Faculty Incentive Pay Plan Agreement

The incentive pay plan allows payment of additional compensation from funds generated from external funding sources through recovery of base salary. For faculty to qualify for incentive compensation, the external sponsor must provide the maximum F&A allowed by the sponsor’s formal policy. Incentive compensation may not exceed 50% of the amount recovered. Salary recovery funds shall be allocated as follows:

A. To the department to compensate for costs incurred in replacing the faculty member’s contributions to the department. Please specify the amount for temporary instruction in block A1 below and other departmental needs in block A2 below.

B. To incentive compensation. Negotiate an equitable incentive compensation percentage with the caveat that Items A and B cannot exceed the amount of salary recovery. Please specify this percentage in block B below.

Salary recovery funds left after faculty replacement costs and incentive compensation remain with the department for its discretionary use. This amount cannot be calculated until the precise amount of salary recovery for the semester is known.

To request payment following each semester, faculty must submit an incentive pay request form (to be developed using earnings code 082 and object code 1265,) attach a copy of their effort certification form to document their effort on the sponsored project, and attach a copy of this agreement.

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<th>Faculty Name</th>
<th>Chair Name</th>
<th>Department Name</th>
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A. Department Share of Recovery per Semester (Off-The-Top)
The off-the-top department share must be adequate to cover the costs incurred by the department.

1. Faculty Replacement Costs (Temporary Instruction) $__________
2. Other Departmental Needs $__________

B. Faculty Incentive Percentage of Recovery (50% max) %

Comments (such as course load or other assigned activities):

This agreement will be negotiated between faculty and chair/dean every one to three years.

Term: Valid for fiscal year(s) July 1, ______ through June 30, ______.