

## Policy on Compensation to APU Faculty from External Project Funds

1. Salary Cap. To incentivize grant applications, full-time faculty could earn a maximum of 137.5% of their *base salary*\* from all sources, including all types of overload and research, subject to the condition cited in no. 4 below that funds from externally sponsored projects do not pay more than 100% of the base salary. Approval for receiving payments above the base salary from all sources must come from the dean.

\*Base pay is Part A of the faculty contract.

2. Approval for Course Buy-out or Extra-Service Pay. Full-time faculty buy-outs and/or extra-service pay, i.e., supplemental pay from sponsored projects, must be approved by the department chair and dean before a grant application is submitted or at the time of budget revision in the post-award phase. Grant applications may clearly state whether salary income from grants would create a course buy-out situation.
3. Calculating Course Buy-out or Extra-Service Pay Rate. For each three-unit course bought out, sponsored project funds underwriting that expense should be calculated at 10% of the faculty member's base salary plus full-time fringe benefits rate. In cases where the project does not allow this level of expense, the prevailing three-unit adjunct faculty rate plus part-time fringe benefits rate may be used with the dean's approval.
4. Calculating Pay to Faculty from Externally Sponsored Projects  
Pay to full-time faculty for work done on externally sponsored projects is determined by the percent effort the faculty member works on the project. The percent effort the faculty member works on the project will then be applied to the member's base pay to calculate the amount of payment from the externally funded project. Payments from externally sponsored projects can, if warranted by the percent effort worked on the projects, be up to 100% of the faculty member's base salary. But payments from externally sponsored sources cannot exceed the base pay of the faculty member being compensated.

Policy originally approved by Academic Cabinet on July 13, 2011.

Revised by a subcommittee and re-approved by Academic Cabinet on June 26, 2013.

Reviewed and edited by Legal Counsel, HR, and Business Office (July 2013).

Prepared by D. Guido, July 25, 2013.

Edited by the Office of Research and Grants on March 1, 2016, to reflect new fringe benefits rates as determined by CFO.

Reviewed, edited, and updated January 5, 2022, with approval given by the Office of the Provost, General Counsel, the Business Office, Human Resources, and the Office of Research and Grants to reflect current practices in which faculty payments from external sources are based on percent effort applied to a project and to clarify that payments from externally sponsored project funds cannot exceed a faculty member's base pay (D. Isaak, Executive Director, Office of Research and Grants).