

Faculty Incentive Plan  
TAES/UT Extension Procedures

1. Faculty Incentive Plan Application – The Faculty Incentive Plan application must be submitted to the Dean’s office with the proposal documents prior to the beginning date of the grant.

2. Distribution of Salary Savings – Salary savings generated from FIP grants or contracts will be distributed as follows:

PI (bonus)	up to 50%
TAES/Extension Service	25%
Department Budget	25%

3. E Account Budget Revisions – The current fiscal year’s prorated salary savings (75%) will be removed from the department’s E account budget at the beginning of the grant period and/or the beginning of the fiscal year (for multi-year grants) and held centrally for payment of the bonus.

4. Personnel Information Forms (PIF) – It is the responsibility of the department to prepare and process a PIF in accordance with the grant or contract budget, to correctly charge the salaries to the WBS element (R account).

5. Bonus Payment – The bonus, based on the eligible salary from the prior fiscal year (period ending 6/30), will be paid annually in November. The PI will be eligible to receive payment for Incentive plan. The amount of the bonus will be based on the salary savings prorated to the previous fiscal year.

6. PI Termination – If a PI terminates before the bonus payment date is reached, he/she will not be eligible to receive the bonus for that year. If a PI retires, he/she should contact the appropriate Dean’s office to determine their eligibility for the bonus payment.

**Faculty Incentive Plan Example**

PI Jones Base Salary: \$66,667      Salary Paid by Grant (all years): \$30,000

% of Base Salary Paid by Grant per year 15% Grant Period: 10/1/02 – 9/30/05

**Allocation of Budget Revision and Bonus by Fiscal Year**

<u>Fiscal Year</u>	<u>Budget Revision</u>	<u>Bonus Paid</u>	<u>Pay Date</u>
10/1/02 – 6/30/03 (9mos)	5,625.00	3,750.00	11/2003
07/1/03 – 6/30/04	7,500.00	5,000.00	11/2004
07/1/04 – 6/30/05	7,500.00	5,000.00	11/2005
07/1/05 – 6/30/06 (3mos)	1,875.00	1,250.00	11/2006
 Total Bonus Paid		 15,000.00	