**School of Pharmacy**

**Research Incentive Plan**

**Effective July 1, 2013**

As a means of encouraging active participation in competing for extramural support for research projects, the School of Pharmacy has developed guidelines for an incentive plan (the “Plan”) for full-time faculty in the Sch ool of Pharmacy. The Plan permits, within limits under the Plan, a choice between a salary supplement or the establishment of research incentive funds (such supplement or funds referred to here individually as an “incentive”) to eligible principal investigators who have been awarded a competitive research grant or contract from outside funding sources and, according to the Plan, who have earned a right to the incentive. The Plan is not a contract and is subject to change, with or without notice, at the University’s sole discretion.

The University has developed these guidelines for the administration of the Plan.

The guidelines are as follows:

1. Participation is limited to full-time faculty with primary appointments in the School of Pharmacy.
2. The award must designate the University of Pittsburgh as the awardee organization and must be assigned to one of the departments, centers or institutes, in the School of Pharmacy to be eligible. Awards processed through other schools of the University, or organizations affiliated with the University, do not qualify.
3. Only grants that receive the full indirect cost rate may count toward a faculty member’s eligibility for this incentive.
4. Grants for which salary is cost shared are not eligible awards (except for cases where the cost sharing is mandated because the individual’s salary exceeds the NIH salary cap). The investigator or investigators on a grant must match their percent of University salary on the grant with the percent effort on the grant to be eligible for the research incentive.
5. Except as otherwise set forth in this Section 5, a principal investigator who meets the eligibility requirements as outlined below will earn an incentive equivalent to 10% of the actual indirect cost recovery earned by his or her qualifying competitively awarded research grants in the University during the specified fiscal year, up to the cap set forth in item 7, below. Within the period specified herein, the principal investigator may elect to receive the incentive as an annual direct incentive payment, or choose to retain the funds in a research incentive fund (also, sometimes known as a restricted account for research expenses). In either case, the election is irrevocable when made and must be made in writing to the department chair, and delivered, prior to the first day of the fiscal year. An election will remain in effect for the entire fiscal year. Prior to the commencement of each

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subsequent fiscal year, a new written election, irrevocable for the following fiscal year, must be submitted or the default method of payment will be retention and placement of all funds in the restricted account for research expenses (the research incentive fund). In the event that the School of Pharmacy has made research expenditures during that fiscal year for bridge funding, graduate students, deficit grant spending, or other financing for an investigator, the investigator will not be eligible for any incentive payment unless the Chair of the Department and the Dean of the School of Pharmacy decide otherwise by no later than the thirty-first (31st) day after the fiscal year (July 31). If the investigator is not eligible for an incentive payment for a particular fiscal year, the election made by the faculty member is nullified for that fiscal year.

In order to allow for necessary recordkeeping and accounting reconciliation and reporting, an investigator shall not have any earned, or vested, interest in an incentive (neither salary supplement nor research incentive funds) until the sixtieth (60th) day after the fiscal year (August 29th). They must be actively working full-time for the University on this earned date in order to be eligible under the Plan. Moreover, an investigator shall never have any earned or vested interest in any funds that are retained and placed in the restricted account for research expenses (the research incentive fund) which shall remain subject to use only for eligible research expenses and no part thereof are permitted to be paid or converted to salary or other reimbursements to an investigator.

For investigators who have elected to receive a direct incentive payment, that payment shall be included with their November pay. For investigators who have elected to receive an allocation of research incentive funds, that allocation shall be made and an account funded by November 30.

1. When there are co-investigators, the incentive supplement will be paid or allocated to each in accordance with an agreed upon proportion of the incentive amount, subject to the eligibility requirements outlined in item 5 above. Co-investigators may make differing elections as to the type of incentive under item 5 above and need not both receive salary supplement or both receive research incentive fund allocations. In all cases, there will be signed agreements by the parties defining the distribution share of the incentive payment. The agreement must be approved in advance by the respective department chair (or, in the case of multiple departments, the Dean) prior to the submission of the application for the grant or contract. If there are any unsettled disputes concerning the distribution share, the department chair shall adjudicate the differences. If disputes arise between departments, the Dean will adjudicate the differences
2. This incentive is limited to a $20,000 cap annually per investigator which includes all grants and/or contracts.
3. A principal investigator for a designated project of a program project grant (PO1 or similar grants) will share in the incentive as appropriate to their separately budgeted project. In these cases, the terms for earning (vesting) and payment of such incentive shall be consistent with those guidelines outlined in item 5 above. If there is more than one principal investigator for

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a designated project, the share attributed to the project will be distributed according to an agreed upon proportion as described in item 6 above.

1. The School of Pharmacy will establish a Research Incentive Fund (RIF). The incentive fund will be financed from restricted and hard money of the School as appropriate. All direct incentive payments to principal investigators will be paid from the RIF.
2. Principal investigators who elect to receive direct incentive payments from the RIF will relinquish the equivalent amount from their research and development fund to the Dean’s office.
3. Any exceptions to these guidelines must be approved by the Chair of the Department and the Dean of the School of Pharmacy; provided, however, there shall be no exceptions to those portions of item 5 above relating to earning (vesting) and payment of research incentives (including, but not limited to, that no exceptions to the requirement that a faculty member must be actively working for the University as of the earned date in order to get a distribution or allocation).

Approved October 18, 2013