

School of Education (SoE) Course Buy-out Policy and IDC Return Pilot Program

Frequently Asked Questions (Aug 2024)

What is the rationale behind implementing a new 20% rate?

Through this policy, SoE is standardizing buy-out rates School-wide and aligning with other units (e.g., L&S, SOHE) across UW-Madison's campus. The aim of the increase is to provide more fungible resources to SoE's academic departments. 100% of funds generated from grant funded course buy-outs will remain as 101 salary savings in the faculty member's appointing department and directly serve departmental needs and objectives.

Why does the new policy include two rates?

The lower buy-out rate (12.5%) is intended to make a buy-out accessible for PIs who have limited or smaller funding opportunities, with annual direct costs totaling under \$100k.

How do I manage effort commitments and the corresponding salary allocations under the new policy?

All SoE PIs are responsible for ensuring compliance with UW's ECC (Employee Compensation Compliance) [Policy](#).

Effort committed and salary charged to grants must be based on an assessment of the time needed to complete the scope of work associated with the grant. Salary and effort proposed in grant applications should be listed as a percentage of FTE or person-months and justified in the budget narrative by tying the effort back to the work proposed. Through RSP's ECC process (formerly Effort Reporting), PIs must attest that payroll charged to a grant is reasonable in relation to the work performed.

The buyout rate of 20% (or 12.5%) is an internal mechanism through which grant-funded course buy-outs are approved by the School. This rate is not connected with individual departments' varied expectations for time spent on research, teaching, or service, and should not be a factor in determining effort committed or salary charged to a grant

What criteria will be used to evaluate requests for exceptions to the policy?

Exceptions to this policy will be considered by the Dean's Office when a sponsor specifically dictates PI effort (with or without mandatory cost share), while capping salary or overall budget (e.g., NIH K awards, NAE/Spencer Fellowships).

In lieu of the increased rate, can I choose to fund only summer salary on my grants?

The salary charged to a grant must accurately reflect effort distribution across the year. Except for grants where all activity occurs during summer months, a part of academic salary must be charged to the grant when related activity is happening throughout the year.

Can I fund a course buy-out across more than one grant?

Yes.

How was the IDC Return Pilot Program distribution calculation determined?

In an analysis of past (FY21-FY23) research expenditures, it was found that returning 2% of total direct research costs exceeding \$100,000 to Principal Investigators (PIs) would have the most significant impact while still being financially sustainable for SoE. SoE anticipates distributing over \$400k per year to PIs through the pilot period.

I am an Academic Staff PI. Am I eligible for an IDC return distribution?

PIs from all employment classifications are eligible for an IDC return distribution.

Do extramurally funded outreach and service projects count in the IDC return distribution calculation?

During the pilot program, only transactions coded "4" (research) will be included in the distribution calculation.

Are there policies or guidelines that dictate how I can spend my IDC return distribution?

The funding distributed through IDC return pilot program will be flexible UW funds and will need to be spent in compliance with UW procurement and payroll policies. The distribution's intention is to provide PIs with flexible funds outside of their grant budgets to further their research programs. Possible uses include domestic or international conference travel, equipment and computing needs, meeting facilitation, new project/grant planning and student funding.