The Extension Grant Incentive Plan will abide by the goals and rules established by the campus plan. Grant incentive payment will be paid using returned F&A and salary savings.

All Extension faculty are eligible to receive an incentive payment under one of the following two options below.

**Option 1: Faculty who are eligible to receive an incentive payment under an approved grant incentive plan in their academic home department**

- **Eligibility Criteria**
  - Must participate under Option 1 if eligible
  - Sign up for the grant incentive plan in their academic home department prior to the start of the fiscal year (July 1st)
  - Provide a copy of their election to participate in a grant incentive plan to Extension administration in 212 Whitten Hall

- **Calculation of Incentive Payments**
  - Extension Administration will calculate the applicable incentive for each faculty member in conjunction with the academic home department fiscal staff based on the rules of the plan in their academic home department.
  - The activity for which Extension will pay an incentive includes only grants administered through Extension dept ids.
  - Other departments, divisions and colleges do not pay incentives based on grant activity through Extension dept ids.
  - No faculty member can or will be paid an incentive on the same grant activity by both the academic home department and Extension.

- **Distribution of incentive costs**
  - Under current practice, F&A returned to Extension is split, with 25% distributed to Program Directors and 75% used by the Division to support the Extension budget. The cost of funding the calculated incentives payable to faculty will be borne in the same proportion.
  - Incentives due based on salary savings will be paid based on where the savings accrued. For example, an HES faculty member is due an incentive based on the Nutritional Sciences approved GCI plan. The portion that is attributable to recovered F&A will be funded 75% by Extension administration and 25% from the Program Director RIF. The portion attributable to salary savings will be paid by the area in Extension that realized general revenue salary savings.

- **Cap on payments**
Grant incentive plan payments will be subject to the campus cap of 30% of salary or $30,000, whichever is greater.

Extension will coordinate with the academic home departments of those to be paid incentives on Extension administered grants to ensure in total the cap in incentive payments is maintained for each faculty member.

- **Examples**
  - Examples can be found in the individual plans for the academic home department.

**Option 2: Faculty who are NOT eligible to receive an incentive payment under an approved grant incentive plan in their academic home department**

- **Eligibility Criteria**
  - Must not be eligible for Option 1
  - Full time faculty member with an Extension appointment
  - PI/co-PI on an Extension administered grant
  - Have recovered 100% of the campus indirect cost (F&A) rate from the sponsor or 100% of the maximum indirect cost rate allowable by the sponsor, according to the sponsor’s funding documents.
  - Sign up for the grant incentive plan using the form attached by the start of the fiscal year (July 1st)
  - The Director of the programmatic effort can determine that a team concept or noncompetitive grant would not be applicable to the incentive plan.

- **Calculation of incentive amounts**
  - There are two components for incentive payments:
    - **Pool A - RIF Return**: 30% of the F&A returned to Extension attributable to a given faculty member in a given fiscal year would be eligible for distribution as an incentive payment to that faculty member.
    - **Pool B - Salary Offset on Grants**: 10% of the salary savings offset on a grant would be eligible for distribution as an incentive payment.
    - Within the policies of the MU GCI Plan a faculty member could elect to receive all/some/none of the incentive pool(s) developed under the plan. The election must occur prior to the start of the plan year. The total amount eligible for a one-time payment in the year following the FY where the calculations are made would be:
      - \((\text{Pool A} + \text{Pool B}) \times \text{faculty member’s incentive election} = \text{Incentive payment}\)

- **Distribution of incentive costs**
Under current practice, F&A returned to Extension is split, with 25% distributed to Program Directors and 75% used by the Division to support the Extension budget. The cost of funding the calculated incentives payable to faculty will be borne in the same proportion.

Incentives due based on salary savings will be paid based on where the savings accrued. For example, a SW regional faculty member is due an incentive. The portion that is attributable to recovered F&A will be funded 75% by Extension administration and 25% from the Program Director RIF. The portion attributable to salary savings will be paid by the area in Extension that realized general revenue salary savings.

- Cap on payments
  - Grant incentive plan payments will be subject to the campus cap of 30% of salary or $30,000, whichever is greater.

- Example
  - During FY 2013, an Extension faculty member has projects for which MU collects F&A (Pool A) and which also cover a portion of the faculty member’s base salary (Pool B). During FY 2013, the faculty member elected to take all (100%) of the grant incentive payment to which he/she is eligible.

<table>
<thead>
<tr>
<th>Pool A</th>
<th>RIF</th>
<th>PI Credit</th>
<th>Credit F&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant A</td>
<td>1,526</td>
<td>100%</td>
<td>1,526</td>
</tr>
<tr>
<td>Grant B</td>
<td>735</td>
<td>75%</td>
<td>551</td>
</tr>
</tbody>
</table>

| Total Credit F&A | 2,077 |
| Pool A Total (@30%) | 623 |

<table>
<thead>
<tr>
<th>Pool B</th>
<th>Base Salary Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant A</td>
<td>0</td>
</tr>
<tr>
<td>Grant B</td>
<td>5,000</td>
</tr>
</tbody>
</table>

| Total Salary Savings | 5,000 |
| Pool B Total (@ 10%) | 500 |

<table>
<thead>
<tr>
<th>Incentive Payment Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pool A plus Pool B</td>
</tr>
<tr>
<td>Faculty Incentive Election</td>
</tr>
<tr>
<td>Total Incentive Payment</td>
</tr>
</tbody>
</table>

Updated 5/15