




University of Connecticut
Office of the Chancellor

John D. Petersen
Chancellor

TO: Deans, Directors, & Department Heads, &
FROM: John D. Petersen 
DATE: March 26, 2001
RE: SALARY SAVINGS INCENTIVE PLAN

Interim Chancellor Fred Maryanski sent the attached memorandum on June 22, 1999 to all deans and department heads announcing the elimination of the Contingency Fund at UConn. In that memo, he outlined a less cumbersome procedure for charging a faculty member's academic year salary directly to a grant or contract. Faculty working on a grant or contract whose salary is paid from the grant or contract would have that portion of their salary directly charged to the sponsored award. The freed-up salary funds reverted back to the college's general revenue pool and could be used at the discretion of the dean. Dr. Maryanski also expressly advocated that deans devise a method for providing incentives for faculty in their school or college who put a portion of their academic year salary on a sponsored award.

The following procedures have been worked out by the Budget Department, the Office of Cost Analysis, and the Office for Sponsored Programs (OSP) to enable deans to return a portion of a faculty member's salary paid on a grant or contract directly to him or her. These procedures will safeguard this returned portion in the faculty member's name and allow the funds to be carried forward from one year to the next, if so desired. Furthermore, the funds can be expended for a wide variety of creative or research-related purposes. Thus, this procedure provides the incentive for faculty the Interim Chancellor wanted, while protecting the funds long term. The particulars are as follows:

Step 1—New Payroll Authorization. When a faculty member is awarded a grant or contract that will pay for a portion of his/her salary, OSP will advise the faculty member to have a new Payroll Authorization prepared to directly charge the specified amount for the specified length of time (which will be detailed in the grant award document). The Grant Manager in OSP will instruct the faculty member to do this at the time the new award is set up. The faculty member is responsible for ensuring that a revised Payroll Authorization is prepared so that the grant/contract is charged the appropriate amount. In many cases, the individual actually preparing and submitting the Payroll Authorization form is a central staff person in the faculty member's department.

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March 26, 2001

Page 2

* Step 2—The Incentive Payment. Deans are responsible for determining the percentage or amount of salary to be returned to the faculty members in each of their colleges or schools. Since Dr. Maryanski's memo of 1999, some deans have opted to retain the 40/40/20 split in effect with the old Contingency Fund, whereby 40% of the salary savings went to the PI, 40% went to the department, and 20% was retained by the dean. Whatever decision is made---whether on a college-wide basis or a case-by-case basis, the dean must indicate in a memo to OSP the amount of salary savings to be returned to the faculty member. The memo should be submitted along with a copy of the revised Payroll Authorization. These two documents will comprise the "agreement terms". When both documents are received by OSP, a "Ledger 4" account will be established for the faculty member.

* Step 3—The Transfer. The agreement terms (i.e., the memo from the dean and the new Payroll Authorization) and the Ledger 4 account number will be forwarded to UConn's Budget Office, where the actual transfer of budgeted salary dollars will occur. The department must continue to include the faculty member's salary and fringe in the annual budget for the department. The budgeted salary dollars will only be transferred for the current fiscal year, and only up to the amount of available budget in the Ledger 2 account from which the salary is originally being charged. The department or dean will have to provide an alternative account if there is not sufficient budget dollars there to transfer to the faculty member's Ledger 4 account. In those cases where the salary is paid through a grant or contract for more than one fiscal year, the transfer of budgeted salary dollars will occur annually for the amount paid each year.

Step 4—Accounts. OSP will establish new ledger 4 accounts for safekeeping a faculty member's incentive dollars. These accounts will be coded to the departmental research function. The funds can be used to a number of purposes---publications, travel, hiring student workers or consultants, buying equipment or supplies, paying subjects, etc. The only unallowable is that the funds cannot be used to augment the faculty member's University salary. The funds can even be used as cost share, but if they are used in this manner, the funds will have to be transferred out of the Ledger 4 account into a cost share account and coded to organized research (again, for indirect cost accounting purposes). These accounts may not be used to house revenue from other sources.

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Attachments

- (1) June 22, 1999 memo from F. Maryanski re: dissolution of 'Contingency Fund'
- (2) October 23, 1997 memo from F. Maryanski re: 'Distribution of Released Funds'
- (3) August 17, 1994 memo from T. Tighe re: 'Disposition of Release Time Funds'