

UHD COURSE BUYOUT

(Adapted from UH College of Liberal Arts and Social Sciences -CLASS)

What is a Course Buyout?

A Course Buyout is when **grant funds** “buy” a faculty member’s released time by paying for that portion of their salary so that the equivalent amount of effort is spent working on the grant.

A “Buyout” situation applies when a faculty member is granted a course release to accommodate a faculty member’s work on an **externally funded grant**. The corresponding percentage of the faculty’s appointment is directly charged (accounted for) to the grant account (budget) during the term of the buy-out. This includes course buyouts as part of external gifts, contracts, and grants.

The University of Houston-Downtown values the importance of securing extramural funding to support cutting-edge programs of research and externally funded projects that support the communities we serve. The University of Houston-Downtown recognizes that submitting grant applications can be laborious and highly competitive, and the work put into the writing of a grant must be recognized at the departmental, college, and university levels. Therefore, the University of Houston-Downtown makes concerted efforts to strengthen its research infrastructure and develops policies and procedures that are responsive to faculty needs, while aligning with federal, state, system, and university policies. To incentivize the submission of high-quality federal grant applications, the following procedures and UHD policy – **PS-06.A.06 - Guidelines for the Administration of Sponsored Programs by the Office of Research and Sponsored Programs (ORSP)** will serve as the standard for the University.

Course Buyout Process

A faculty member may elect to “buy out” of teaching (often referred to as “course release”) to work on a sponsored project, at a rate of **7.5%** of a faculty’s nine (9) month institutional base salary. This calculation is aligned with the guidelines in the U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200) and is directly connected with a faculty member’s institutional base salary. The faculty member must budget for salary **plus fringe benefits** for **EACH** course buyout per semester.

A faculty member is limited to buying out one course per term regardless of the source of external funding. While it is recognized that some complex grants may require more than one course release per term to meet the demands of grant administration and implementation, any exceptions to requesting one course release per term must receive approval of the chair, dean, and provost before the budget is finalized for submission to the funding agency.

The course buyout rate of 7.5% takes into account that tenured/tenure track faculty at UHD teach a 4/3 or 3/4 teaching load. Teaching represents 50% of the faculty member’s designated workload. Faculty members who receive a course buyout on a grant are still responsible for meeting the teaching, research and service responsibilities as outlined in their respective departmental criteria.

EXAMPLE:

1 Course Buy-Out at 7.5%

9-Month Salary=\$60,000
\$60,000 * 7.5% = \$4,500
\$4,500 * sample fringe rate (28%) = \$1,260
Total to budget on grant funds = \$5,760

To receive a course buyout, the investigator must do the following:

- Budget 7.5% effort plus fringe, per course, during the 9-month academic calendar. This rate is designed to cover the FTE associated with teaching a course.
- Obtain documentation from the Chair and Dean for approval of the course buyout before proposal submission. Contact the Office of Research and Sponsored Programs (ORSP) for guidance.
 - Salary savings from the course buyout charged to the grant will follow Indirect Cost Return rules and regulations and will be distributed as follows. Please note that the salary savings less the cost of the adjunct or overload (currently \$3,200) will be used for distribution.
 - 15% to the university to cover costs for grant implementation.
 - 15% to the college to support grant related activities.
 - 15% to the department to support grant related activities.
 - 55% to the principal investigator to support grant activities related to the funded grant. These funds may not be used for faculty salary, but may be used for professional expenses, such as conference travel, professional memberships, technology needs, administrative support, etc.
- **Example:** Based on Example 1 listed above, a faculty member who earns \$60,000 buys out one course with \$4,500.00 salary savings + \$1,260 fringe = \$5,760 charged to the grant resulting in salary savings. After the cost of an adjunct or overload is deducted (currently \$3,200 + 17% Fringe – 544= \$3,744) from the salary savings, the salary distribution will be disbursed following the last month in which the course release occurred. This will result in a disbursement at the beginning of a semester for the previous semester and will be distributed as follows:

○ 15% to the institution	\$302.40
○ 15% to the college	\$302.40
○ 15% to the department	\$302.40
○ 55% to the investigator	\$1,108.80
TOTAL	\$2,016.00

II. Academic Salary paid on Grant Funds for Summer

An investigator may choose to budget and pay a portion of the academic salary from grant funds for grant work done during the summer months. UHD policy allows for up to 3 full months of summer salary (2 months for NSF) without approval except when restricted by the sponsor. The total amount paid for each month of grant work cannot exceed 1/9 of the investigator's annual salary. The investigator will

need to adhere to UHD, UHS, and OMB compensation guidelines and not exceed 120% of the annualized salary.

III. UHD Indirect Costs (IDC) Return

After the University of Houston-Downtown receives its disbursement of IDC funds from the funding agency, the resulting funds are distributed as part of the monthly financial closeout as follows*:

- 10% to the institution for overhead expenses
- 30% to ORSP to support grant related activities and expenses.
- 10% to Provost to support and encourage grant activities.
- 15% to the College
- 15% to the Department
- 20% to the Principal Investigator

*In the past, 50% of indirect costs went to ORSP, moving forward this percentage will be split out among ORSP, the university, and the provost's office to better support grant and grant-related activities.