



THE UNIVERSITY OF  
**TENNESSEE**  
KNOXVILLE

**College of Nursing  
Faculty Research Incentive Plan**

**PURPOSE**

The purpose of the College of Nursing Research Incentive Plan is to enhance the quantity and quality of externally funded research by incentivizing faculty. The mechanism for doing so is to provide a salary supplement in the form of a yearly bonus for faculty who are effective in securing extramural funds while maintaining their other scholarly responsibilities.

**IMPLEMENTATION**

In the fall, faculty members who have received external funding in the previous fiscal that has resulted in available RIF funding, will be evaluated to determine if the faculty member has met departmental expectations in the areas of teaching, research, and service at their present academic rank. Expectations are based on the College of Nursing Tenure and Promotion Guidelines or the Promotion and Progression Guidelines.

If eligibility requirements are met and the Dean determines resources are available within the College, an incentive payment will be provided at the end of the fall semester. The faculty member receiving the incentive payment must be on payroll during the month of payment.

Salary return follows FI0930 – Payroll and HR0472 – Supplemental Pay Practices polices and is based on extramural funded grants. This applies to the principal investigator unless otherwise negotiated and documented during the grant submission process.

Bonuses calculations are as follows:

- Currently, the College of Nursing receives 40% of the indirect costs returned to the University.
- The 40% received by the College is then divided into thirds [1/3 College, 1/3 Office of Research Services, and 1/3 to the investigator(s)].
- The funded investigator can choose to receive up to 100% of their share of the indirect funds due to them (taxable) or all or part of these funds can be transferred to her/his research support fund and used for professional expenses (non-taxable).

Funds allocated for professional expenses must be spent by June 30 of the current fiscal year.



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### **Example**

A faculty member receives a grant from the National Institutes of Health for \$100,000. Currently, the negotiated indirect rate for the University of Tennessee is 51%. The University of Tennessee has other negotiated rates with other agencies. Therefore, the University of Tennessee would receive \$51,000 indirect costs in addition to the \$100,000 of direct costs. Sometimes indirect costs are called F&A or overhead costs.

The University would retain \$30,600 to pay for such things as office space, electricity, security, and all the other services the University provides. The College of Nursing would receive \$20,400 (40%) of indirect costs.

In the College of Nursing, the costs are divided into three parts: the College retains 1/3 of the funds, the Office of Research Services receives a third, and the investigator receives the remaining third.

Of the \$20,400 received by the College, the College retains \$6,800. The Office of Research Services retains \$6,800, and the investigator may choose to receive 100% as a once a year salary bonus out of the \$6,800 to be taxed (in this hypothetical example) or they may maintain funds in an account allocated to professional expenses (i.e., travel, meetings, books) that is not taxed.

It is important to note grants are usually multi-year and indirect costs are not received by the university up front. Rather, indirect costs come to the University as the direct costs are used. Therefore, salary bonuses vary according to the indirect funds that are received each year.