



The George Washington University School of Medicine and Health Sciences

Incentive Plan for Tenure-Track and Tenured Faculty Members in Basic Science Departments

September 2, 2010

Purpose

A major strategic goal of The George Washington University School of Medicine and Health Sciences is to support and expand our biomedical research effort. The School recognizes that the preponderance of funds required to sustain and increase our research effort will come from individual and multiple investigator-initiated grant awards obtained by faculty members from highly competitive extramural sources such as NIH. **In order to retain and recruit the highest quality of academic research scientists, the School has a faculty incentive plan for research-active faculty. The purpose of this plan is three-fold: 1) to encourage faculty to compete for substantial extramural research support, 2) to reward and retain faculty that are successful in obtaining extramural research support and 3) to provide a means for research-active faculty to attain compensation levels that are nationally competitive.**

The Incentive Plan

Tenured (or tenure track) faculty salaries are based on a two-tiered salary structure. The first tier (**base component**) represents compensation for teaching, research and other University responsibilities. This salary is the salary **guaranteed with tenure** (if awarded). The **second tier** is the remaining portion of the annual salary. This second tier is **not guaranteed but is at risk** and is based on an evaluation of the faculty member's performance, especially the ability to obtain extramural salary support and peer-reviewed extramural grant support for research activities.

For faculty members with extramural funding the percent effort awarded on extramural funds will be used to fulfill the second tier of salary support, or if it is less than the full amount of the second tier, to an amount equal to the percent effort obtained in salary support from extramural funding. Fringe benefits such as the retirement plan will be calculated on the basis of guaranteed salary plus second tier addition as stated in the appointment letter from the University (**total salary**).

The extramural salary support for the second tier can be from any funding agency

regardless of the amount of indirect costs awarded. The second tier of salary support can be obtained from funds in which the faculty member is Principal Investigator (P.I.) and in addition can be obtained from grant support in which the P.I. has salary support but is not the P.I.

If a tenured (or tenure track) faculty member loses the extramural funding that supported the second tier, the full second tier component of annual salary may be reduced according to the following guidelines. If a good faith effort is made by the faculty member to regain her/his extramural support, the second tier will be retained in full for an additional 12 months. A good faith effort includes activities such as revising grant applications, submitting multiple grant applications to various sponsors, trying to address the concerns of reviews by obtaining additional relevant data or other benchmarks as identified by the Dean. A good faith effort will be judged by a committee of faculty peers in consultation with the Dean.

If, however, the tenured (or tenure track) faculty member remains without extramural support after this 12 month period, the second tier salary component will be reduced by one-half for the next 12 months. If after another 12 months (at least 24 months total) the faculty member does not have any extramural grant with salary support the second tier of salary support will normally end. However, at the discretion of the Dean and the faculty member's Chair this second tier may be continued based on factors such as the faculty member's exceptional contributions to the School and University outside of the area of extramural research funding. If the PI subsequently receives extramural support the second tier may be restored as soon as funding and salary support is awarded at the discretion of the Dean.

Bonus Plan

In order to recruit and retain the highest quality of academic research scientists, many of whom have multiple grants with substantial percentage effort, there is a bonus plan for tenured and tenure-track faculty. **To participate in this bonus plan there are two conditions: 1) effort of the tenured or tenure-track faculty member must be charged to extramural research grants with full indirect cost recovery, and 2) the faculty member must be the Principal Investigator (PI) or one of several co-equal PIs on the grant.**

The bonus plan is calculated as follows:

Percentage effort from funding sources either with or without full recovery of indirect costs is first applied to satisfy the requirements of the second tier.

The bonus consists of one-third (1/3) of the percentage effort in excess of 25% salary support that is charged to research grants with full indirect cost recovery on which the faculty member is the sole Principal Investigator or one of several co-equal PIs adjusted for any cost sharing. This bonus will be calculated based on percentage effort certified each six months by faculty members, adjusted for any cost sharing. Bonus distributions will normally be dispersed within 4 months after the end of each 6 month period. In order for co-equal PIs to be eligible, they must be identified as such prospectively upon grant proposal submission and have the approval of the Dean.

The faculty member has a choice as to how the bonus funds are used. One option is to have the bonus paid to the faculty member as direct compensation, net of the required income and employment tax withholdings. The other option is to have either all or a portion of the bonus distributed as indirect compensation to a designated departmental cost center that can be used by the investigator to support his or her research activities in accordance with Medical Center policies for use of R funds, such as for research staff salaries, laboratory supplies and equipment, or research-related travel. The bonus funds in the cost center may carry over from year to year, as needed. However, should the investigator leave the University any remaining funds will stay with the department. If an investigator elects to retain bonus funds to support his or her research activities, it will have no bearing, positive or negative, on any subsequent decision about whether to grant a request from the Investigator for bridge support. The bonus will be included in the faculty member's taxable compensation and will be subject to income and employment taxes, regardless as to whether the direct or indirect compensation method is elected. The faculty member is responsible for his/her tax liabilities regardless if the direct or indirect method is elected.

Bridge Support

The Medical Center has established a Research Resources Advisory Committee to advise the Office of the Vice President for Research and the Dean on requests from PIs for intramural support of research activities to help investigators sustain and initiate research programs that either had been supported by extramural funding but which have a gap in funding (such as during the renewal of competing continuation applications) as well as to support investigators developing preliminary data for a new grant application.

In this context, bridging refers to support provided for research staff salaries, laboratory supplies or other research-related expenses, and **does not include support for a faculty member's second-tier salary**. The incentive plan (described above) outlines the effect on second-tier salary over time should there be a loss of extramural funding that had supported the investigator's second tier salary.

An investigator receiving bridge support may have some extramural funding (including through a no-cost extension) but in an amount insufficient to support both the investigator's second tier salary and the salaries of research staff on the project. In this case remaining extramural grant funds should be used primarily, if not exclusively, for retaining research staff and research supplies to help the investigator recapture funding. Rarely, if ever, should extramural funding be applied to support the salary of the investigator if the investigator is receiving bridge support, although in rare cases this can occur with prior agreement from the Dean. Any investigator receiving significant bridge support will be ineligible for a bonus in the following fiscal year.

This document was approved by the Basic Science Chairs on August 30, 2010.