

Montana Tech University Policy

Subject:

Research and Public Service

Policy:

Policy on Research Buyout

Revised:

November 30, 2021

Effective date:

January 1, 2022 with retroactive implementation for Academic Year 2022

Review date:

January 1, 2023

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.

The update to this policy is designed to differentiate 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 considerable 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.

Policy:

The following items are carried forward from the previous policy, issued May 3, 2021:

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

The following are modifications to the May 2021 policy:

1. 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 number of course hours taught by the faculty should not drop below the minimum hours expected by the unit, or specified by the Collective Bargaining Agreement and/or Faculty Staff Handbook. The Colleges may set more stringent Buyout policies.
2. For non-competitively-funded grants, the total salary savings to Montana Tech are divided as defined in the previous policy, namely:
 - a. 2/3 of the Buyout to be retained by Montana Tech for use in employing adjunct faculty and administrative expenses
 - b. 1/3 of the Buyout to be paid to the research faculty member as an incentive payment
 - c. Any residual funds from the program not used by Montana Tech as direct support or as payment to the faculty member will be reinvested in the faculty
3. For competitively-funded grants, the total salary savings to Montana Tech will be returned fully to the faculty.
 - a. 100% of the Buyout will be returned to the research faculty member as an incentive payment
 - b. Expenses related to employing adjunct faculty will be paid by the Research Office, through Indirect Cost Recovery
4. Previously requested Buyouts for AY22 will be retroactively applied under this policy, when it benefits the faculty.

Procedures:

Prior to the start of the academic semester, a faculty member 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 portion of the faculty salary for the semester

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)

12/14/21
Date