

SAP 21.01.03.T0.04 Faculty Discretionary Accounts



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

Procedure Summary

This Standard Administrative Procedure (SAP) establishes guidelines for the creation, allocation, and use of faculty discretionary accounts funded through salary savings and indirect cost recoveries. The goal is to incentivize sponsored research participation and provide faculty with resources to advance teaching, research, and service missions.

Definitions

Faculty Discretionary Account: A University-managed account designated for faculty use, funded by salary savings and/or indirect cost allocations.

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

Indirect Cost Recoveries (IDC): Funds received from sponsors to cover facilities and administrative costs associated with grants/contracts.

Procedure

1. GENERAL

This SAP applies to all tenured, tenure-track, and research faculty who generate salary savings or receive allocations from indirect cost recoveries.

2. FUNDING SOURCES

1.1 Salary Savings Incentives: 50% of salary savings allocated to the faculty member as discretionary research funds.

1.2 Indirect Cost Allocation: 40% of IDC recoveries allocated to the principal investigator (PI) and dean/vice president; PI receives 50% of that share for discretionary use.

3. ELIGIBLE USES

3.1 Funds may be used for:

- 3.1.1 Research-related expenses (equipment, supplies, travel)
- 3.1.2 Graduate student support (stipends, tuition)
- 3.1.3 Professional development
- 3.1.4 Course buy-outs (subject to approval)
- 3.1.5 One-time merit-based bonus (requires Chief Academic Officer and Human Resources approval)

4. RESTRICTIONS

- 4.1 Must comply with university, state, and sponsor regulations.
- 4.2 Cannot be used for recurring salary increases or personal expenses.
- 4.3 Teaching and service obligations must be met before discretionary use.

5. ACCOUNT MANAGEMENT

- 5.1 Accounts will be established by the Financial Operations Office upon confirmation of salary savings or IDC allocation.
- 5.2 Faculty must submit a *Discretionary Account Request Form* approved by the department chair and dean.
- 5.3 The Executive Vice President of Finance and Administration/Chief Financial Officer will monitor compliance and usage.

Related Statutes, Policies, or Requirements

[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*](#)

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

[Tarleton State SAP 21.01.03.T0.03, *Salary Savings Incentives for Faculty*](#)

Contact Offices

Chief Academic Officers

Executive Vice President for Finance and Administration/Chief Financial Officer
254.968.9877