



IUPUI

OFFICE OF THE
FACULTY COUNCIL

INDIANA UNIVERSITY-PURDUE UNIVERSITY
Indianapolis

Faculty Bonus Plan for IUPUI

Circular 2015-04

FULL POLICY CONTENTS

[Scope](#)
[Policy Statement](#)
[Procedures](#)
[History](#)

Effective: *Draft*
Last Updated: *Draft*

Office of Academic Affairs

Policy Contact:
Melissa Lavitt
Senior Associate Vice Chancellor for Academic Affairs
mlavitt@iupui.edu

Scope

This policy applies only to those units that are able to afford the cost of faculty bonuses. If unit level resources are available, then bonuses should be awarded according to this policy.

Policy Statement

IUPUI seeks to implement a faculty bonus plan for the purposes of recognizing, rewarding, and retaining faculty talent. Each Responsibility Center (RC) should develop its own process, in consultation with appropriate faculty governance groups. The written document should be approved by IUPUI Finance and Administration.

Faculty bonuses at IUPUI differ from annual merit raises in terms of the source and process for funding. RC leaders recognize annual meritorious contributions during annual pay increase opportunities. A one-time cash bonus may be awarded no more than once every fiscal year in recognition of extraordinary accomplishment. Cash bonuses cannot replace raises but are awarded in addition to raises. Raises should be awarded equitably and independent of any cash bonus award. Bonuses may not be given from funds that are intended for yearly raises. Bonus awards, like salaries, must be a matter of record made available upon request. The percentage of each awarding department, unit, or school's budget allocated to such bonuses annually must be available upon request.

Reasons for providing faculty bonus include:

- Retaining productive faculty in a competitive environment
- Rewarding things that do not necessarily get rewarded in other traditional ways (e.g., accreditation; teaching larger section of a class)
- Encouraging or stimulating specific behaviors (e.g., mentoring)

Faculty bonus plans are modeled after the same criteria for staff bonuses:

- Exemplary overall performance
- Significant achievement on a project or major assignment

Faculty bonuses may be based on all types of academic work: teaching, research, service, etc.

Procedures

Eligibility criteria for faculty bonus:

- Full-time appointed faculty
- Department chairs are considered 'faculty' for purposes of faculty bonuses

Calculation of faculty bonus:

- 10 percent of individual's base salary is the maximum for faculty bonuses
- For IUSM, a bonus is calculated from total compensation defined as core plus adjustable per IUSM Compensation Principles and Policy

Process for determining faculty bonus:

- Each unit should develop its own policy and guidelines for faculty bonus
- Policy and guidelines should be vetted by the unit's faculty governance group
- Faculty bonus policy and guidelines should be filed with IUPUI's Office of the Executive Vice Chancellor and Chief Academic Officer
- Faculty bonus policy and guidelines should be approved and administered by IUPUI Finance and Administration

History

This policy replaces the Policy for Cash Bonuses for Academic Appointees at IUPUI as passed by the IUPUI Faculty Council in May 2003.