

Montana Tech University Policy

Subject:

Research and Public Service

Policy:

Policy on Research Buyout

Revised:

October 25, 2022

Effective date:

January 1, 2023

Review date:

January 1, 2025

Responsible Party:

Research Office

Introduction and Purpose:

Research and external grant funding are important activities for the overall academic and financial health of Montana Tech. The University encourages and supports these activities while consistently adhering to federal and state guidelines and regulations. In order to provide the incentives to continue the pursuit of externally funded projects, this policy outlines an incentive compensation structure to provide supplemental compensation for faculty engaged in externally funded research activities. This policy is an update to the incentive compensation portion of the related campus policy issued on May 3, 2021. The prior policy defined the institutional base salary (IBS) that is used on external grants to be consistent with federal statute (CFR 200.430). This definition of the IBS remains unchanged from the May 3, 2021 policy.

The scope of this document is to describe incentive compensation that originates from funds from external grants, a.k.a. Research Buyout. Although other forms of overload compensation are possible in limited circumstances (see, e.g. Section 10.4 of the Collective Bargaining Agreement (CBA)), they are beyond the scope of this document.

This policy differentiates how funds are handled when they originate from competitive vs. non-competitive external funding sources. Whereas both require faculty time for performing research, competitively-awarded grants require considerably more time for proposal preparation with a lower success rate that often necessitates multiple submissions. For the purposes of this document, competitively-awarded projects are defined as those that have undergone an external review process at a regional or national level. Research funds that originate from federal appropriations, non-

competitive State competitions, internal awards, IDC accounts, or non-competitive industrial sponsorship are considered non-competitive awards for the purpose of this document.

This update clarifies who manages the funds released through salary savings, and the mechanism by which they will be reinvested in the faculty and academic programs.

Policy:

1. Incentive compensation for research buyout is to promote the pursuit of research projects
2. The source of funds for the incentive compensation is the portion of the faculty IBS amount that is paid by sources other than Montana Tech unrestricted funds
3. Research Buyouts are available for Fall and Spring Semester only
4. Buyouts are based on the IBS of the individual faculty member, using a 15-course hour basis per semester as full-time employment
5. Incentive Payments for the academic year will be made prior to the start of the Summer Semester.
6. The number of course hours for Buyout must be approved by the Department Head and academic Dean, such that the ability to teach courses is not compromised. The Colleges may set more stringent Buyout policies.

Distribution of funds and salary savings:

The Salary Savings is defined as the difference between the IBS rate for the faculty generating the buyout less the IBS rate for the replacement instructor. It will be distributed as follows:

- a. For non-competitively-funded grants, 1/2 of the Salary Savings will be paid to the faculty member generating the buyout as an incentive payment
- b. For competitively-funded grants, 100% of the Salary will be returned to the faculty member generating the buyout as an incentive payment
- c. Any balance on the Salary Savings will be set aside in a faculty incentive account maintained by the Provost.

Special case:

Faculty that have the ability and capacity to secure more than 40% of their academic year salary, in addition to 2 months summer salary, on grants or contracts, are eligible for negotiation of alternate distribution of the salary savings, and this will be negotiated with the Chancellor and Vice Chancellors on a case-by-case basis.

Procedures:

Prior to the start of the academic semester, a faculty member with funds available for buyout will submit a formal request to their Department Head and Dean for approval. This request will include:

- Total course hours to be included in the Buyout
- Grant or sponsored source to fund the Buyout
- Suggested name of replacement instructor or adjunct

The Director of the Office of Sponsored Programs will:

- Verify the availability of funds on the identified sponsored source
- Determine whether the source is considered competitive or non-competitive in consultation with the Vice Chancellor of Research.
- Any appeals to the determination of competitive / non-competitive award will be referred to the Research Advisory Committee

Internal control considerations, if applicable:

Faculty compensation for Federal Awards will be at the Institutional Base Salary (IBS), as defined by the relevant statute governing cost principles on federal awards ([CFR 200, Part 200.430, paragraph \(h\)\(2\)](#)). Specifically "IBS is defined as the annual compensation paid by an Institution of Higher Education for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE.

This policy is compliant with Extra Service Pay Considerations of the same above federal statute ([CFR 200, Part 200.430, paragraph \(h\)\(4\)](#)).



Adopted by: (Chancellor)

12/9/22

Date