College of Arts and Sciences Course Buyout Guidelines

What is a Course Buyout?

A Course Buyout is when non-State (e.g., grant, indirect, Professorship) funds "buy" a faculty member's released time by paying for a portion of their salary so that the equivalent amount of effort (%) can be spent working on the faculty member's scholarship/research.

A "Buyout" situation applies when a faculty member is granted a course release in order to accommodate a faculty member's work on an externally or otherwise funded project. The corresponding percentage of the faculty's appointment is directly charged (accounted for) to the grant account/indirect fund/Professorship fund, etc. (budget) during the term of the buyout.

Guidelines

A faculty member may elect to "buy out" of teaching (often referred to as "course release") to work on a project, at a rate equal to (at minimum) **1/10th (10%) of their nine-month Institutional Base Salary (IBS),* plus fringe** for each course release.

**Institutional Base Salary (IBS): is the annual compensation the university pays for activities performed (including, as applicable, research, teaching, and clinical practice) as part of an employee's university appointment(s), specifically, INCLUDING: Regular Salary, Endowed Chair or professorship stipends; and Paid Professional leave (pay for sabbatical, vacation, and sick leave- not including sick leave pay payouts when departing from the university); EXCLUDING: Administrative stipends; Summer salary for non-12-month appointees; Service in excess payments; Royalties paid by the university; Reimbursements; and Any compensation of external professional activities, such as consulting or compensated peer review activities.*

NOTE: If a granting agency has its own specific formula for determining a course buyout, the Dean may allow the faculty member to buy out one course at the granting agency's rate.

The National Institutes of Health (NIH) sets an annual salary cap to limit the *Institutional Base Salary (IBS)* used to calculate salary and fringe benefits costs for an NIH application budget.

Effective January 1, 2024, the annual salary cap is $221,900. If a faculty member's actual annualized base salary exceeds this amount, then the salary cap of $221,900 must be used as the annual base for salary and fringe benefit cost calculations in the application budget (for more information from NIH, see here).

The National Science Foundation (NSF) requires that salary requests in grant budgets be expressed as months. No more than 2 months of regular salary may be requested for any senior personnel in any one year. The limit of two months' salary includes compensation received from all NSF-funded grants. At UNCG, one course buyout equals 0.9 academic months of salary for faculty with a 9-month appointment and 1.0 academic months of salary for faculty with a 10-month appointment (for more information from NSF, see here).

How the Buyout money is used

CAS will use the funds derived from the Buyout to pay the salary of the teaching replacement. Any leftover monies, typically state funds, will be divided 50/50 with the faculty member's Department, to use at the Department's discretion within the spending guidelines for state funds, and with CAS. CAS will use any such funds to further support our CAS Departments.

Overall Restrictions

1. **Faculty must maintain a minimum of <u>one organized course</u> each semester.** They cannot buy out all their courses, or through a combination of course buyout and course release for administrative work, reduce their semester course load to zero.
2. **Ample time** must be given to the faculty members department(s) to plan accordingly for course coverage, and to allow for timely use of the funds received. If the grant is not successful, the chair must be informed immediately upon notification so that course assignments can be adjusted to fill out the faculty member's teaching load for the academic year.

Procedures

All external grant applications must be processed through UNCG's Office of Sponsored Programs (OSP), via Cayuse.

A CAS Buyout Request Form (see appendix) must be filled-out with all appropriate signatures when a portion of a faculty member's salary is being financed or subsidized through external grant or other non-State funding. **<u>Buyout Request forms must be completed and submitted at the time of the proposal submission</u>**.

Requests for course releases are contingent upon the review and approval of the faculty member's Department Head/Program Director and the CAS Dean's office. The timing of the course release(s) must also be negotiated with the head/program director and is dependent upon curricular and other relevant departmental, college, and university needs. Normally, course buy-outs do not exempt faculty members from their regular service responsibilities. Course buy-outs likewise are normally for a limited portion of a faculty member's teaching responsibilities during a given academic year.

If awarded the grant, Department Heads/Program Director are responsible for contacting the College Office of Budget and Personnel to claim the department's share of the funds derived from the buyout.

<u>Rationale (from UNCG's policy on Course Buyouts)</u>

Per the University's Faculty Workload Guidelines document, all faculty instructional workloads are based on the assumption that a standard course takes up 10% of faculty time in an academic year. Thus, a buyout for one course would typically reduce the faculty teaching responsibilities by 10% and increase research responsibilities by 10%. Individual situations may arise where faculty provide a higher percentage grant buyout to accommodate both the instructional release and release for research time in their workload that may be dedicated to the grant activity.

The buyout rates generated by this policy are not expected to affect the peer review decisions at federal and state agencies. In cases where buyout rates are thought to be a consideration in proposal funding decisions, the Dean, upon request from the Principal Investigator and Department Head/Program Director, can request an exception to the policy from the Vice Chancellor for Research and Engagement. In all cases, however, the minimal buyout rate for full-time academic appointments for a three-credit hour assignment is 10%.

These guidelines are in line with federal and state regulations and should not penalize anyone applying for external funding. As with any set of guidelines, however, exceptions will be granted when it is necessary to do so.

UNCG's Course Buyout Policy has been effective at UNCG since Fall 2000.

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