



## **Pilot Year 3 – Tenured and Tenure-Track and Clinical Faculty Enhanced Research Appointment Program (FERAP)**

### **Pilot Program Statement**

Terms and conditions of faculty employment and compensation are covered in the University Policy Memorandum B-50 and the policy on Academic Tenure and Promotion (I.B.2). These policies establish a common set of standards for all tenure-track and tenured faculty working to make valuable contributions on behalf of Purdue University and certain affiliated entities in advancing the land grant missions of learning, discovery, and engagement.

Under these policies, specific workload distribution and salaries for faculty appointments vary greatly by academic discipline. While each of the mission areas is critically important to the success of individual faculty and the University at large, this Faculty Enhanced Research Appointment Program focuses primarily on contributions in the research/discovery mission.

### **Pilot Program Description:**

Individual faculty may be eligible for an enhanced research focused appointment up to .75 FTE established at a base salary up to 25% higher than their current institutional base salary, if they:

1. are appointed by Purdue University (West Lafayette and Indianapolis Locations), Purdue University Northwest (Hammond and Westville Locations), or Purdue University Fort Wayne campuses), as well as Purdue Applied Research Institute (PARI), Purdue International Incorporated (PII), Boilermaker Health Innovations, Inc., and/or any other affiliated organization at which work may be performed to advance Purdue's land grant missions,
2. can contribute effort recognized and paid by external funding agencies and sponsors in excess of an established baseline FTE, and
3. have the required level of external funding available from qualified sources.

Participation in the program will be by application. Each individual's application will be evaluated to ensure they qualify under the program's eligibility requirements, they have the available funding to support the requested FTE and level of salary support from external funding sources, and the requested enhanced appointment and base salary is not restricted by the sponsor.

### **Pilot Program Intent**

The intent of the program is to recognize exceptional research focused efforts, duties, and activities undertaken by tenured and tenure-track and clinical faculty that advance the Purdue research enterprise by allowing them to be appointed in a separately designated concurrent appointment and earn a higher institutional base salary.

Under this program, a faculty member's appointment(s) will be split into separate, concurrent appointment(s) so that: (1) the portion of their appointment(s) attributable to their baseline duties will continue to earn their current base salary level, and (2) a portion of their appointment(s) attributable to extraordinary external funding activities will earn an enhanced base salary level. Both the current base salary component and the enhanced base salary component will be considered part of the faculty member's "institutional base salary" for purposes of Uniform Guidance and will be eligible for benefits

including retirement and other salary-based benefits programs commensurate with their existing and enhanced appointment(s), without regard to whether the enhanced base salary component is treated as a unique wage type in the Purdue payroll and benefits system.

### **Individual Eligibility**

- Be a faculty member at Purdue University (all campuses and locations).
- Hold a full-time, fiscal year (FY) or academic year (AY), tenured and tenure-track or clinical faculty appointment(s) or be seconded to PARI or PII and be in good standing during the period of this appointment.
  - Individuals cannot be on sabbatical or other leaves of absence
  - Individuals must be in good standing
- Be able to contribute effort recognized by funding agencies and sponsors through external funding that covers between **25% to 75%** of their (FY or AY) base salary.
  - External funding sources available under Purdue, PARI, and PII appointments can be combined to determine eligibility.
- Have funded external grants in place, confirmed in the application review process, to support between **25% to 75%** of their full-time, FY or AY base salary for the next year and up to a **25%** enhanced base salary component for the performance of a higher level of external funding duties.
- Have the ability, considering release time and overall assigned activity commitments, to work **25% to 75%** of their upcoming, full-time, FY or AY on externally funded activities in a new appointment.
- Be able to certify their effort based on actual time worked and that their compensated effort is allowable, allocable, and reasonable on the externally funded activities.
- Faculty must maintain a minimum 5% non-FERAP appointment in each Purdue affiliated entity (company code) they have a position in. This non-FERAP appointment will cover any non-sponsored activity associated with their positions.

### **Base Salary Enhancement**

- The enhanced base salary component payable for performance of exceptional efforts, duties, and activities under the faculty member's new concurrent appointment will be an amount up to 25% of the current base salary level. The enhanced amount must be at least 10% and no more than 25% of the standard base salary, in 5% increments) for FY and AY appointment(s).
- The enhanced base salary component will be added in a separate concurrent appointment(s) to the current base salary beginning at the start of the fiscal year (July 1 for FY faculty) or the start of the academic year beginning August (varies) for AY faculty and must be in place for the entire FY or AY.
- The approved enhancement base salary can extend and apply to the entire summer session paid on external funds, up to the start of the next fiscal year, July 1 (for FY faculty), and up to the beginning of the next academic year (for AY faculty).
- The approved enhanced base salary component must apply to the new approved appointment of FY and AY FTE (25% to 75% effort, in 5% increments), for FY and AY faculty, respectively, and can apply up to 100% of the summer session compensated effort paid from approved external funds for AY faculty.

### **Funding Eligibility**

Only external funds will be used to support this program. "External funds" are defined as any support from the following sources:

- Federal grants, cooperative agreements, or contracts (see separate instructions below (\*)) when the individual is subject to a salary cap\* set by NIH or other agencies or programs)

- State grants or contracts
- Industry or for-profit company contracts
- Foundation or other non-profit awards
- Foreign industry or Foreign Government contracts
- Other externally funded grants, cooperative agreements, or contracts

Funding may come from any combination of permissible external funds, but not from sources including:

- Federal appropriations
- State-appropriated funds (general funds and State line items)
- Cost sharing on external funding commitments (\*)
- Recharge Center funding
- Gifts and Voluntary support
- Discretionary funds(\*)
  - residual funds
  - departmental allocations including start-up funds
  - distinguished/named professorship allocations
  - other discretionary or gift funds

Funding for the enhanced base salary component must be:

- Awarded and in hand prior to June 30 of the current fiscal year to be considered for the following year's enhancement. Awards with expected future increments will be considered eligible if the award is in good standing and progress reports are up to date.
- Available for the entire year of the enhanced compensation, without exception.
- A source, paid in accordance with any related funding source/sponsor restrictions, which must be sufficient to include the related fringe benefits and indirect costs.
- Compliant with the Federal Uniform Guidance Regulations 2CFR200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")—it being understood that effort for salaries charged to sponsored projects funded from all external sources must be accurately and appropriately calculated and certified.
- Awarded for effort that at no time represents greater than 1.00 FTE.

\*Individuals subject to the NIH or other agency or program salary cap will be eligible to apply and participate in the FERAP program.

However, careful consideration should be given to review the overall financial impact resulting from additional mandatory cost share obligations, and other costs of participation including replacement instructional costs for teaching release.

In order to participate in FERAP, the cost to the department, school, and college should be at least net neutral or better. This can be achieved through the following:

1. additional department salary savings generated through the FTE charged to external grants and contracts and/or
2. covered by the participants discretionary funds in this order of priority: residual funds, voluntary support, research incentive funds, and distinguished/named faculty funding; excluding faculty start-up

## Process Overview

- If interested in participating in this program, individuals who qualify based on individual eligibility criteria and ability to cover the new appointment FTE and a salary enhancement from a qualified external funding source, will be eligible to submit an application each year.
- Applications must be submitted to the review group, by the Individual Faculty Requestor including their certification by May 31 of each year.
- The Provost's Office, Academic area (primary appointment), Business Office (primary appointment), and Sponsored Program Services will review the application and all proposed funding sources. After the review, the final request document will be routed and include signature approval by the Individual Faculty Requestor, the Departmental Fiscal Officer, Department Head, College Fiscal Officer, Dean, SPS, and Provost.
- A decision will be made related to FY faculty applications by June 30 and AY faculty applications by July 31 of each year.
- Results will be communicated, and the appropriate payroll adjustments will be made by the Executive Office Business Operation Center (EOBOC) Employment Center and Payroll Office. Payroll and EOBOC will do an annual review of these appointments.

## Example

- Below are examples of a FY and AY faculty members' new appointment that they are able to cover up to 25% of their salary on grants for the entire FY and AY, respectively, at a 25% salary enhancement. The examples also show an AY faculty who is able to cover 10 weeks of summer salary (first AY example) and 5 weeks of summer salary (2<sup>nd</sup> AY example) from grants in addition to the AY salary.

	Current		Base Appointment Salary			Enhanced Appointment Base Salary					
	FTE	Full-Time Base Salary	FTE	Full-Time Base Salary	Earnings	FTE	Enhanced Base Salary %	Full-Time Enhanced Base Salary	Earnings	Overall Total Salary	
Fiscal Year	1.00	\$ 127,780	0.75	\$ 127,780	\$ 95,835	0.25	25%	\$ 159,725	\$ 39,931	\$ 135,766	6%
								Additional Compensation		\$ 7,986	
Academic Year	1.00	\$ 100,000	0.75	\$ 100,000	\$ 75,000	0.25	25%	\$ 125,000	\$ 31,250	\$ 106,250	6%
Summer Salary	10 Weeks	\$ 27,780				1.00	25%	\$ 34,725	\$ 34,725	\$ 34,725	25%
		\$ 127,780								\$ 140,975	10%
								Additional Compensation		\$ 13,195	
Academic Year	1.00	\$ 100,000	0.75	\$ 100,000	\$ 75,000	0.25	25%	\$ 125,000	\$ 31,250	\$ 106,250	6%
Summer Salary	10 Weeks	\$ 27,780	5 weeks	\$ 100,000	\$ 13,890	1.00	5 weeks	\$ 125,000	\$ 17,363	\$ 31,253	13%
		\$ 127,780		(teaching or non-research)						\$ 137,503	8%
								Additional Compensation		\$ 9,723	