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	Effective Date: 1 July 2010
Retired:	Revised: 20 November 2014
Approved by: A. Cherrie Epps, Ph.D., President and CEO 	
Subject: MMC Institutional Research Incentive Policy	

PURPOSE: This policy outlines the procedures for providing financial incentives to Meharry investigators and other Meharry stakeholders based on the indirect costs (IDC) recovered each fiscal year from extramural research awards.

POLICY STATEMENT: This policy applies only to extramural research awards (i.e., grants, contracts, cooperative agreements and subcontracts) issued to Meharry Medical College from, for example, a sponsor (e.g., NIH, NSF, etc.), another institution (e.g., Vanderbilt) or a business (Amgen).

Only those awards meeting the following criteria will be eligible:

1. Federal awards must have the current approved F & A cost rate.
2. Non-federal awards must have both the current **and** the minimum MMC rate for non-federal agencies (the current MMC IDC rate for non-federal agencies is 20% of TDC). Examples:
 - a. Funding agency allows and awards 15% IDC. The award is not eligible because the IDC rate is less than the MMC IDC rate.
 - b. Funding agency allows 35% and awards 30% IDC. The award is not eligible because the IDC rate is less than the full allowable agency rate.
 - c. Funding agency allows 20% and awards 20% IDC. The award is eligible because the IDC rate is at the maximum funding agency rate and meets the minimum MMC rate for non-federal agencies.
3. A minimum of **95%** of the allowable indirect cost awarded by the extramural agency must be recovered during each project year. For those awards that are reduced in time by the funding agency, particularly during year 1 of the award, expenditures will be prorated to determine incentive pay.

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The allocation of incentives will be made on an annual basis as follows:

A. Investigator-Initiated Research Awards

1. 10% of IDC to PI
2. 5% of IDC to the respective Dean's Office for bridge funding
3. 5% of IDC to the Center Director if the PI is a member of an established Center, to be used for infrastructure support

B. Institutional Research Program Awards

1. 10% of IDC to the Program for program development as determined by the P.I. of the grant (no salary bonuses).
2. 10% of IDC to the respective Dean's Office for bridge funding

For the PI on Investigator-Initiated Awards, the discretionary accounts can be used for salary, bonuses, administrative support, support of graduate students and post-doctoral fellows, and travel to scientific meetings. For Institutional Research Program Grants, the discretionary accounts can be for the same activities listed above, except for bonuses.

If the bonus option is chosen, it must be approved by the Department Chair, and the appropriate Dean for the PI. All incentive bonus pay will come in the form of a lump sum payment, and will be paid no later than the second quarter of the following fiscal year (net of withholding taxes). Since all incentive bonus payments come in the form of a lump sum payment, the institution will not match these funds on its 403b Plan.

No federal direct dollars will be used for the incentive award program.

Research Incentive Policy allocations will occur every fiscal year unless the appropriate Dean determines that the fiscal budget will not support it.

DEFINITIONS: F & A costs, facilities and administrative costs (term used by federal government for indirect costs); IDC, indirect costs; PI, Principal Investigator

PROCEDURE: The Office for Research will identify the research awards that are eligible to participate in this process. The list of eligible awards then will be sent to the Grants and Contracts Office, Division of Finance. The Grants and



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Contracts Office will establish three designated accounts; 1) account for the PI to receive his/her incentive from the indirect costs; 2) account for the respective Dean's office for bridge funding; and 3) an account for Center Directors to provide support for research infrastructure, if the PI is a member of the Center.

When a PI holds a joint appointment, the PI's account will be housed in his/her primary academic department.

Annually, monies recovered based on the incentive program will be deposited into these designated funds accounts based on the IDC recovered from each eligible grant for the preceding fiscal year of the grant. Based upon the information provided listing eligible grants, the Office of Grants and Contracts will prepare calculations/allocations to distribute monies to the appropriate designated funds. Prior to entry into the Banner Finance accounting system, final approval must be granted by the appropriate Dean.

EXHIBITS: None