

**UNIVERSITY OF TENNESSEE  
INSTITUTE OF AGRICULTURE  
SALARY INCENTIVE PLAN**

Employees of the University of Tennessee Institute of Agriculture will have the opportunity to supplement their UT salary through a Salary Incentive Plan (SIP).

**CRITERIA:**

1. The Principal Investigator will indicate that they will seek an incentive payment at the time of grant proposal submission to OSP Coordinator. Creation and approval of the SIP application will occur at the time award is received. Approval by the Department Head and Dean's Office will be contingent upon meeting the criteria of the Plan and the Purpose of the Plan.
2. Participation in the Salary Incentive Plan is limited to employees supported by recurring E or other hard-funded salary accounts. Employee salaries supported by both hard-funding and research-restricted account funding may participate in the Salary Incentive Plan once they have more than satisfied their expected annual restricted account salary through extramural grants or contracts. For example, if an employee was expected to earn 50% of their annual salary through extramural research grants, and was able to secure extramural funds supporting 75% of their annual salary, then 25% of their annual salary savings would be eligible for participation in the Salary Incentive Plan. Positions that do not generate salary savings are not eligible for the Plan.
3. The salary support must be derived from extramural grants and contracts. External funds from gifts and service contracts will not apply.
4. Salary support must be derived from extramural grants or contracts that fully pays all direct costs and appropriate Facility and Administrative (F&A) costs (sometimes known as indirect cost recovery). In cases where the granting agency has uniform F&A rate limits, which are lower than UTIA rates, the lower rate will only be honored to the maximum published rate allowed by the agency for grantors.
5. The grant or contract cannot include cost sharing or in-kind matching from University sources (i.e., third party matching does not disqualify).
6. Recipients must exhibit satisfactory performance in teaching, service and administrative duties assigned. Included here is the responsibility of providing good fiscal and administrative management of all grants for which he/she is principal investigator and completion of necessary effort reports in a timely and effective manner.

7. For any year the SIP is requested, the posted salary from the grant must be at least 5% of the employee's annual salary.
8. Non-faculty staff paid from unrestricted accounts may be nominated to participate in the provisions of the Plan at the discretion of the Department Head and Principal Investigator on whose grant the staff member is working.
9. Specialists not on tenure track appointments, county extension agents, and area specialist are eligible to participate in the Plan.
10. Any 9-month faculty members will follow Summer Research Salary Plan.
11. Incentive payments under the plan and/or departmental salary saving may be reduced by unfunded applicable staff benefits and/or overspent accounts.
12. The Principal Investigator may request that all or part of the incentive payment be transferred to a departmental E account support fund in lieu of a salary payment.
13. UTIA units may develop procedures for administering the Salary Incentive Plan tailored to the entities' mission and structure.
14. For positions, employees, and/or proposals that do not meet the Salary Incentive Plan requirements, the principal investigator may request a policy exception that must be approved by both the Unit's Budget Director and the applicable Dean. Included in the exception request must be a statement of the source of funding that will be used to pay the incentive payment.
15. Modification to the criteria may be implemented in the future as needed. Such modifications will apply to new grants.

Revised 02/05/2020