



Operating Policy and Procedure

SOM OP: 20.31, Basic Science Department Year -End Incentive Compensation

PURPOSE: The purpose of this School of Medicine (SOM) policy is to establish requirements, limitations, and processes for providing year-end incentive compensation to basic science faculty based upon the total value of extramural grants from the fiscal year.

REVIEW: This SOM Policy and Procedure shall be reviewed within each even-numbered fiscal year by the Executive Associate Dean for Admini

and ending dates of the funding (all in-house funding sources are excluded, i.e., seed grants, start-up funds, etc.). In the event a grant is extended, the award should be pro-rated based upon the newly adjusted end date. The calculation of total grant awards and allowable funds for year-end incentive compensation are determined at the department's discretion within the guidelines of this policy. For audit purposes, the department must appropriately maintain all related documentation. For an example, see the following table:

Year-End Incentive Compensation Calculation Example

Source of Funds	Effective Dates	Applicable FY12 Dates	Total Award Direct + F&A	No. Applicable Mos.	PI Portion of Salary Return	Awards Pro-rated for FY12	5% of FY12 Pro-rated Awards
Grant A	12/1/10-11/30/11	9/1/11-11/30/11	280,241	3	-	70,060	3,503
Grant B	12/1/11-11/30/12	12/1/11-8/31/12	298,923	9	30,800	224,192	11,210
Total					30,800	294,253	14,713

- d. Upon finalization of calculations, an investigator must submit a written request for incentive payment to the department chair and administrator based upon his/her portion of salary return remaining from the current fiscal year (September 1 through August 31). He/she may also include a request for year-end incentive compensation for other researchers or valued staff members supporting the grants. Incentive compensation paid outside the investigator's primary department is not permitted.
- e. The Employee One-Time Payment System (EOPS) must be utilized in accordance with relative TTUHSC operating policies. Applicable taxes will be deducted from the EOPS.