

# SAP 21.01.03.T0.03 Salary Savings Incentives for Faculty



Approved: February 24, 2026  
Next Scheduled Review: February 24, 2031

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## Procedure Summary

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This Standard Administrative Procedure (SAP) establishes guidelines for the allocation and use of salary savings generated when faculty salaries are partially funded by external grants or contracts. The goal of this SAP is to incentivize faculty participation in sponsored research and ensure funds are used to advance the University's mission in teaching, research, and service.

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## Definitions

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**Salary Savings:** Institutional funds de-obligated when a portion of a faculty member's salary is charged to an external grant or contract.

**Incentive Funds:** A designated percentage of salary savings allocated for faculty use under this SAP.

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## Procedure

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### 1. GENERAL

- 1.1 This SAP applies to all tenured, tenure-track, and research faculty who receive external funding that offsets their institutional salary obligations during the academic year.
- 1.2 Faculty who generate salary savings through external funding may receive a portion of these savings to be used in accordance with the Tarleton State SAP 21.01.03.T0.04, *Discretionary Accounts*, subject to compliance with university and sponsor regulations.

### 2. ALLOCATION OF SALARY SAVINGS

#### 2.1 Distribution Formula

- 2.1.1 Faculty Member: 50% of salary savings as discretionary research funds.

- 2.1.2 College/School/Department: 25% for academic priorities, operational support and strategic initiatives with allocations below the college level determined by each college.
- 2.1.3 University: 25% to the University Research Stimulus account for strategic investment in research priorities.

### 3. ELIGIBLE USES OF INCENTIVE FUNDS

- 3.1 Research-related expenses (equipment, supplies, travel)
- 3.2 Graduate student support (Graduate Research Assistant stipends, tuition)
- 3.3 Summer salary for the faculty member (subject to departmental approval)
- 3.4 Professional development
- 3.5 Course buy-outs (subject to departmental approval)
  - 3.5.1 The cost of replacement faculty will be deducted from salary savings prior to distribution.
- 3.6 One-time merit salary payment (does not affect base salary, subject to Chief Academic Officer and Human Resources approval)

### 4. RESTRICTIONS

- 4.1 All teaching and service obligations must be met before funds are used for other purposes.
- 4.2 One-time merit salary payments are capped at one per fiscal year and must comply with state and federal laws, The Texas A&M University System (System) policies, and University rules and procedures.
- 4.3 Funds cannot be used for recurring salary increases or personal expenses.

### 5. PROCEDURES

- 5.1 Faculty must submit a *Salary Savings Incentive Request Form* to their department chair.
- 5.2 Department verifies compliance with sponsor and System and University policies, regulations, rules, and procedures.
- 5.3 Executive Vice President of Finance and Administration/Chief Financial Officer, or designee, processes allocation, and monitors usage.

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## **Related Statutes, Policies, or Requirements**

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[Texas Education Code §145.001 – Grants and Research Expenses](#)

[System Policy 15.01, \*Research Agreements\*](#)

[System Regulation 15.01.01, \*Sponsored Agreements – Research and Other\*](#)

[System Regulation 21.01.03, \*Disbursement of Funds\*](#)

[System Regulation 31.01.01, \*Compensation Administration\*](#)

[System Regulation 31.01.08, \*Merit Salary Increases\*](#)

[Tarleton State SAP 21.01.03.T0.01, \*Indirect Cost Allocation\*](#)

[Tarleton State SAP 21.01.03.T0.04, \*Faculty Discretionary Accounts\*](#)

[Tarleton State Rule 31.01.08.T1, \*Merit Salary Increases\*](#)

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## **Contact Offices**

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