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FACULTY RESEARCH INCENTIVE PLAN

Introduction

As part of the Strategic Plan goal of recruiting and retaining top people, budget centers at the University can implement compensation plans for specific groups of employees to recognize unique business demands, performance metrics, recruiting and compensation markets and incentive opportunities inherent by those groups of employees. These plans are intended to fulfill Clemson's compensation philosophy by more closely tying compensation to the appropriate markets and more closely linking performance-based compensation to performance.

These Performance-based Compensation Plans will be governed by Clemson University's Compensation Policy and Guidelines and are a component of Clemson's overall Compensation Plan.

Four Guiding Principles for Performance-based Compensation Plans:

1. Employees participating in these plans are supporting the University's strategic objectives, and, as such, the overall administration of this plan must occur in the broader context of the financial condition of the University and its work force.
2. Performance-based compensation plans tie one-time, lump-sum bonuses directly to an employee's performance as measured by economic benefit provided to Clemson University. Unlike a traditional bonus plan, these plans segregate a portion of compensation to allow each employee's total compensation to more closely correlate to the employee's overall value provided to the University.
3. The plan is based upon the principle that incentive awards should be provided for the accomplishment of defined, aggressive objectives, rather than for the accomplishment of an expected level of quality performance and overall managerial responsibilities. Performance targets are to be set at levels that are achievable yet aggressive enough to cause participants to "stretch" to attain or surpass the target.
4. The plan maintains the University's core values of integrity, transparency, accountability, and professional competence as prerequisites to the long-term success of the University and crucial to sustaining a high level of trust and credibility with key stakeholders.

Performance-based Compensation (Customized Pay) Plans

The purposes of these plans are:

1. To improve performance of Budget Center/Departments who create the plans.
2. To improve the individual performance of each plan participant.
3. To competitively reward and retain plan participants.
4. To establish and maintain a performance-based compensation vehicle that has the flexibility to respond to changing economic conditions.

These plans will recognize that participants are employees of Clemson University and that no actions will be taken in the administration of the plan that are prohibited by university policy or guidelines. These plans also recognize that a high-level of consistency in the approach and collaboration with other affiliated organizations of the University is important in providing incentives and maintaining morale among staff accomplishing similar objectives for various units of the University.

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The plan must include the following elements:

- Eligibility criteria (including participation in other plans).
- Performance measures.
- Goal setting and payout opportunities.
- Performance evaluation.
- Funding.
- Plan Administration.

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1. PURPOSE

The Faculty Research Incentive Plan aligns with the performance-based compensation guidelines by rewarding our top performing research active faculty. The goal of the incentive plan is to drive university research performance related to the strategic priorities outlined in the Strategic Plan by rewarding exceptionally productive, research active faculty who have available and allowable external designated funding to charge their academic year time appropriately based on actual effort. This plan supports Operational Excellence as a no cost, sustainable compensation program that provides direct benefit to the University through the recovered non-appropriated Education and General (E&G) and Public Services and Agriculture (PSA) resources that can then be reinvested in the academic and research enterprise. Please note that the University Compensation Guidelines state incentive compensation and performance-based pay are one-time payments not included in base pay and we will not pay additional compensation from state-appropriated funds per state law.

2. PLAN ADMINISTRATION, ELIGIBILITY & DISTRIBUTION

The plan addresses faculty that has non-appropriated E&G or PSA funded institutional base salary eligible to charge to externally funded research projects that includes research grants and gifts, excluding designated endowed chairs and professorships and Intergovernmental (Federal) Personnel Agreements (IPA) is based on effort performed and charged in accomplishing project goals and activities on research designated funding (excludes fund 10-19). The appropriately charged salary on externally funded research projects results in salary recovery of non-appropriated E&G and/or PSA funds that can be used to incentivize faculty through compensation and directly benefit the institution by providing resources to re-invest in research or teaching activities. Salary recovery funds are pooled centrally at the College Dean's Office level. Research salary recovery is considered *separate* from a course release/buyout. A buyout or course release specifically reduces teaching workload, while the research grant salary recovery assumes full teaching load, as defined by the department chair per the departmental Tenure Promotion & Review (TPR) guidelines. Eligible faculty will first recover salary from the research block if this block of time is currently funded through non-appropriated E&G resources. The recovered salary enables the one-time incentive bonus which shall not exceed 30% of the participating faculty member's Institutional Base Salary (IBS), related policies:

Institutional Base Salary (IBS):

http://media.clemson.edu/research/policies/final/2.0.4.2_InstitBaseSalary.pdf

Incentive payments cannot exceed 30% of a participating faculty's institutional base salary per the faculty manual. (*Faculty Manual v.21/2021 p.71 – Chapter VI | 2. Dual Employment and Overload Compensation*)

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2.1 ELIGIBILITY

This plan applies to eligible, participating tenure track faculty that meet the necessary requirements prior to the start of the academic year or fall semester. Participants must maintain and adhere to all eligibility criteria throughout the plan year. **Eligible faculty must meet the following requirements:**

- Full-time, tenured or tenure track faculty member employed by the university throughout the plan year and at the time that the incentive payment will be made.
- Faculty member must have received “good” or better annual review ratings in each of the past 3 years.
- Faculty member must be up to date on the annual required compliance training requirements prior to and throughout the targeted participation year.
- Faculty member must have academic year base salary funded from non-appropriated E&G or PSA resources.
- Administrative faculty must have their immediate supervisor’s approval, based on the criteria listed below in section 2.2 (Plan Administration), to participate in the program. Once approved, the administrative faculty supervisor will initiate the approval process and validate activities needed for participation.

In addition to the listed eligibility requirements, faculty must meet all departmental workload obligations in teaching, research, service, and/or other areas as described in the unit TPR guidelines. They also must have available appropriate external resources to charge academic year salary during the plan year to participate in the program while maintaining a full academic load.

Non-eligible faculty include:

- Faculty members with any disciplinary action within the past year academic year. Faculty who are the subject of an investigation that could lead to disciplinary action, or who are appealing a disciplinary action, may provisionally participate, but they shall not be eligible to receive an incentive payment until and unless the investigation or appeal is resolved in their favor.
- Faculty members who have documented compliance related sanctions within the past 3 years.
- Faculty with a fair, marginal, or unsatisfactory annual review ratings within the past 3 years.
- Faculty members who are on part- or full-time sabbatical during the plan year. Faculty members may be on sabbatical at the time of the compensation plan payout, which happens in the subsequent fiscal year.

Special faculty ranks including research faculty, lecturers, clinical faculty, instructors, post-docs, and professors of practices, are also not eligible to participate during this initial phase of the plan.

2.2 PLAN ADMINISTRATION

Participation in the incentive plan is optional. Faculty may opt-in to the plan through the submission of an expression of intent (EOI) form during the plan announcement period, this will be done through an official call that will occur in the October/November timeframe, annually. Expressions of Intent will be submitted in the following order:

1. Department Chair for review and approval to ensure the academic obligations and goals of the



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faculty member are met. (For Administrative faculty, the immediate supervisor shall initiate the approval and validation of activities related to their job duties).

- Release time from faculty workload utilized for cost share must be documented annually and taken into consideration for plan approval.
- 2. Director of Grants & Contracts or official designee for funding resources, project effort verification, and review of compliance-related items (late progress reports or sponsor-related performance concerns).
- 3. Dean's Office, which may be delegated to the Associate Dean for Research. College Business Officer should jointly review to make sure financial assumptions are correct and resource estimations are appropriate.
- 4. Provost's Office, which may be the Associate Provost for Faculty Affairs or official designee.
- 5. Office of Human Resources for review and final processing.

Participating faculty are responsible for the appropriate budgeting and certification of the percentage effort charged directly to externally funded research projects. Participating faculty must meet and maintain the following requirements in the previous fiscal and current academic year to apply for the incentive plan:

- Must have met teaching obligations, certified by your department chair for previous Academic Year (AY).
- Must have met research and service obligations as outlined in your annual plan.
- Must have workload budgeted within the fiscal year that the incentive plan is proposed.
- Must have Institutional Base Salary fully or partially funded from non-appropriated Education and General (E&G) resources or Public Service and Agriculture (PSA) funds.
- Must meet federal compliance, effort reporting requirement, and sponsor(s) terms and conditions with final approval/verification from the Grants and Contracts Administration.
- Must have available external resources to charge academic year salary during the plan year to participate in the program while maintaining a full faculty load.
- Grants and contracts must be active as of October 1 at the time the Expression of Intent (EOI) form is submitted. Potential awards should not be included.

Upon certification and reconciliation of the active plan year, 50% of the salary savings will be distributed to the qualifying faculty member in the form of a one-time bonus, not to exceed 30% of their Institutional Base Salary (IBS). The one-time bonus from salary savings in the previous fiscal year, ending June 30th, based on the Institutional Base Salary as of May 17th of the same fiscal year, will be distributed for payment in the following fiscal and academic year. Lump sum payments do not alter the participating faculty's base salary. **Incentive payments cannot exceed 30% of a participating faculty's institutional base salary per the faculty manual.** (*Faculty Manual v.21/2021 p.71 – Chapter VI I 2. Dual Employment and Overload Compensation*)

College/Department portion: The remaining 50% of salary savings will be distributed in the following fiscal year for investments in the academic and research enterprise. The incentive payment distribution cannot result in a net negative for the institution.

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Pay Distribution Example:	
Institutional Base Salary as of May 17 th in plan year:	\$100,000
Fringe @ FY24 rate of 35.5%:	\$35,500
% Effort Worked and Charged to Grant During Academic Year	10%
Recovered Salary	\$10,000
Recovered Fringe	\$3,550
Total Recovered Salary & Fringe	\$13,550
Distribution:	
50% Incentive Pay to Faculty Member	\$6,775.00
<i>Amount Available After Fringe of 35.5% is accounted for¹:</i>	<i>\$5,000.00</i>
<i>Less Payroll Tax on \$5,000 (36.15% in 2023)</i>	<i>\$1,807.50</i>
Payment to Faculty Member after Payroll Tax & Fringe:	\$3,192.50
50% Return to Department	\$6,775.00

(1) The current fringe rate is 35.5% for FY24, estimated fringe rate for FY25 is 38.2%. Final payment will be calculated on payout fiscal year which will vary slightly from the initial, approved payment.

Contacts:

Office of the Provost:

Michelle Turner, Academic Affairs Personnel Coordinator

kturner@clemsun.edu

2.3 PERFORMANCE MEASURES & EVALUATION

High Performing faculty with significant research awards that meet eligibility described above and move Clemson towards the strategic goal of increasing research expenditures will be allowed to participate in the plan. Research expenditures and annual awards will be the indicators of performance. Participants will be faculty that have research awards that require work activity throughout the year and those that have numerous awards where they must perform research activity during the academic year. Department Chairs will be responsible for research activity metrics and approval for participation.

2.4 FUNDING

The source of funding to support the plan will be paid from non-E&G college research incentive funds for faculty who meet the eligibility requirements specified in section 2.1.

2.5 DEFINITIONS

Tenured/Tenure Track Faculty	Any tenured or tenure track faculty member with the title of Professor, Associate or Assistant Professor which may also include administrative titles such as Dean, Department Chair, Associate Dean or Associate Provost.
E&G Funds	Education and General funds (non- appropriated) provided by tuition to the university. Funds 14 and 15
State Appropriation	State allocated funds. Fund 18



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PSA Funds	Public Service and Agriculture Funds provided by state appropriation. Funds 10 or 12. Only non-appropriated funds may be used to fund participation in this plan.
Institutional Base Salary (IBS)	See IBS policy: http://media.clemson.edu/research/policies/final/2.0.4.2_InstitBaseSalary.pdf
Effort	The amount of time a faculty member dedicates toward activities: teaching, research, service, and/or other areas defined in the unit TPR guidelines.
Externally Funded Research Projects	Externally funded, gifts and competitively awarded grants and contracts qualify for this program. Noncompetitive grants and contracts do not qualify.

2.6 PROCEDURES & TIMING

Plan details will be announced annually by the Office of the Provost in October to maintain alignment with the University's budget planning process. During this time, faculty interested in participating must complete an Expression of Intent (EOI) form. In addition to personnel/employment information, the EOI will require the following for review and approval:

1. Percentage of time charged to all funding sources. Work effort must be accounted for appropriately.
2. Project information for the external project.
3. Salary and fringe benefits budgeted on the stated grant.
4. A copy of the project budget listed in Interfolio must accompany the request.
5. Validated annual workload approved by your department chair for the academic year.

Review of the EOI form will include certification of the stated information and general eligibility requirements documented in section III. EOI will require approvals at the Department level, Grants & Contracts, Dean and Provost's Office levels.

General Timeline for Submission ¹ :	
October 1	Call for Expression of Intent (EOI) Initiated
October 31	Expression of Intent Due
November 30	Reviews by department chair, dean, business officer and college staff submitted to Grants and Contracts Administration (GCA)
January 15	Reviews by GCA staff submitted to Office of the Provost for Final Approval
January 31	Review by Office of the Provost and Vice-President for Research completed
March 31	Approval/Denial letters sent to faculty to take effect August 15 th of same year. for 9MO contract and July 1 st of same year for 12MO contract faculty.
November 1 (following year)	Payment of incentive will occur in October of the next fiscal year after the close of the previous academic and fiscal year once workload obligations have been met and certified by the department chair, dean, Office of the Provost, Office of the VP for Research and GCA.

(1) Timeline may be adjusted upon implementation with at least seven days' written notice to participants. The timeline above is general guidance when activities should happen.



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Plan year will begin on August 15th and end May 15th each academic year for nine-month faculty and the plan year will begin July 1st and end June 30th for twelve-month faculty. During the plan year, faculty salary and fringe benefits costs will be charged directly to the external sponsored research project as outlined on the EOI, resulting in salary and fringe benefits savings of E&G or PSA funds. Faculty must participate for the full plan year, ending May 15th, for nine-month faculty, or June 30th for twelve-month faculty to qualify for incentive payment. Participants in the plan must be actively employed or on an approved leave of absence at the time the incentive payments are distributed. The recovered salary and fringe benefits are held in a central college-level pool during the plan year. These funds will be certified through a reconciliation of the active plan year before payment and distributions are made. Recovered funds will be held in reserve to be distributed in the following fiscal year to allow time for reconciliation and certification of the active plan year.

NOTE: Distribution of funds in the form of one-time incentive payment to eligible faculty will be allocated from non- state appropriated funds only.

3. **PUBLISHED LOCATION:** The Faculty Research Incentive Plan information, documentation, and frequently asked questions will be published on the Provost's Office Faculty Affairs webpage:
<https://www.clemson.edu/provost/faculty-affairs/>

4. APPROVAL & REVISION HISTORY

- 4.1. Board of Trustees Approval: October 21, 2022 – Compensation Committee Meeting.
- 4.2. Originally Issued: January 31, 2023.
- 4.3. Revision Date: April 10, 2023, to include reference to Institutional Base Salary (IBS) replacing. "Academic year salary" per Payroll and Grants & Contracts compliance guidance.
- 4.4. Revision Date: May 3, 2023, to include reference to Business Officer role in funding approvals and Includes payroll tax information and reference.
- 4.5. Revision Date: June 26, 2023, to clarify that Grants and Contracts must be active October 1 prior to the submission of the Expression of Intent form.
- 4.6. Revision Date: February 6, 2024, to clarify that the payout fringe rate will vary from the initial, calculated fringe rate listed in the example and EOI form.

Originally Issued Date: January 31, 2023