

UADA Policy 435.2
Faculty Salary Funding Incentive (FSFI) Plan
(EFFECTIVE JULY 1, 2025)

Purpose

The purpose of the FSFI Plan is to enhance the quantity and quality of the Division of Agriculture's programs by increasing the level of extramural funding. The mechanism for doing so is to provide an annual incentive payment to faculty who are effective in securing extramural funding for their salary. Associated benefits will include 1) retention and employment of faculty who can compete effectively for extramural funding, and 2) stimulation of scholarly activity associated with becoming grant competitive.

Scope

Faculty of the Division of Agriculture, University of Arkansas have the opportunity to participate in a Faculty Salary Funding Incentive Plan (FSFI Plan) which allows cash incentives to faculty who secure funding for their salary from extramural sources. The term faculty refers in this plan to all Agricultural Experiment Station and Cooperative Extension Service faculty, county extension agents, program associates, program technicians, and support unit specialists.

Policy

PROVISIONS

To participate in the plan, a faculty member will include all or a part of his/her base UA salary and fringe benefits in a grant or contract budget. Private funding (i.e., external funds from gifts, in-state commodity organizations, industry and certain state agencies) for any part of the faculty member's salary is prohibited. At the end of each fiscal year, June 30, the salary support for each faculty member will be evaluated to determine eligibility for an incentive payment. If eligible, this incentive payment will be made to the faculty member in accordance with the policy criteria. Such payment(s) will be made either in a lump sum or in multiple payments over consecutive months in such a manner as to assure adherence to all prevailing laws and policies. The payment(s) will be subject to applicable withholding.

CRITERIA

1. The extramural funded salary must be at least 5% of the salary in the fiscal year.
2. The incentive payment will be calculated as 100% of the salary paid by grants, up to a maximum of 25% of the faculty member's annual salary (subject to the conditions in #5). The incentive payment may be further limited by legislated line-item maximum salaries. Such a limit will be identified at the time of the original request (see #5).

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3. The salary support must be approved in advance for participation in this plan (see criterion #5). External funds from gifts, in-state commodity organizations, industry and certain state agencies will not apply. Grants and contracts must include authorization to use funds for faculty salaries.
4. To seek an incentive payment under the plan, a faculty member must submit a Faculty Salary Funding Incentive Plan (FSFI) Approval Form at the time the grant or contract is awarded. Approval by the Department Head/Section Leader and appropriate Senior Associate VP will be contingent upon meeting the criteria and purpose of the plan and upon the faculty member maintaining a high level of productivity.
5. Salary support derived from extramural funds must fully pay all direct costs and appropriate Facilities & Administrative (F&A) costs (commonly referred to as indirect costs or overhead). In cases where the granting agency has uniform F&A rate limits which are lower than our rates, the lower rate will be honored, and in this case, the incentive payment may not be 100% of the salary savings with the approval of the appropriate Senior Associate VP. The faculty member must exhibit satisfactory performance in assigned duties, including the responsibility of providing good fiscal and administrative management of all extramural funds for which he/she is principal investigator and completion of necessary reports in a timely and effective manner.
6. Faculty members and their departments/units cannot receive benefits from both the Faculty Salary Funding Incentive Plan and the Reimbursed Salary Cost programs (for the same award).
7. Modification to the criteria may be implemented in the future as needed. Such modifications will apply to subsequent funding.

Previous versions: November, 2018