

# Auburn University Scholarship Incentive Program (SIP) Implementation Guidelines

## THE GOALS OF SIP:

The major goals of SIP continue to be: 1) Providing financial incentives to those with extraordinary efforts to increase extramural funding, as reflected in the budgeting of the faculty salary; 2) Rewarding productive faculty without additional departmental, college or university resources; and 3) Providing one additional tool for recruiting and retention of top talents at AU.

## ELIGIBILITY REQUIREMENTS:

The following guidelines must be adhered to in order to be eligible for an incentive payment under the Scholarship Incentive Program.

### Faculty

1. The participant must be a full time faculty member whose institutional base salary must have been budgeted on base budget, professional fees or endowment earnings and had a portion of his/her salary paid from an externally-sponsored project in order to generate salary savings.
2. Faculty members who are hired during a fiscal year may be eligible for SIP for a maximum of 20% of the prorated institutional base salary from the date of hire. Except due to retirement, faculty members must be employed at the time the incentive is paid, regardless of when the incentive is earned.
3. If the participant's institutional base salary is budgeted less than 100% on base budget, professional fees or endowment earnings, that portion not budgeted must be accommodated by externally-sponsored funds first before the participant will be eligible to receive a Scholarship Incentive payment.

### Sponsored Programs

1. Externally-sponsored project budgets must be processed through the Office of Sponsored Programs, include the maximum allowable overhead (F&A) and must not contain voluntary cost share.
2. IPA Agreements, paid sabbaticals, or Federal Appropriations (e.g. Hatch, Smith Lever, McIntire Stennis) are not eligible sponsored projects for the purposes of generating salary savings under the Scholarship Incentive Program Policy.
3. An annual cumulative minimum total of \$100,000 in eligible sponsored projects per fiscal year is required in order to participate in the Scholarship Incentive Program. The maximum percentage of SIP eligibility is based on the total dollar amount of sponsored projects as detailed below in the Table:

Total grant/contract awards	Payment Percentage	Total grant/contract awards	Payment Percentage
\$99,999 or less	Not eligible		
\$100,000-\$149,999	5%	\$200,000-\$249,999	15%
\$150,000-\$199,999	10%	\$250,000 or more	20%

Credit for sponsored projects will be averaged over the life of the original sponsor-approved project dates. For example, when the duration of a \$400,000 award is three years, \$133,333 will be counted in each of the three project years. If an award is reduced or terminated before the completion of the project, the credit will be reduced accordingly. For collaborative projects involving multiple institutions, the dollar amount eligible for the incentive calculation are only those coming to Auburn University. For sponsored projects with multiple investigators, the incentive calculation will be divided among investigators as mutually agreed upon among investigators prior to submission of the SIP payment request, with the total not to exceed the total award.

## **PAYMENT:**

The following guidelines are minimum recommendations used to calculate the incentive payment under the Scholarship Incentive Program. Each college/school participating in the Scholarship Incentive Program should evaluate current internal implementation guidelines to meet these minimum guidelines.

A dean or department head/chair may utilize salary savings for purposes other than Scholarship Incentive Program payments. For example, funds used to relieve the faculty of assigned duties (e.g., instructional duties) may be subtracted from the SIP payment.

1. The eligible amount for Scholarship Incentive payments will be based upon salary savings generated from approved sponsored projects between October 1 and September 30, up to the maximum percentage of SIP eligibility based on the total dollar amount of contracts and grants (see Table above).
2. Within the eligible amount for Scholarship Incentive payments, the actual Scholarship Incentive payment will be subject to the availability of unrestricted funds held by the faculty member and must include the applicable AU Fixed Fringe Benefit rate.
3. On or before November 30, Scholarship Incentive payment requests approved by the participant, the appropriate department head or chair, and the appropriate dean will be provided to the Provost Office for verification and approval. Any request not received by close of business on November 30 will be automatically denied.
4. Scholarship Incentive payment requests consist of the completed SIP Request for Payment form and backup evidence which may include evidence of new award, salary wage transfers, etc. Scholarship Incentive payments will be approved on or before January 31 of the fiscal year following the fiscal year in which the salary savings were generated.
5. The appropriate personnel for the participant's time keeping location will process the required EPAF for approval on or before the payroll deadlines established for the February 28 pay date.