

LSU HEALTH SCIENCES CENTER RESEARCH INCENTIVE COMPENSATION CRITERIA
SCHOOL OF MEDICINE IN NEW ORLEANS
FY 2015-2016

As provided for in the LSU Health Sciences Center Research Incentive Compensation Plan (hereinafter referred to as “Plan”) this LSU Health Sciences Center LSU School of Medicine in New Orleans (herein “School”) Criteria (herein “Criteria”) shall be used to determine eligibility and the amount of Research Incentive Compensation that an individual faculty member of the LSU School of Medicine in New Orleans may be provided for his/her participation in this Plan. Definitions set forth in the Plan are incorporated herein by reference.

Each eligible faculty participating in this Plan agrees in writing as demonstrated by his or her signature on an Agreement Concerning Participation in the LSUHSC Research Incentive Compensation Plan (herein “Agreement”) to which this Criteria is attached as Attachment B, that he or she fully understands and accepts the terms and conditions of the Agreement, the Plan and this Criteria. Further, it is clearly understood that no one is authorized to alter any of the terms and conditions of any of these documents without the prior written approval of the Dean of the LSU School of Medicine in New Orleans, the Chancellor of LSUHSC-New Orleans, either the LSU System Vice-President for Health Affairs or the President of the LSU System.

In the event of a conflict between an Agreement and this Criteria, this Criteria shall control. In the event of a conflict between the Plan and this Criteria the Plan shall control.

As a statement of principle, each faculty member must fully understand, agree, and accept the fact that if the requirements of this Criteria are not fully and completely attained on an on-going basis, then the individual faculty member’s level of Research Incentive Compensation will be adjusted in a manner that is consistent with the provisions of the Plan and this Criteria.

1) Purpose of the Criteria and Plan:

- a) To reward faculty who successfully compete for major research grants,
- b) To provide incentive for faculty to compete for and secure additional research grants,
- c) To raise the total level of institutional research funding, i.e., both direct and indirect costs.

2) Eligibility to Participate in this Criteria:

- a) Eligible faculty shall mean full-time tenure track and research track faculty with their primary academic appointment in a basic science department or full-time faculty with their primary academic appointment in a clinical science department without regard to appointment track whose appointment with the HSC is expressed as a 12-month appointment. For purposes of this Criteria research and clinical associates will not be eligible. In order to qualify for Research Incentive Compensation the faculty member must have a portion of their Base Salary Level funded by Extramural Research Grant Funds.

The faculty participant and his/her Department Head must agree to a set of Duties and Responsibilities that the individual faculty member is currently performing. This set of existing Duties and Responsibilities must be specified in writing and set forth in any Agreement associated with the Plan and these Criteria. The Plan specifically requires that the existing set of Duties and Responsibilities continue to be performed in addition to the activities that constitute the basis for recognition and awarding of Research Incentive Compensation.

Attachment A - School of Medicine in New Orleans

- b) Only Extramural Research Grant Funds, awarded to LSUHSC-New Orleans School of Medicine faculty that are associated with Facilities and Administrative (F&A)/Indirect Costs of 40% or higher will be eligible for consideration under these Criteria.
- 3) Restrictions on Participation:
 - a) Research Incentive Compensation is subject to PM-3 limitations.
 - b) Released Funds and/or Departmental Indirect Cost Recovery Revenue will be determined as of the start of that grant's program year.
 - c) In the event that the faculty member has a funded appointment in more than one academic department, center of excellence or other business unit, each academic department, center of excellence or other business unit, in proportion to the existing distribution of Released Funds and/or Departmental Indirect Cost Recovery Revenue (DICRR), will fund Research Incentive Compensation (RIC).
 - d) Notwithstanding anything else contained in this Criteria, the maximum amount of Base Salary Level permitted for the computation of Research Incentive Compensation is that amount that is indexed to the base salary amount limitation specified within the NIH grant application process (currently this amount is \$183,300).
 - e) Resignation or termination of employment from the HSC (other than retirement) will automatically terminate any payments to the faculty member hereunder, and automatically and immediately terminate any obligation of the HSC to make any payments to the faculty member under this criteria.
- 4) Allocation of RIC based on whether grant has a single and multiple investigators

In the event an eligible grant designates one eligible faculty member as the grant's principal investigator then that individual shall be eligible for the entire amount of DICRR. In the event that an eligible grant designates one or more eligible faculty as co-investigator(s) then; (1) each co-investigator will be eligible for Research Incentive Compensation relative to their respective Released Funds, and (2) DICRR will be shared 75% to the PI and 25% to any co-investigators for purposes of the formula below. After application of the 75% of the DICRR to the principal investigator any remaining amount of DICRR will be applied to other investigators on a pro-rata basis of total Released Funds to Released Funds applicable to the respective faculty members who are not the named principal investigator.

In the event that multiple co-principal investigators (co-PIs) are designated for an eligible grant, both investigators will equally divide the DICRR.

If the grant has co-PIs and co-investigators, the co-PIs will equally divide 75% of the DICRR, whereas all co-investigators will equally share the remaining 25% of the DICRR.
- 5) Implementation of the Plan and Criteria:
 - a) Notwithstanding anything else contained herein, the total amount of Research Incentive Compensation applicable to a particular grant for all faculty members related to a particular grant shall not exceed twenty percent (25%) of the sum of (1) all such faculty member's DICRR plus, (2) all such faculty member's Released Funds (hereinafter referred to as "the Cap"). In the event that the computation of aggregate Research Incentive Compensation for the principal investigator and any

co-investigators applicable to a particular grant exceeds the Cap, then Research Incentive Compensation will be paid first to the Principal Investigator up to the value of the Cap. If the Cap is not reached by the payment of RIC to the Principal Investigator then, any remaining funds, up to the Cap shall be paid to other co-investigators on a pro-rata basis based on the co-investigator's individual amount of Released Funds divided by the total amount of Released Funds associated with all co-investigators on a particular grant.

- b) Additionally, the total amount of Research Incentive Compensation cannot exceed \$30,000 for an individual recipient. This value is referred to the "Maximum Incentive Compensation".
- c) The amount of Research Incentive Compensation is determined by multiplying the amount of Released Funds (RF) plus the amount of Departmental Indirect Cost Recovery Revenue by 25% and is prorated monthly according to the following formula:

(i) If one eligible faculty member: $RIC = (RF + DICRR) \times 25\%$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

(ii) If multiple eligible faculty members:

Principal Investigator: $RIC = [RF + (DICRR \times 75\%)] \times 25\%$

Other Investigators $RIC = (RF \times 25\%) + [[(DICRR \times 25\%) \times \text{the \% equal to each co-investigators' RF divided by the sum of all co-investigators RF}] \times 25\%]$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

(iii) If multiple co-PIs are eligible: $RIC = [RF + (DICRR / \# \text{ of PIs})] \times 25\%$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

(iv) If the grant has multiple co-PIs and multiple co-investigators:

Co-PIs: $RIC = [RF + (DICRR \times 75\%) \times 25\%] / (\# \text{ of co-PIs})$

Co-investigators: $[RF + (DICRR \times 25\%) \times 25\%] / (\# \text{ of co-investigators})$

If the total compensation for all grants for an individual faculty member exceeds \$30,000, the Research Incentive Compensation will be \$30,000.

The proportional cost of the Research Incentive Compensation must be paid from the respective academic department, center of excellence or other business unit Research Development Fund. All Faculty payments for Research Incentive Compensation will be made in the last month of the Plan year, or earlier if possible from an accounting perspective.

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- d) The department chair, center of excellence director or head of any other business unit of the SOM must attest in writing that all requirements of both the Plan and the Criteria have been met and must complete the usual LSUHSC personnel action (PER-3) form to indicate the account distribution of the Research Incentive Compensation.
- e) The department that receives either the Released Funds or the Departmental Indirect Cost Recovery Revenue is responsible for providing the funding for the Research Incentive Compensation into the respective Research Development Fund.

SUBMITTED BY:

_____ DATE: _____

Steve Nelson, MD, CM, FACP, SACP
Dean
LSU Health Sciences Center – New Orleans Campus

APPROVED BY:

_____ DATE: _____

Larry H. Hollier, MD
Chancellor
LSU Health Sciences Center – New Orleans Campus

_____ DATE: _____

F. King Alexander, M.S., Ph.D.
President and Chancellor
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