October 31, 2007

Memorandum

To: Vera Kutzinski, Director of the Center for the Americas
    Bill Ivey, Director of the Curb Center
    Charles Scott, Director of the Center for Ethics
    Dan Cornfield, Director of the Center for Nashville Studies
    Volney Gay, Co-director of the Center for Religion and Culture
    Doug Knight, Co-director of the Center for Religion and Culture
    Helmut Smith, Director of the Robert Penn Warren Center

From: Dennis G. Hall, Associate Provost
      Timothy P. McNamara, Associate Provost

Subject: Stipends and salary supplements paid to faculty members

We begin this memorandum by describing a new policy governing the payment of stipends and other forms of extra-salary compensation to faculty members who participate in the activities of your centers. After we have stated this policy, we will explain why it is needed.

All requests for the payment of stipends, salary supplements, and other forms of compensation (including research funds) to faculty must be approved by the Associate Provost for Faculty (TPM). Requests for approval should include a brief description of the nature of the activity for which the faculty member will be compensated and should be copied to the dean of the faculty member's school. Additional documentation may be required in some cases.

This policy goes into effect immediately.

We have created this policy to correct a defect in the institution's procedure for specifying the effort of those who receive any amount of federal salary support. The federal government requires faculty to declare and certify the distribution of their institutional effort if they charge any portion of their salary to a federal grant. These effort reports must meet the following standards:

- The effort report must include all of the activities in which a faculty member engages as part of his or her work for the university (e.g., teaching, research, administrative duties, patient care).

- The percentage of salary charged to a grant or contract must be an accurate reflection of the effort allocated to the work funded by that grant or contract, taking into account all other institutional responsibilities (i.e., effort). This means that faculty members, in particular, are not permitted to charge 100% of their salaries to federal grants or contracts in any month during which other institutional duties, such as teaching or administrative work, occupy a non-trivial percentage of their total effort.
Use of salary supplements for additional compensation must conform to the new system developed during summer 2007. Deans and other administrative officers have already been advised of this change.

Please refer to the attached copy of the Provost's memorandum on Effort declaration and certification, sent to University Central deans on July 24, 2007, and to the attached resource document titled Effort Essentials for the Provost's Domain for additional details.

In your roles as center directors, many of you use compensation of various sorts to encourage faculty to engage in new research and teaching activities that advance the goals of your center. For instance, a faculty member might be offered a stipend (or a research fund) to develop a course consistent with the mission of a particular center. Any such compensation must be associated with some plausible level of effort. Compensation follows effort. Although it is the faculty member's responsibility to declare any effort associated with such activities, these declarations must be reviewed and approved by the dean's or the provost's office. The problem we have now is that the individuals who are responsible for approving effort declarations are rarely informed of center-based activities in which faculty take part. We need to create a process that ensures that university officials responsible for verifying effort reports have the information they need to determine whether effort reports have been completed properly.

We recognize, of course, that some might argue that many of the faculty who participate in the activities of your centers do not, and may never, have portions of their institutional effort assigned to federally funded research projects. Even so, because there is no way to be sure of that, we need to apply this policy uniformly to avoid being caught off guard by something unanticipated. We don't want to put you in the position of policing faculty effort, but more important, we want university polices and practices in this area to be the same for all faculty, regardless of whether they are currently supported by federal funds.

We appreciate your patience and cooperation as we strive to ensure that our system for recording and certifying effort complies fully with the appropriate regulations.

Thank you.

Attachment

cc:
Nicholas S. Zeppos, Interim Chancellor and Provost
Camilla Benbow, Dean, Peabody College
James Bradford, Dean, Owen Graduate School of Management
Kenneth Galloway, Dean, School of Engineering
James Hudnut-Beumler, Dean, Divinity School
Richard McCarty, Dean, College of Arts and Science
John McDaniel, Associate Vice Chancellor
Ed Rubin, Dean, Law School
Mark Wait, Dean, Blair School of Music