsored Research.
- Fifteen percent of indirect costs recovered from an eligible grant will be paid to the principal investigator. Ten percent will be awarded to the principal investigator's department, 10 percent will be awarded to the principal investigator's academic college, 25 percent will be designated to the Office of Grants and Sponsored Research, and 10 percent to the College of Graduate Studies to support research programming and committees which may include Graduate Research Counsel and IRB. The remaining 30 percent will go to APSU. Any exceptions will be recommended by the Office of Grants and Sponsored Research for approval by the President.
- In the case of a collaborative proposal involving multiple institutions, the incentive award will be calculated from the indirect costs recovered by APSU only.
- When a project has multiple principal investigators, the incentive award will be divided according to percent of effort devoted to the project.
- A principal investigator will receive the incentive award for each year of a funded new grant.
- For continuation funding, where no award is given to the principal investigator, and all other eligibility criteria is satisfied, 10 percent of the indirect costs will be designated to the department.
- As a condition to the receipt of any award, the principal investigator must remain, at all times, in full compliance with the University's Research and Sponsored Programs policies as well as the policies of the sponsoring agency.
(Also see Administrative Regulations and Considerations)
- When funding for the grant terminates, the incentive award associated with the grant will also terminate.
- The incentive award will be distributed during the fall semester of each year based on the preceding fiscal year.

- The Office of Grants and Sponsored Research will give oversight to the administration of the Research and Scholarly Activity Incentive Program and will mediate issues that may arise concerning the program.
- Reevaluation of the Research and Scholarly Incentive Award policy will be performed annually.

Administrative Regulations and Considerations:

- Recipients must use their grants for the purposes for which they were awarded and in accordance with the policies and guidelines of the program and of their institution.
- The APSU administration may withhold the incentive payable to a recipient or his/her department until the recipient meets the program's eligibility criteria.
- The administration reserves the right to terminate or suspend an incentive should the recipient cease to meet the eligibility criteria. It also reserves the right to recover incentives paid out if a principal investigator no longer fulfills the required eligibility criteria, or on the basis of fraudulent or inaccurate information, or in error.
- In the event that the amount of funds for the indirect costs changes, the administration reserves the right to cancel or reduce the incentive amount.