

## BASIC SCIENCE FACULTY INCENTIVE PLAN

**Date:** July 1, 2008

**Policy ID:** 1.620

**Status:** Final

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**Applies to:**

Faculty members who are tenured or tenure eligible in a basic science department of the School of Medicine. The dean may approve participation of similar faculty in other departments or centers in the School of Medicine, after consultation with the appropriate department chair or center director.

**Policy Statement:**

Eligible Extramural Sources: Sources of faculty salary support that will be recognized in the funding formula include:

1. Grants from government, foundation, and corporate sources.
2. Income from consulting activities.
3. Other qualifying income as determined by the Dean of the School of Medicine.

The dean of the School of Medicine will make the final determination of the eligibility of all salary funds. Separate arrangements will be made for those faculty who derive salary support from endowed chairs, other schools, or other departments.

Timing Considerations: Negotiated (base salary + administrative supplement) salaries are those paid on a fiscal year basis (5/25 through 5/24) and qualifying income (see Eligible Extramural Sources above) includes those funds that have been applied towards the faculty member's negotiated salary during that same fiscal year. For School of Medicine faculty members at the rank of Professor or Associate Professor, or at the rank of Assistant Professor with three or more years of service, incentive eligibility will be triggered by a faculty member's attainment of a minimum of 50% salary support from qualifying income throughout any given fiscal year. For faculty members at the rank of Assistant Professor with fewer than three years of service at the School of Medicine, the required salary support threshold will remain at the 25% level set forth in the original plan.

Each department is responsible for funding payments or distributions made to its faculty under this plan. The department chair forwards the recommended incentives to the dean of the School of Medicine for approval prior to the distribution of any incentives.

Incentive Distributions: The following chart shows the minimum total grant support required and how much of an individual's base salary must be funded by eligible extramural sources during a University fiscal year in order for a faculty member to be eligible for the corresponding incentive distribution.

Years on Faculty	Salary support threshold before incentive eligibility	Percentage of Salary Supported by Eligible Extramural Sources	Percentage of Eligible Salary Support to Be Paid as Additional Compensation
Faculty with 3 or more years of service	50%	50% + salary support	50%
Assistant Prof with fewer than 3 years of service	25%	25% - 50% salary support	33%
		50% + salary support	50%

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### Incentive Calculation Example A

Associate Professor PI is 80% supported by grants and has been on the faculty for 4 years. His / her salary is \$100,000

Faculty Rank	Eligibility Levels required	Salary	% of Salary Eligible	Dollar Range Eligible	Dollar Amount Eligible	Percentage of Salary Support to Be Paid	Amount of Incentive
Associate Professor	50% + salary support	\$100,000	50% - 80%	\$50,000- \$80,000	\$30,000	50%	\$15,000
<b>Total Based on Eligible Extramural Sources</b>							<b>\$15,000</b>

### Incentive Calculation Example B

Assistant Professor PI is 80% supported by grants and has been on the faculty for 1 year. His/her salary is \$100,000.

Faculty Rank	Eligibility Levels required	Salary	% of Salary Eligible	Dollar Range Eligible	Dollar Amount Eligible	Percentage of Salary Support to Be Paid	Amount of Incentive
Assistant Professor	25% + salary support	\$100,000	25%- 50%	\$25,000 - \$50,000	\$25,000	33%	\$8,333
Assistant Professor	50% + salary support	\$100,000	50% - 80%	\$50,000- \$80,000	\$30,000	50%	\$15,000
<b>Total Based on Eligible Extramural Sources</b>							<b>\$23,333</b>

At the discretion of the faculty member, some or all of these incentive funds may be put into a separate account to support his or her professional activities at the School of Medicine. This determination must be made prospectively made at the beginning of each year and communicated to the department chair. These funds will normally be spent within 12 months of their disbursement.

The department will use departmental reserves for incentive payments authorized under this plan. Only full-time, tenured or tenure-eligible faculty who are employed by the School of Medicine as of September

1 during the year that the payments are issued, and who meet the other criteria outlined in this policy, are eligible for the incentive.

**Compliance:** The intent of this plan is to stimulate all participating faculty to produce income that can be used to support faculty salaries. In order for this plan to be successful, it is necessary for each faculty member to request, on all grant proposals, an allotment for faculty salary consistent with the percentage of professional effort to be devoted to the project. Exceptions will be made if the sponsor has a published limitation on the amount of faculty salary that can be requested. Once awarded, it is expected that all funds originally budgeted and subsequently awarded for faculty salary support (less a proportionate share of any across-the-board cuts made by the sponsor) will be used for this purpose. At fiscal year end and before incentive calculations are finalized, it is expected that grant deficits are covered.

**Policy Background:** The School of Medicine has a reward system for basic science faculty based upon the generation of income which can serve to offset the amount of institutional (state) funds required for faculty salary support. This plan provides an incentive for participating faculty to provide increased amounts of faculty salary support from grants or other sources of income such as consulting agreements.

### **Related Policies**

School of Medicine Policy and Guidelines Regarding Professional Fees Charged to Law Firms  
<http://www.healthsystem.virginia.edu/internet/som-fhbook/updates.cfm>

External Consulting and Professional Activities  
[https://www.healthsystem.virginia.edu/opr/manuals/som/External-Consulting-and-Professional-Activities-REV-\(Nov-2007\).pdf](https://www.healthsystem.virginia.edu/opr/manuals/som/External-Consulting-and-Professional-Activities-REV-(Nov-2007).pdf)

Salary Support Expectations for Faculty  
[https://www.healthsystem.virginia.edu/opr/manuals/som/Salary-Support-Expectations-for-Faculty-\(3-13-07\).pdf](https://www.healthsystem.virginia.edu/opr/manuals/som/Salary-Support-Expectations-for-Faculty-(3-13-07).pdf)

Salary Adjustment  
<https://www.healthsystem.virginia.edu/opr/manuals/som/Salary-Adjustment-May-2007.pdf>

**Next scheduled review:** 7/1/2010

### **Revision history:**

Revised 2/1/2000; 7/1/2004, 7/1/06, 8/21/06, 5/15/07; 7/1/08