What is a Course Buyout?

A Course Buyout is when external funds “buy” a faculty member’s released time by paying for a portion of their salary so that the equivalent amount of effort (%) can be spent working on the externally-funded project.

A “Buyout” situation applies when a faculty member is granted a course release in order to accommodate a faculty member’s work on an externally funded project. The corresponding percentage of the faculty’s appointment is directly charged (accounted for) to the grant account (budget) during the term of the buyout.

A Course Buyout stemming from Internal funds does not necessarily have to follow the guidelines below, and can be worked out on an ad-hoc basis.

Guidelines

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 equal to (at minimum) $1/8th (12.5%) of their nine-month Institutional Base Salary (IBS),* plus fringe (38%) for each course release.

*Institutional Base Salary (IBS): is the annual compensation the university pays for activities performed (including, as applicable, research, teaching, and clinical practice) as part of an employee’s university appointment(s), specifically, INCLUDING: Regular Salary, Endowed Chair or professorship stipends; and Paid Professional leave (pay for sabbatical, vacation, and sick leave- not including sick leave pay payouts when departing from the university); EXCLUDING: Administrative stipends; Summer salary for non-12-month appointees; Service in excess payments; Royalties paid by the university; Reimbursements; and Any compensation of external professional activities, such as consulting or compensated peer review activities.

NOTE: If the granting agency has its own specific formula for determining a one course buyout, the Dean may allow the faculty member to buy out one course at the granting agency's rate.

The National Institutes of Health (NIH) sets an annual salary cap to limit the Institutional Base Salary (IBS) used to calculate salary and fringe benefits costs for an NIH application budget. Effective February 5, 2020, the annual salary cap is $197,300. If a faculty member’s actual annualized base salary exceeds this amount, then the salary cap of $197,300 must be used as the annual base for salary and fringe benefit cost calculations in the application budget (for more information from NIH, see here).

The National Science Foundation (NSF) requires that salary requests in grant budgets be expressed as months. No more than 2 months of regular salary may be requested for any senior personnel in any one year. The limit of two months’ salary includes compensation received from all NSF-funded grants (for more information from NSF, see here).
Overall Restrictions

Faculty must maintain a minimum of one organized course each semester. They cannot buy out all their courses, or through a combination of course buyout and course release for administrative work, reduce their annual course load to zero.

Ample time must be given to the faculty members department(s) to plan accordingly for course coverage. If the grant is not successful, the chair must be informed immediately upon notification so that course assignments can be adjusted to fill out the faculty member’s teaching load for the academic year.

Procedures

All external grant applications must be processed through UNCG’s Office of Sponsored Programs (OSP), via RAMSES or Cayuse.

A CAS Buyout Request Form (which can be found here and at the end of this document) must be filled-out with all appropriate signatures when a portion of a faculty member’s salary is being financed or subsidized through external grant funding.

Requests for course releases are contingent upon the review and approval of the faculty member’s Department Head/Program Director and the CAS Dean’s office. The timing of the course release(s) must also be negotiated with the head/program director and is dependent upon curricular and other relevant departmental, college, and university needs. Normally, course buy-outs do not exempt faculty members from their regular service responsibilities. Course buy-outs likewise are normally for a limited portion of a faculty member’s teaching responsibilities during a given academic year.

Rationale (from UNCG’s policy on Course Buyouts)

Per the University’s Faculty Workload Guidelines document, all faculty instructional workloads are based on an initial 24 credit hour (8 course) assignment with reductions provided based on unit and departmental workload policies. Thus, a grant buyout for one course would represent 12.5% (1/8th) of the faculty workload. Faculty who are on instructional assignments below the base departmental workload may be asked to provide a higher percentage grant buyout to accommodate both the instructional release and release for research time in their workload that may be dedicated to the grant activity.

The buyout rates generated by this policy are not expected to affect the peer review decisions at federal and state agencies. In cases where buyout rates are thought to be a consideration in proposal funding decisions, the Dean, upon request from the Principal Investigator and Department Head/Program Director, can request an exception to the policy from the Associate Provost for Research. In all cases, however, the minimal buyout rate for full-time academic appointments for a three-credit hour assignment is 12.5%.

These guidelines are in line with federal and state regulations and should not penalize anyone applying for external funding. As with any set of guidelines, however, exceptions will be granted when it is necessary to do so.

UNCG’s Course Buyout Policy has been effective at UNCG since Fall 2000.
University of North Carolina at Greensboro - CAS Dean’s Office
Course Buyout Request Form

Your Name: Click or tap here to enter text.
Today's Date:  Click or tap to enter a date.
Your Email: Click or tap here to enter text.
Your Department:  Click or tap here to enter text.
Please be sure that you’ve read and understand the CAS Course Buyout Guidelines.
Your Signature: Click or tap here to enter text.

GRANT INFORMATION:
Name of Sponsor: Click or tap here to enter text.
Deadline for submission to the Sponsor: Click or tap to enter a date.
Term of the grant:  Start Date ________ End Date __________
Total Anticipated/Awarded Amount: $ Click or tap here to enter text.

What is your normal teaching load (example 3/3)? __________
Which courses do you plan to buyout?*

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Notes (for use by Department Head/Program Director or Dean’s Office only):

Approval:
Head’s/Director’s Signature: Click or tap here to enter text. Date: ________
Dean’s Signature: Click or tap here to enter text. Date: ________

*Notice of Award must be received prior to the start date of term for which you anticipate buy-out