

University of Pittsburgh School of Medicine,

Research Incentive Plan

Effective July 1, 2015

As a means of encouraging active participation in competing for extramural support for research projects, the School of Medicine has developed guidelines for an incentive plan (the "Plan") for full-time faculty in the School of Medicine. The Plan permits, within limits under the Plan, a choice between a salary supplement or the establishment of research incentive funds (such supplement or funds referred to here individually as an "incentive") to eligible principal investigators who have been awarded a competitive research grant or contract from outside funding sources and, according to the Plan, who have earned a right to the incentive. The Plan is not a contract and is subject to change, with or without notice, at the University's sole discretion.

The University has developed these guidelines for the administration of the Plan. The rules set forth here are universal to all of the departments or major institutes or centers, (hereinafter "Department(s)") within the School of Medicine

The guidelines are as follows:

1. Participation is limited to full-time faculty with primary appointments in the School of Medicine.
2. The award must designate the University of Pittsburgh as the awardee organization and must be assigned to one of the departments, or major institutes, in the School of Medicine to be eligible. Awards processed through other schools of the University, or organizations affiliated with the University, do not qualify.
3. Grants for which salary is cost shared are not eligible awards (except for cases where the cost sharing is mandated because the individual's salary exceeds the NIH salary cap). The investigator or investigators on a grant must match their percent of University salary on the grant with the percent effort on the grant to be eligible for the research incentive.
4. A principal investigator who meets the eligibility requirements as outlined below will earn an incentive equivalent to 10% of the actual indirect cost recovery by his or her qualifying competitively awarded research grants in the University during the fiscal year, up to the cap set forth in item 7, below. The actual indirect cost recovery is defined as the total indirect costs generated minus the DLAR holdback imposed by the School of Medicine. Within the period specified herein, the principal investigator may elect to receive the incentive as either an annual direct incentive payment, or choose to retain the funds in a research incentive fund (also, sometimes known as a restricted account for research expenses). In either case, the election must be irrevocable when made and must be made in writing to the department chair and delivered prior to the first day of the fiscal

year. An election will remain in effect for the entire fiscal year. Prior to the commencement of each subsequent fiscal year, a new written election, irrevocable for the following fiscal year, must be submitted or the default method of payment will be an annual direct incentive payment.

In order to allow for necessary recordkeeping and accounting reconciliation and reporting, an investigator shall not have any earned, or vested, interest in an incentive (neither salary supplement nor research incentive funds) until the sixtieth (60th) day after the fiscal year (August 29th). They must be actively working full-time for the University on this earned date in order to be eligible under the Plan. Moreover, an investigator shall never have any earned or vested interest in research incentive funds which shall remain subject to use only for eligible research expenses and no part thereof are permitted to be paid or converted to salary or other reimbursements to an investigator.

For investigators who have elected to receive a direct incentive payment, that payment shall be included with their October pay. For investigators who have elected to receive an allocation of research incentive funds, that allocation shall be made and an account funded by October 31.

Eligibility Requirements:

- Faculty must have at least \$50,000 and at least 75% of their University annual base salary charged to research grants in the fiscal year to be eligible for a research incentive.
 - Faculty who have at least \$50,000 and between 70% and 75% of their annual base salary charged to research grants in a fiscal year will be eligible for a research incentive of 5% of the actual indirect cost recovery during the fiscal year subject to the cap set forth in item 7.
5. When there are co-investigators, the incentive supplement will be paid or allocated to each in accordance with an agreed upon proportion of the incentive amount, subject to the eligibility requirements outlined in item 4 above. Co-investigators may make differing elections as to the type of incentive under item 4 above and need not both receive salary supplement or both receive research incentive fund allocations. In all cases, there will be signed agreements by the parties defining the distribution share of the incentive payment. The agreement must be approved in advance by the respective department chair (or, in the case of multiple departments, the Dean) prior to the submission of the application for the grant or contract. If there are any unsettled disputes concerning the distribution share, the department chair shall adjudicate the differences. If disputes arise between departments, the Dean will adjudicate the differences.
 6. All research incentives will be paid (or, in the case of research incentive funds managed) through the faculty member's primary department. Organizational units responsible for funding the research incentive will pay the incentive amount to the faculty member's primary department, including any fringe benefit amount.
 7. This incentive is limited to a \$50,000 cap annually per investigator which includes all grants and/or contracts.

8. All faculty receiving training grants will receive an amount equal to 30% of the indirect cost recovery.
9. Incentive plans for department chairs and institute and center directors will be individually negotiated, and may or may not include a research incentive. If any individually negotiated research incentive is included, a cap will be specified, but will be no higher than \$50,000, and the terms for earning and payment of such research incentive shall be consistent with those guidelines outlined in item 4 above.
10. A principal investigator for a designated project of a program project grant (PO1 or similar grants) will share in the incentive as appropriate to their separately budgeted project. In these cases, the terms for earning and payment of such incentive shall be consistent with those guidelines outlined in item 4 above. If there is more than one principal investigator for a designated project, the share attributed to the project will be distributed according to an agreed upon proportion as described in item 5 above.
11. While it is desirable for all departments to participate in the Plan, a department may apply to opt out if the department finances are such that the Chair believes the department cannot afford to have this incentive plan. A department cannot, however, have a different research incentive plan. This Plan is intended to be the standard research incentive plan for the school. The approval of the Dean is required for a department not to participate.
12. In certain cases of departmental financial hardship, departments may request funding on a temporary basis to support the research incentive program. The Dean will consider requests on a case by case basis.
13. Any exceptions to these guidelines must be approved by the Chair of the Department and the Dean of the School of Medicine; provided, however, there shall be no exceptions to those portions of item 4 above relating to earning (vesting) and payment of research incentives (including, but not limited to, that no exceptions to the requirement that a faculty member must be actively working for the University as of the earned date in order to get a distribution or allocation).