

**Division of Agriculture  
University of Arkansas  
Faculty Salary Funding Incentive Plan**

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 include all Agricultural Experiment Station and Extension faculty, county extension agents, and support unit specialists.

**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.

**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. 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 faculty member must hold a 12-month hard-funded appointment.
2. The extramural funded salary must be for at least .083 FTE in the fiscal year.
3. The incentive payment will be calculated as 50% of the salary paid by grants, up to a maximum of 25% of the faculty member's annual salary. 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).
4. The salary support must be derived from competitive grants or contracts and must be approved in advance for participation in this Plan (see criterion #5). External funds from gifts, in-state commodity organizations and certain state agencies will

- not apply. Grants and contracts must include authorization to use funds for faculty salaries.
5. 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 proposal is routed for internal approval prior to submission. Approval by the Department Head/Section Leader and appropriate Director will be contingent upon meeting the criteria and purpose of the Plan and upon the faculty member maintaining a high level of productivity.
  6. Salary support derived from extramural funds must fully pay all direct cost and appropriate Facilities & Administrative (F&A) cost (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 to a minimum of the rate allowed by USDA.
  7. The faculty member must exhibit satisfactory performance in assigned duties. Included is 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.
  8. Faculty members and their departments/units cannot receive benefit from both the Faculty Salary Funding Incentive Plan and the Organizational Salary Savings Distribution or RSC programs (for the same award).
  9. Modification to the criteria may be implemented in the future as needed. Such modifications will apply to subsequent funding.

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