

**The University of Memphis  
POLICIES**

REXXXX: Faculty Teaching Buyout Policy  
**Issued:** XX/XX/2021

**Responsible Official:** Executive Vice President for Research & Innovation  
**Responsible Office:** Office of Research Support

**Policy Statement**

Teaching Buyout is a non-guaranteed workload modification for faculty members based upon annual contracted salary recovery from extramural grant-funded projects.

**Purpose**

To balance faculty's allocation of time to meet commitments from extramural grants commensurate with annual contracted percentage effort funded by the grant; and to align the faculty workload with sustained research productivity and scholarly activities supported by funded grants.

**Definitions**

**Faculty**

All faculty (including tenured, tenure-track, non-tenure track/clinical/research/instructors), whose annual contracted salaries are base budgeted in the University will qualify for Teaching Buyout.

**Teaching Buyout**

A non-guaranteed workload modification that reduces faculty teaching obligations based on annual contracted salary recovery.

**Salary Recovery**

The unobligated amount of university salary budget attributable to externally-funded effort.

**Facilities and Administration Cost (F&A) Rate**

A composite rate applied to sponsored agreements as a percentage of the sponsored agreement's direct costs. The federally negotiated indirect cost rates for instruction, organized research, and other sponsored activities that are developed by the University in accordance with the Office of Management and Budget and the Federal Acquisition Regulation, and negotiated with the Department of Health and Human Services, Division of Cost Allocation, the University's federal cognizant audit agency.

**Procedures**

1. The following formulas can be applied by Chairs and Deans to decide salary recovery toward percentage of effort for buying out courses:

**Option 1:** A workload modification that reduces faculty teaching obligations by one course based on 12.5% salary recovery during the contracted year. If the faculty teaches more than eight courses per year, the percentage for a one course reduction is equal to the percentage of teaching effort represented by one course, e.g., 10% for 10 courses per year.

**Option 2:** A workload modification that reduces faculty teaching obligations by one course based on the number of courses assigned to the faculty divided by percentage efforts allocated to their teaching during the academic or calendar year, under a department- or college-wide workload policy. For example, a full-time 9-month contracted faculty member with a six-course teaching load and 60% effort allocation toward teaching in an academic year would need to provide 10% of 9-month base salary (plus associated fringe benefits) for each course buyout. In no case should the percentage of effort required for a faculty member to qualify for Teaching Buyout exceed 12.5%

**2. Faculty seeking Teaching Buyout must:**

- a. Obtain external funding for their base salary that meets one of the two options applied by their Chair as a salary recovery for buying out a course.
- b. Communicate teaching plans to their chair as soon as possible or at least two months prior to the start of the affected course.
- c. Meet or exceed all other expectations related to their faculty roles.

**3. Chairs wishing to deny Teaching Buyout must:**

- a. Write a memo to the appropriate Dean explaining the rationale for denying Teaching Buyout and explaining how the commitments to the external sponsor can be met in the absence of Teaching Buyout or why the external sponsor agreement should be voided.
- b. Receive written approval from the Dean for denying Teaching Buyout.
- c. Provide a copy of the memo and Dean's decision to the faculty member.

**Proposal/Award**

Teaching Buyout encourages faculty to request sponsor funding for the total cost of the project. Cost sharing by the University requires agreement from University administration. To be eligible for Teaching Buyout, the external sponsor must provide funding toward faculty base salary and benefits along with allowable F&A rate during the academic year.

**Effort Certification**

Faculty must complete an effort certification to document work on the sponsored project. Failure to complete a timely effort certification and comply with B4010 Certification of Effort nullifies the Teaching Buyout, and the affected course(s) will be added to the faculty's prospective workload.

**Limitations/Restrictions:**

1. Faculty Teaching Buyouts will not be contingent upon the F&A rates of individual grants.

Teaching Buyout must be applied to faculty teaching effort before other efforts (e.g., research or service).

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3. Teaching Buyout is approved by default unless there is no option for teaching a particular required course. In those cases, the Chair should negotiate with the faculty member and reduce efforts in other areas, such as administration, service, or advising.
4. Faculty teaching workload may be reduced to 0% in accord with the Teaching Buyout procedure.
5. In the exceptional case that the percentage salary recovery for buying out a course is less than the cost of hiring a replacement instructor, the percentage salary recovery for buyout of a course should be set at the replacement instruction cost.
6. Teaching Buyout may be applied up to the maximum externally-funded effort for a faculty member (see point 7).
7. Tenure-track faculty are limited to 90% funded effort during the academic year. Non-tenure-track faculty may have 100% funded effort if they have no conflict of commitments.
8. Faculty are allowed to receive both Incentive Compensation and Teaching Buyout simultaneously. However, incentive compensation is covered by a separate policy: RE7006 - Faculty Incentive Compensation.

**Commented [AMO(1)]:** Questions raised  
 -Can extra compensation be provided if buyout is not possible because no one can replace faculty?

**Roles and Responsibilities**

**Principal Investigator/Program Director**

1. Comply with BF4010 Certification of Effort and BF4018 Sponsored Agreement Cost Sharing.
2. Complete sponsored agreements within the allocated budget.

**Department Chairs/Directors**

1. Track Teaching Buyout available to faculty.
2. Plan and communicate with faculty to facilitate Teaching Buyout.

**Deans**

1. Review requests from Chairs to deny Teaching Buyout as needed.

**Links**

**UofM Effort Certification Policy**

<https://memphis.policytech.com/dotNet/documents/?docid=308>

**Revision Dates**

REXXXX– revised XXXX

**Subject Areas:**

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
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**Commented [AMO(2)]:** How can chairs get good reporting of whether faculty actually have buyout? Can grants accounting provide this, or should we just trust the faculty and then reverse the buyout if their effort reporting shows they didn't actually merit it?

