

## **University of California, San Francisco School of Nursing Implementing Procedures for the Health Sciences Compensation Plan**

### **I. INTRODUCTION**

The Health Sciences Compensation Plan (Regents' Plan) was approved by The Regents of the University of California in July 1999 and amended in 2012 for implementation at all University of California health sciences schools. Subsequently, a new policy section for the Academic Personnel Manual (APM 671) was developed that is focused on Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants. The procedures contained herein (Implementing Procedures) provide updated supplementary regulations for implementation of the Regents' Plan at the University of California, San Francisco (UCSF) School of Nursing. These revised Implementing Procedures are effective July 1, 2015 and supersede all prior versions.

In adopting these Implementing Procedures the faculty and administration of the School of Nursing at UCSF affirm the philosophy outlined in the Regents' Plan. The Regents' Plan and these Implementing Procedures will be used in each department/organized research unit (ORU) to foster academic balance among the joint responsibilities of teaching, research and other creative work, professional activity and University and public service. Individual levels of compensation will be established so as to maintain this academic balance and to permit the recruitment and retention of the individuals necessary for the School to fulfill its missions at a level of excellence.

In addition to these Implementing Procedures, faculty who are members of the Plan ("Plan participants") as defined in section IV of these Implementing Procedures are also subject to the requirements of other University policies, including (1) the University's Conflict of Interest code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest; and (2) the Policy on Requirements to Submit Proposals and to Receive Awards for Grants and Contracts Through the University. A Plan Participant's compensated outside activities may create an obligation for the Plan Participant to disclose a financial interest before making or participating in certain University decisions.

Faculty may obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the campus Office of Legal Affairs.

## II. REVIEW AND APPROVAL RESPONSIBILITY

These Implementing Procedures are developed to be consistent with the policy framework of the Regents' Plan. Affected Plan Participants shall be afforded the opportunity to review and comment on any proposed revisions to the Implementation Procedures, including consultation with the School of Nursing Health Sciences Compensation Plan Advisory Committee (hereinafter "Advisory Committee"). All such revisions shall be approved by the Dean, the Chancellor, and the President or the President's designee. Local implementation shall be administered by the Dean or Dean's designee. In addition, the School of Nursing Health Sciences compensation plans shall be reviewed by the Advisory Committee and reviewed and approved by the Dean or his/her designee prior to implementation.

The Chancellor may approve individual exceptions to the provisions of the Regents' Plan to meet special teaching, research, or clinical service requirements. All such exception requests shall be proposed by the appropriate chairperson/ORU director and approved by the Dean or Dean's designee prior to the Chancellor's review. The School of Nursing Advisory Committee shall be provided the opportunity to review and comment on any proposed exceptions to these Implementing Procedures that the Dean or Dean's designee intends to submit to the Chancellor for approval.

### A. Advisory Committee

The Advisory Committee's role is to assist the Dean in resolving issues that may arise from Plan implementation. The Advisory Committee assists by assuring compliance with and resolving issues on outside professional activities, conflict of interest, and conflict of commitment. The Committee also reviews the School HSCP Guidelines.

The Advisory Committee's functions shall include advising the Dean on:

- 1) Development of the school Implementing Procedures, including the establishment of Good Standing Criteria, Academic Programmatic Unit (APU) assignments, and APU Scales. (See APM - 670-18-b for more information on APUs.)
- 2) The School HSCP Guideline including methods for obtaining faculty input and for determining consistency with school Implementation Procedures.
- 3) Review of potential conflicts between a Plan Participant's commitment to generating revenue within the Plan and his or her outside professional activities. (See APM - 670-19-c.)

4) Review of Plan Participant appeals regarding implementing and administering the Plan that are not resolved at the department or school levels or are submitted to the Advisory Committee as a result of a determination of loss of Good Standing. Plan Participants who are Academic Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

5) Other issues as requested by the Dean.

The Advisory Committee will provide an annual summary report on its activities to Plan participants, the Dean, and the Chancellor.

### **ADVISORY COMMITTEE MEMBERSHIP**

Membership shall consist of eight to nine voting members of the Plan in good standing. No more than 50 percent of the voting members will be appointed by the Dean All voting members of the Committee must have a faculty appointment and be in Good Standing.

Plan members in the four departments and one ORU will be elected to represent their constituents. Upon review of the elections, if there is not representation from Senate and non-Senate faculty series eligible for Plan membership, the Faculty Council will be asked to elect a member from the unfilled series. In these cases, the membership of the Advisory Committee will total nine.

Three members will be added by the Dean after departmental/Faculty Council elections are completed. These members will represent administrative School and department roles.

### **NOMINATION AND ELECTION PROCESS**

Nominations will be solicited by the departmental faculty. Appointments will be accepted from the Dean. The elections, administered by each department/ORU, (and Faculty Council as necessary) will be held in May 2013 with the term commencing July 1, 2013. Subsequent elections will follow a similar timeframe.

### **TERM**

Elected members will serve a staggered term of three years. The school will maintain a schedule of membership rotation and other relevant details in the School HSCP Guideline.

If an elected member becomes ineligible (terminates membership in the Plan or becomes a member in non-compliance) or is unable to complete their elected term, an election will be held to serve out the remaining portion of the member's term. All individuals elected, to the extent possible, will represent the broad and diverse interests of their constituents. Service on the Advisory Committee is limited to two consecutive terms. There is no limit on the number of non-consecutive terms.

### **COMMITTEE CHAIR**

The School of Nursing's Associate Dean for Academic Affairs will serve as the Committee Chair and will vote only when there is a tie.

### **MEETINGS, VOTING RIGHTS AND QUORUM REQUIREMENTS**

The Committee shall meet no less frequently than semi-annually, as determined by the Chair. A quorum shall consist of five voting members of the Committee. No voting may occur with less than a quorum. All actions or recommendations shall have a majority vote of those in attendance. Voting by proxy shall not be permitted nor an alternate representative permitted to attend.

### **III. GOOD STANDING CRITERIA**

#### **A. Definition of Good Standing**

Plan Participants will be deemed in Good Standing until they are otherwise found to be not in Good Standing.

Plan Participants should meet department/Organized Research Unit ("unit") guidelines regarding productivity in research, teaching, patient care, mentoring, and University service as defined by their series, rank and step.

Plan Participants are responsible for actively participating in activities that support the department's/unit's objectives. Plan Participants are expected to demonstrate professional behaviors in all areas of work and share responsibility for the overall success and well-being, including financial well-being, of the department/unit.

Loss of Good Standing may occur in the following instances:

- Finding of faculty misconduct
- Finding of research misconduct
- Finding of unsatisfactory performance in a Five-Year review

- Refusal or failure to participate in assigned duties
- Loss of clinical privileges (as required)
- Loss of licensure and/or credentials (as required)
- Refusal or failure to complete required trainings
- Lack of compliance with University policy and/or reporting requirements
- Failure to meet expectations related to the generation of salary support and/or shared expenses

## **B. Administrative Review Process**

In cases of disagreement related to the determination of Good Standing of a Plan Participant or to specific consequences, the Department Chair (“Chair”)/ORU Director (“Director”) will meet with the Plan Participant to discuss how to remedy the situation and review the specific consequences, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Chair/Director and the Plan Participant should strive for informal resolution as appropriate to the circumstances, but a specific timeline for resolving the conflict must be defined by the Chair/Director. The Chair/Director will prepare a written document that summarizes the discussion; a copy of this document will be given to the Plan Participant

If informal resolution is unsuccessful, the Chair/Director must provide the Plan Participant with a written statement that summarizes the reason(s) for deeming a Plan Participant Not in Good Standing. The Chair/Director statement should include specific recommendations on what action(s) the Plan Participant must take if they are deemed to be Not in Good Standing. Relevant back-up documentation to return to Good Standing should be included.

The Plan Participant will be given a copy of the Chair’s/Director’s written statement and has the opportunity to provide a written response to the Chair/Director within 14 days. If the Plan Participant and Chair/Director resolve the issue within the 14 day response period, the Chair/Director will provide the Plan Participant with a written document stating that the issue has been resolved and the matter is closed.

If the issue is not resolved within the 14 day response period, the Chair’s/Director’s written statement, any supporting documentation, and the Plan Participant’s response (if provided) will be sent to the Dean.

If the Dean agrees with the Chair’s/Director’s assessment, the Dean will issue a written determination that the Plan Participant is Not in Good Standing. This written document will describe any corrective action(s) that must be taken in order for the Plan Participant to return to Good Standing. A copy of the Dean’s determination will be provided to the Plan Participant, the Chair/Director, and the Vice/Associate Dean of Academic Affairs.

If the Dean does not agree with the Chair's/Director's assessment, the Dean will issue a written determination that the Plan Participant remains in Good Standing. A copy of the Dean's determination will be provided to the Plan Participant, the Chair/Director and the Vice/Associate Dean of Academic Affairs.

Appeal process: If a determination is made that the Plan Participant is Not in Good Standing and the Plan Participant believes that the Good Standing Criteria were applied unfairly, the Plan Participant may appeal to the Advisory Committee. The Advisory Committee will review the documents, may interview the Plan Participant and/or the Chair/Director, and will prepare a written assessment for the Dean. The final decision will be made by the Dean. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

### **C. Consequences**

The following consequences may be imposed on Plan Participants who are determined to be Not in Good Standing:

- Prohibition from participating in and/or retaining income from outside professional activities
- Decrease in negotiated compensation (Y; see APM - 670-18-c(1))
- Loss of or reduction in incentive compensation (Z; see APM - 670-18-c (2)).
- Requests for any academic leave will not be approved and/or requests that were previously approved will be reconsidered.

Additional consequences may result as set forth by other policies.

### **D. Return to Good Standing**

To return to Good Standing, the Plan Participant must submit a written request to his/her Chair/Director that outlines how the issues were resolved or rectified. The Chair/Director will review the request, assess the Plan Participant's progress and submit his/her written recommendation to the Dean, along with the Plan Participant's request and other supporting documentation, if applicable. If the Chair's/Director's written assessment states that no progress or insufficient progress was made, the Chair/Director should specify in his/her written recommendation to the Dean what further actions must be taken.

If the Dean endorses the Chair's/Director's assessment that no progress or insufficient progress was made, the Dean will notify the Plan Participant in writing that he/she is not returned to Good Standing and outline what further actions must be taken. A copy of the Dean's determination will be provided to the Plan Participant, the Chair/Director and the Vice/Associate Dean of Academic Affairs.

If the Dean determines that all issues were resolved, the Dean will provide a written assessment to the Chair/Director. The Chair/Director will notify the Plan Participant in writing that s/he has returned to Good Standing. A copy of the Dean's assessment will be provided to the Plan Participant, the Chair/Director and the Vice/Associate Dean of Academic Affairs.

If the Plan Participant does not submit a written request to the Chair/Director, s/he will remain Not in Good Standing.

If a Plan Participant remains Not in Good Standing for more than one calendar year, the Chair/Director may wish to pursue further action(s), as set forth by other academic policies.

Appeal process: If the Dean determines that the Plan Participant has not returned to Good Standing and the Plan Participant disagrees with this determination, based upon unfair assessment or application of criteria, the Plan Participant may appeal to the Advisory Committee. The Advisory Committee will review all written documents, may interview the Plan Participant and/or the Chair/Director, and will prepare a written assessment for the Dean. The final decision will be made by the Dean. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

#### **IV. MEMBERSHIP IN THE HEALTH SCIENCES COMPENSATION PLAN**

Membership in the Plan is a term and condition of employment. It is the responsibility of each Chair/Director to ensure that all new and continuing eligible Plan Participants shall receive a copy of the Regent's Plan document, these Implementing Procedures, and any related School or Departmental/Unit Guidelines setting forth campus and departmental/unit policy applicable to faculty covered by the Plan.

Membership in the Plan shall continue while the Plan continues to be in effect. Separation from an eligible appointment will terminate membership in the Plan.

School of Nursing faculty members employed by The Regents shall be members of this Plan ("Plan Participants") if they hold University-funded appointments at greater than

50 percent of full time in a School of Nursing department or ORU in any of the following professorial series: Professor, Professor in Residence, Professor of Clinical \_\_\_\_\_ (e.g., Nursing), Adjunct Professor, Acting Professor, Health Sciences Clinical Professor. Faculty in the Visiting Professor series who receive income for clinical services and meet the above criteria are also members of this Plan.

Faculty members who are otherwise eligible for this Plan as defined above but who have appointments of 50 percent or less of full time may participate in this Plan upon the recommendation of the Chair/Director and approval by the Dean. The School HSCP Guideline should specify when membership in the Plan is required for faculty whose University-funded appointment is 50 percent or less of full time.

Deans and other faculty administrators in Plan schools shall be members of the Plan if they hold an underlying Health Sciences Compensation Plan faculty title. However, salary and reporting requirements are defined by the personnel policies governing the administrative appointments. If the faculty position is funded by two or more School of Nursing departments/ORUs, the Plan Participant shall be subject to the compensation plan guidelines of the department/ORU in which the preponderance of his/her academic activities occur. Exceptions to this policy must be requested by submission of a written explanation for the request by the relevant Chairs/Directors and must be approved by the Dean or Dean's designee.

If the position is funded by two or more professional schools with health sciences faculty compensation plans, the Plan Participant shall belong to the compensation plan within the School in which the faculty member's **academic** home department resides. Exceptions to this policy must be recommended by the relevant Chairs/Directors and Dean(s) and must be approved by the Chancellor.

A member of the faculty who was appointed in a health sciences school at the time of his/her retirement may be recalled as a Plan Participant in accordance with APM 205. All recalled faculty are limited to a maximum total effort per month of 43 percent. Retired faculty members who are recalled at a salary rate greater than base salary (X, X') as defined in Section V. B and C. below, regardless of percentage effort, are required to be Plan Participants. As Plan Participants, all of the terms and conditions of the HSCP apply, including: Patient care activities must be provided within the University setting, or as part of an approved affiliation agreement or professional service agreement. All clinical income is due to the Plan. In no case will Plan Participants be allowed to retain income from patient care activities. All outside compensated professional activities must be reported annually.

Plan Participants remain members of the Plan while on vacation, or on any paid or unpaid leave, even if salary is reduced to base salary (x) [e.g. covered compensation]. Thus, while on any paid or unpaid leave, Plan Participants are bound by the rules of the

Plan, including, but not limited to, those rules relating to outside professional activities and income due the Plan.

## V. COMPENSATION AND BENEFITS

The School HSCP Guidelines will ensure that affected Plan Participants are afforded the opportunity to review and comment on the proposed guideline and any significant modifications, including the setting of approval thresholds, setting of APUs, and departmental assessment rates. These guidelines will detail:

- the Base Salary scale(s);
- the manner in which Additional Compensation is negotiated;
- the methodology for calculating Incentive Compensation and the frequency of payments;
- the School HSCP requirements on occasional outside professional activities, including good standing criteria;
- the School HSCP policy on collecting and distributing all income paid into the Plan;
- and*
- School HSCP policy regarding paid and unpaid leaves and sabbaticals.

Plan Participant input on the proposed School HSCP Guidelines and subsequent revisions must be obtained by consultation with the all Plan Participants in a Department/ORU. Revisions to Guidelines must be approved by the Dean and may only be altered to take effect on July 1 of each fiscal year. The School HSCP Guidelines may be more, but not less, restrictive than the Regents' Plan and must be consistent with these Procedures.

Individual salaries shall be negotiated annually by the individual Plan Participant and his/her department chair/ORU director, and shall be approved by the Dean. Additional compensation will be paid in accordance with the applicable University and School HSCP guidelines during sabbatical leave, vacation leave, extended illness leave, or other types of paid leave.

By July 1 of each fiscal year, each Plan Participant shall receive in writing from his/her Chair/Director a Statement of Proposed Compensation for the forthcoming full or partial fiscal year. Base salary scale assignment, additional compensation, and the methodology for calculating Incentive Compensation will be detailed.

## **A. Total Compensation**

Plan Participants shall receive Base Salary, as described below, be eligible for optional University additional compensation, as described below and be permitted to retain other miscellaneous income as described below and in APM 671.

Payment under the Plan will be made directly to the Plan Participant in his/her individual capacity.

Generally, off-scale salaries are not permitted. No state funds shall be used for compensation above the portion of Base Salary equivalent to the Fiscal Year salary scales or for any optional University additional compensation as described below.

## **B. Base Salary (X and X') and Academic Programmatic Unit (APU)**

Base salary is the approved rate on one of the Health Sciences Compensation Plan Salary Scales associated with a Plan Participant's academic rank, step and assigned APU. Base salary shall equal at least the approved rate on the Fiscal Year Salary Scale (HSCP Scale 0) for the Plan Participant's rank and step (X). Base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal Revenue Code provisions and in accordance with UCRP policy and provisions. Plan Participants' APU scale assignments shall be approved by the Dean and assignments may be changed in accordance with guidelines issued by the Chancellor. The differential between X (Scale 0) and a Plan Participant's rank and step on the HSCP Salary Scale assigned to the Plan Participant's APU is designated X-prime (X').

1) For the purpose of determining the Health Sciences Base Salary Rate, the School shall establish APUs to which Plan Participants shall be assigned. An APU shall be comprised of faculty with similar clinical, teaching and research responsibilities. The Department Chair/ORU Director shall recommend an appropriate APU assignment for each Plan Participant, based on clinical, teaching and research responsibilities. Each APU shall be assigned to an HSCP Salary Scale, according to these Implementing Procedures.

2) In keeping with the responsibility of the University to ensure consistency of compensation by creation of APUs or assignment of faculty to APUs:

a) The Dean is authorized to approve the faculty composition of each APU and assignment of a salary scale to that unit, subsequent to the Department Chair's/ORU Director's recommendation.

- b) The Dean must receive advance approval from the Chancellor or the Chancellor's designee for an APU comprising fewer than four Plan Participants. The request for approval shall include the criteria for composition of the proposed APU, and the name, series, rank, and step of each Plan Participant in the proposed APU.
- c) An APU must remain at its assigned HSCP Salary Scale for at least one year before being assigned to a higher or lower scale.
- d) An APU may move to a higher HSCP Salary Scale by a maximum of one scale per year. An APU typically moves down no more than one scale at a time.

No individual Plan Participant may be moved from one APU to another without a significant change in duties. Chairs/Directors shall obtain written approval from the Dean or his/her delegate prior to moving any Plan Participant from one APU to another.

### **C. Optional University Additional Compensation**

Chairs and Directors may provide for the payment of additional compensation, negotiated on an annual basis, to Plan Participants. This optional "Y" salary component is beyond the Fiscal Year base Salary (X) and Health Sciences Scale Differential (X prime) and is never covered compensation under the University of California Retirement Plan (UCRP). Prior to implementing or revising the School HSCP Guideline, affected Plan Participants and the Advisory Committee shall be afforded the opportunity to review and comment on the proposed Procedures. The School HSCP Guidelines shall specify how additional compensation will be calculated, when it may be paid, and the title(s) of person(s) authorized to approve individual compensation agreements. Additional compensation may be paid, in accordance with fund source restrictions, as follows:

#### 1) Negotiated additional compensation ("Y")

Plan Participants may receive a negotiated amount of additional compensation. This component of pay is beyond the base salary and is not covered compensation for UCRP, but may be eligible for optional disability and life insurance programs, where applicable.

Mid-year renegotiation of the "Y" is permitted only under unusual circumstances and requires prior approval of the Dean or his/her designee and the Chancellor or his/her designee.

## 2) Administrative Stipends

Plan Participants may receive administrative stipends, defined as payments by the University for responsibilities related to University administration that exceed normal responsibilities.

## 3) Incentive compensation (Z)

Plan Participants may receive incentive compensation, referred to as a Z payment. This incentive compensation is not covered compensation for UCRP. The School HSCP Guideline will describe the manner in which Plan Participants within a department/ORU or APU may earn incentive compensation beyond base and negotiated compensation, upon approval by their Chair/ORU Director. ~~Dean.~~

“Z” payments are drawn from income accumulated in the Plan in excess of financial requirements. To meet financial requirements, a Plan Participant must:

- Be in good standing as defined in section III.
- Maintain a positive compensation plan account balance.
- Maintain solvent “X” and “Y” salary sources.

By May 31 of each fiscal year, each Plan Participant shall discuss with his/her Chair/Director and with the Chair’s/Director’s written approval shall select in writing one of the following options for income accumulated in the plan in excess of financial requirements that will remain in effect for the forthcoming fiscal year (July 1 – June 30). Changes are not permitted under any circumstances until the following fiscal year. After the Plan Participant selects one of the following options, the Chair/Director shall review his/her selection. If approved, the Chair/Director shall issue written approval of the Plan Participant’s selection.

The options are:

### **Option A: Z Payment**

Income is paid as a “Z” payment on a quarterly basis following the close of each quarter (September 30, December 31, March 31 and June 30). A “Z” payment may be paid earlier in the quarter if the Plan Participant retires or separates from University employment or upon approval of the Chair/Director. **This is the default option and it will be implemented each year for Plan Participants who do not select option B or C below.**

### **Option B: Academic Enrichment Account**

Income is allocated to an academic enrichment account and is never eligible to be taken as a “Z” payment or as salary by the Plan Participant. Unexpended balances remain the property of the University when the Plan Participant retires or separates from University employment.

### **Option C: Designated Academic Enrichment Account and Z Payment**

A Plan Participant may submit a request to his/her Chair/Director to designate a specific amount of income for the forthcoming period July 1 – June 30 that is to be allocated to an academic enrichment account and is never eligible to be taken as a “Z” payment or as salary by the Plan Participant. The amount designated to be allocated to an academic enrichment account must be discussed with and approved by the Chair/Director. Unexpended balances in the academic enrichment account remain the property of the University when the Plan Participant retires or separates from University employment. Additional income beyond the specific amount designated by the Plan Participant that is to be allocated as an academic enrichment account is paid as a “Z” payment on a quarterly basis following the close of each quarter (September 30, December 31, March 31 and June 30). A “Z” payment may be paid earlier in the quarter if Plan Participant retires or separates from University employment or upon approval of the Chair/Director.

Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant by allowing direct charge or reimbursement for business-related expenses. Funds allocated to an Academic Enrichment Account may be used to support University-approved academic professional activities that are allowed as direct charge or reimbursable University-related business expenses for an individual Plan Participant consistent with University accounting guidelines. Once funds are allocated to an Academic Enrichment Account, these funds cannot subsequently be used for faculty salary support. Funds are allocated to an Academic Enrichment Account under the following conditions:

- The Academic Enrichment Account may be allocated from a portion of a Plan Participant’s outside professional activity income due to the Compensation Plan.
- On an annual basis, if allowed by the School HSCP Guideline, a Plan Participant may request that funds be allocated to an Academic Enrichment Account for the forthcoming fiscal year (July 1 through June 30) and such a request **must always occur in writing prior to July 1 of the forthcoming fiscal year in which the income will be earned.**
- The Chair/Director or his/her designee reviews the Plan Participant’s allocation request and if approved, written approval shall be given to the Plan Participant.
- Chairs/Directors may submit a written request to the Dean’s Office to allocate funds for the upcoming fiscal year to an Academic Enrichment Account. The request shall be reviewed by the Dean or his/her designee and if approved, approval shall be in writing.
- Disposition of the funds in an Academic Enrichment Account is under the auspices of the Department/Unit. UCSF, through the Chair/Director, has final authority over the use and distribution of funds held in an Academic Enrichment Account

- Funds that have been allocated to an Academic Enrichment Account cannot be converted to an incentive payment or salary support for the Plan Participant; they remain Academic Enrichment Account funds.
- The department/unit must maintain detailed records that are readily available for audit and other appropriate reviews that support the allowable nature of the reimbursable academic professional expenses that are paid from the Academic Enrichment Account. Plan Participants must submit all required supporting documentation for reimbursement consistent with University accounting guidelines. Unspent travel advances or any other disallowed amounts charged to the Academic Enrichment Account must be repaid by the Plan Participant consistent with University accounting guidelines.
- An Academic Enrichment Account can maintain a positive balance at the end of a fiscal year that may be carried forward to the next fiscal year, at the discretion of the Chair/Director. Disposition of year-end positive balance is communicated annually to the Plan Participant at the time requests for allocations to an Academic Enrichment Accounts are made.

In the event of termination of employment, any outstanding account receivables shall be treated in accordance with the compensation arrangement of the individual Plan Participant. Specifically, receivables generated by Plan Participants who are not eligible for Incentive Compensation shall be the property of the University. Academic Enrichment Account funds remain the property of the University. Receivables originated by Plan Participants who are eligible for Incentive Compensation shall be handled in accordance with department/unit guidelines. All Incentive Compensation, including payments for outstanding account receivables, shall be paid through the University of California's payroll system.

#### **D. Requirements on Outside Professional Activity**

Definition: Outside professional activities, compensated or uncompensated, and regardless of financial interest are defined as those activities that are within a faculty member's area of professional, academic expertise and that advance or communicate that expertise through interaction with industry, the community, or the public. Outside additional teaching as described in APM -671-10-a-(2)-(a) is included in this definition. Outside professional activities must not interfere with a faculty member's professional obligations to the University of California.

A Plan Participant in Good Standing (as set forth in section III of these Implementing Procedures) may engage in Outside Professional Activities (other than patient care) and may retain income from said activities only if they are in compliance with these Implementing Procedures, School HSCP and APM policy.

A Plan Participant who has satisfied the good standing criteria established by his/her department/ORU, who has not exceeded the limit on the number of days devoted to compensated and uncompensated outside professional activities established by the School HSCP Guidelines, and whose annual earnings from all outside professional activities will be less than the approval threshold is allowed to engage in category II and/or III outside professional activities (other than patient care) without having to request prior approval from his/her Chair or Director to engage in the activities unless required by other academic policies.

In addition, all patient care activities must be provided within the University setting, or as part of an approved affiliation agreement or professional service agreement (PSA). This includes volunteer and/or uncompensated patient care activity. All income derived from patient care activities is due the plan, including income earned while on paid or unpaid leaves of absence (e.g. vacation, holidays, or weekends). In no case will Plan Participants be allowed to retain income from patient care activities outside of an approved affiliation agreement or PSA. Professional income subject to these requirements as set forth in the Regents' Plan includes both cash and noncash compensation (e.g., stock or stock options).

Plan participants are also responsible for complying with the following:

- (1) Maintaining Good Standing in accordance with these Implementing Procedures and School HSCP Guidelines;
- (2) Obtaining prior written approval for engagement in Category I activities;
- (3) Maintaining a running total of annual earnings from, and time spent on, all outside professional activities;
- (4) Depositing all income that exceeds the earnings approval threshold into the Plan with the exception of income earned from Category III activities and certain other activities listed in APM -671-10-b;
- (5) Obtaining prior written approval to engage in outside professional activities that may result in exceeding the total annual time and/or earnings approval thresholds;
- (6) Submitting annual reports of all Category I and II activities and compensation earned from such activities to the Department Chair or Director;
- (7) Attesting to adherence with the requirements of the policy in the annual report;
- (8) Disclosing any current or prospective outside professional activity to the Chair/Director if in doubt as to whether there is a conflict of commitment; and

(9) Obtaining prior approval from the Department Chair before involving a student in any outside professional activity regardless of whether the Plan participant is compensated or not (see APM -671-8-f).

As indicated in the Conflict of Commitment and Outside Activities policy (APM 671) there are three different categories of activities that are based on the extent to which they may constitute a conflict of commitment. The School HSCP Guidelines will have a clear statement describing the categories of outside professional activities, reporting requirements, time limits and earnings threshold.

The School HSCP Guidelines will define:

### 1. Time Limits on Outside Activity

The School will allow up to a maximum of 48 days (384 hours) that Participants may devote to compensated and uncompensated outside professional activities annually. The exact number of days is subject to review and will be indicated in the School HSCP Guidelines. Plan participants must request prior written approval from the Department Chair and Dean (or Dean's designee) to participate in an activity that exceeds the maximum time limit. If the additional time (days/hours) is granted, then all income earned (from the additional time granted) is due the Plan, even if the annual earnings threshold has not been reached (APM 671-8-e). School HSCP Guidelines shall meet the criteria outlined in APM 671 and requires approval by the Dean prior to implementation. Plan Participants shall be afforded the opportunity to review and comment on school guidelines and revisions thereto.

### 2. Annual Outside Professional Earnings Approval Thresholds

Effective with the issuance of these revised Procedures, as of July 1, 2015 the maximum annual outside professional earnings approval threshold is \$40,000 or 40% of the fiscal year base salary (scale 0), whichever is greater, for a faculty members rank and step. This includes cash and non-cash compensation (e.g. stocks). Only the Chancellor or Chancellor's designee has the authority to approve a request to allow a Plan participant to retain earnings above the threshold above or a new threshold set by the Provost and Executive Vice President (see Exception requests).

### 3. Retention/Non-retention of Income

- All income earned above the earnings threshold must be deposited to the Compensation Plan. Earnings from Category III income or from other approved activities are excluded from this requirement.
- Income due the plan may be subject to a school assessment/tax.
- Departments have the authority to determine the amount of deposited income that may be set aside for academic enrichment.

- Departments have the authority to distribute (back to Plan member) a portion of or the entire amount of deposited income.

Certain categories of income accruing from occasional service, as described below, may be retained by Plan Participants. School HSCP Guidelines shall address whether Plan Participants can deposit remuneration from miscellaneous outside activities into an academic enrichment account, and the terms and conditions for those accounts. The Chair/Director and/or Dean shall monitor the frequency of individual activity in these areas:

- Occasional service other than patient care;
- Additional University-compensated teaching, including teaching for University Extension courses and programs (See APM 662, Additional Compensation: Additional Teaching);
- Teaching in University-run continuing health education programs;
- Teaching in self-supporting UC degree programs;
- Consulting under the auspices of the University of California;
- Consulting or testifying as an expert or professional witness;
- Consulting for for-profit entities;
- Consulting for non-profit entities;
- Consulting for non-profit health or education-related organizations;
- Service to governmental agencies, including consulting to such agencies;
- Service on a board of directors outside of the University, whether compensated or uncompensated;
- Providing or presenting a workshop for industry;
- Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories.

#### 4. Categories of Outside Professional Activity

Professional activities have been separated into three categories, depending on the extent to which they may constitute a conflict of commitment. When an activity falls into more than one category, it should be assigned to the category which requires more stringent reporting and prior approval requirements.

##### a. Category I

Category I activities are most likely to create a conflict of commitment because 1) they are activities related to the training and expertise which is the individual's qualification for University appointment, but performed for third party, and /or 2) they require a significant professional commitment. Category I activities require **prior** approval by the Department Chair/ORU Director, Dean or his/her designee,

and Chancellor. Approvals are generally for one fiscal year but may be granted for a longer term, not to exceed five years. Category I activities count towards the Plan Participant's time limits and earnings thresholds. These activities include but are not limited to:

- Teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, foundation or other entity outside of the University. (Grants submitted on behalf of a professional society are exempt from this restriction, i.e., they are not considered Category I activities.);
- Employment outside of the University;
- Assuming a founding/co-founding role of a company
- Assuming an executive or managerial position outside of the University (excluding position with professional societies)

b. Category II

Category II activities are typically shorter-term activities that are outside the course and scope of University employment. Category II activities have a lesser potential for a conflict of commitment than do Category I activities.

Category II activities require disclosure in annual reporting under this policy but do not require prior approval unless they will cause the Plan Participant to exceed the time and/or earnings thresholds. Time devoted to these activities counts towards the Plan Participant's time limits and earning thresholds.

Examples of Category II activities include, but are not limited to:

- Additional University compensated teaching, including teaching for UNEX courses and programs (see APM-662, Additional Compensation: Additional Teaching)
- Participation in continuing health education programs run by the University;
- Participation in self-supporting UC degree program. (These are teaching activities outside of the assigned teaching load. If the Department assigns the teaching activity, it is not considered an outside activity);
- Consulting under the auspices of the University of California
- Consulting or testifying as an expert or professional witness
- Consulting at for-profit OR non-profit entities
- Consulting for non-profit health or education-related organizations
- Consulting for government agencies
- Serving on a board of directors outside of the University (compensated or not)
- Providing or presenting a workshop for industry
- Providing outside consulting or compensated professional activity for entities such as the Los Alamos and/or Lawrence Livermore National Lab
- Other income generating activities described in these Implementing Procedures

c. Category III

Category III activities are within the course and scope of University employment. As such, they are unlikely to raise conflict of commitment issues.

Category III activities, even if compensated, do not require disclosure in annual reporting or need prior approval, do not count toward the Plan Participant's time threshold for outside professional activities, and the income does not count toward the earnings approval threshold. Nevertheless, these activities must not interfere with a Plan Participant's obligations to the University.

Examples of Category III activities include, but are not limited to:

- Serving on government or professional panels or committees or as an officer or board member of a professional or scholarly society
- Reviewing manuscripts; acting in an editorial capacity
- Attending and presenting talks at university/academic colloquia and conferences
- Developing scholarly or creative works

5. Other Income That May be Retained by Plan Participants

Income from the following activities may be retained by Plan Participants and does not count toward the time limits or earnings threshold:

- a. Prizes, defined as gifts in recognition of personal achievements and not for services rendered;
- b. Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
- c. Honoraria, defined as payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University of California and which are not in return for other services, whether given directly or indirectly;
- d. University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy (APM 666); and relevant campus policies;
- e. Administrative Stipends, defined as payments by the University for responsibilities related to University administration beyond normal responsibilities;

- f. Income from a profession or activity unrelated to the training and experience which is the Plan Participant's qualification for University appointment as determined by the chair/director in consultation with the Dean.

#### **E. Stock Options / Non-cash Compensation**

Professional income governed by the Plan includes not only cash compensation, but also non-cash compensation. Plan Participants are required to disclose non-cash compensation received in exchange for professional services *within 30 days of receipt*. Following is more specific guidance with respect to stock, stock options, and founders' stock:

Plan Participants who receive stock in lieu of compensation for outside professional activities must disclose this fact to the Chair/Director and to the Dean's Office within 30 days of the date of receipt, at which time the stock will be valued. If the stock is given to the Plan Participant at no cost, dollars equal to the stock's full value on the date of receipt is due the Plan. If the purchase price is equal to the market price/value on the date of receipt, no money is owed the Plan. If the purchase price is below the valued price on the date of receipt, the difference between the purchase price and the value of the stock on the date of receipt is due the Plan. Following a determination of the value of the stock, the Plan Participant will be notified of the nature of any Plan obligations, based on the above methodology. Plan Participants who neglect to disclose receipt of the stock within 30 days of receipt will owe the Plan the difference between the purchase price or value of the stock at the time of receipt and the value of the stock at the time it is disclosed. Disclosure at the time of receipt is required regardless of the stock's potential valuation, and regardless of whether a Plan Participant believes that any dollars are due the Plan. Plan Participants in departments/ORUs may be able to retain the dollars due the Plan if they have not yet met or exceeded their time/dollar threshold for outside professional activities. However, both the time spent in outside professional activities related to the receipt of stock and any dollars due the Plan under the formula above *must be counted toward their time/earnings threshold*.

**Stock options** received in lieu of compensation for outside professional activities also must be disclosed to the Chair/Director and the Dean's Office *within 30 days of the date the stock option agreement is signed*. The Dean's Office will obtain a valuation of the stock as of the date of the agreement. If the option offer price is equal to or greater than the stock's valuation/market price on the date the agreement is signed, no money is owed the Plan. If the option price is below its valued price on the date the agreement is signed, the difference between the option price and the value of the stock is due the Plan. Following determination of the value of the stock, the Plan Participant will be notified of the nature of any Plan obligations, based on the above methodology.

Plan Participants who neglect to disclose this information within 30 days of signing such stock option agreements will owe the Plan the difference between the offered option price at the time the agreement was signed and the value of the stock at the time it is disclosed. Disclosure of stock options is required regardless of 1) the stock's potential valuation, 2) whether the Plan Participant intends to exercise the options, and 3) whether the Plan Participant believes that any dollars are due the Plan. Plan Participants may be able to retain the dollars due the Plan if they have not yet met or exceeded their time/dollar threshold for outside professional activities. However, both the time spent in outside professional activities related to the receipt of stock options and any dollars that would be due the Plan under the formula above *must be counted toward their time/earnings thresholds*.

**Founder's stock** received in lieu of compensation for outside professional activities must also be disclosed to the Chair/Director and to the Dean's Office within 30 days of the date of receipt. It will be valued at the date of receipt and any value will be due the Plan. Since the value of founder's stock is generally insignificant, in most cases a negligible amount would be owed the Plan. However, if the founder's stock is not disclosed upon receipt, the value of the stock at the time of disclosure is due the Plan.

## **F. Exception Requests**

Department/Unit Guidelines must detail a mechanism by which a Plan Participant may request approval to exceed the time and/or earnings approval thresholds.

Advance, written approval is required in the following instances:

Advance, written approval from the Chair/Director, Dean and /or his/her designee and the Chancellor is required for all Category I activities and for any outside professional activities involving students or the use of University resources.

Advance, written approval from the Chair/Director, Dean or his/her designee is required for all requests to exceed the time and/or earnings thresholds. Only the Chancellor or his/her designee has the authority to approve a professional activity that involves a Plan Participant retaining earnings that exceed the earnings threshold.

If the School HSCP has adopted an annual threshold less than the Plan maximum (\$40,000 or 40% of the Plan Participant's scale 0 salary), the Chair/ORU Director must approve all activities that exceed the School HCP maximum up to the Plan maximum. The Dean or his/her designee must approve such activities for the Chair/ORU Director.

If a Plan Participant wishes to engage in an outside professional activity that might reasonably be expected to exceed the earning threshold, s/he must request written approval to engage in the activity. To request approval, the Plan Participant is required to provide his/her Chair/Director a written request in advance of the activity. Chairs/Directors shall seek written approval from the Dean or his/her designee. This request must include relevant details about the proposed activity, including the nature of the services to be provided, the person or entity who will pay for the services<sup>1</sup>, the anticipated period of service and/or days to be devoted to the activity, the total expected income from the activity, and the amount by which the Plan Participant's total annual earnings from outside activities are expected to exceed the earnings threshold. Chairs/Directors shall forward to the Dean or his/her designee any request which requires review by the Dean and/or Chancellor, in accordance with these Implementing Procedures and APM 670.

If a request is not approved, the Chair/Director shall advise the Plan Participant whether: 1) the activity may be undertaken, but with all related income accruing to the department/unit, in accordance with their implementation guidelines and established accounting practices; or 2) the activity may not be undertaken.

If a Plan Participant has received approval to engage in an activity that is reasonably expected to cause his/her total annual earnings from outside professional activities to exceed the established approved threshold, s/he must request the Chair's/Director's approval for all subsequent engagement(s). If any subsequent engagement is allowed, the engagement shall be undertaken with all related income accruing to the Plan unless an exception is approved in writing, in accordance with department/unit Guidelines. Chairs/Directors and/or the Dean or his/her designee may approve a Plan Participant's request to engage in outside professional activities in accordance with these Implementing Procedures and department/unit Guidelines. Plan Participants shall notify their Chair/Director immediately if they inadvertently exceed the dollar threshold or if any of the information they provided in an approval request changes or is found to be inaccurate. For example, a Plan Participant should immediately notify his/her Chair/Director if the initial estimate of earnings from an outside professional activity was inadvertently understated. Plan Participants are subject to corrective action and disciplinary measures, as outlined below and in APM 671-26 b. for violation, neglect or manipulation of Compensation Plan requirements. Plan Participants may also be found to be Not in Good Standing in accordance with Section III. A. of these Implementing Procedures. Chairs/Directors must notify the Associate Dean for Academic Affairs if they believe a Plan Participant has violated, neglected, or manipulated Compensation Plan requirements. Plan Participants may be subject to corrective action and disciplinary measures for such violations.

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• <sup>1</sup> When required to ensure patient confidentiality, the person or entity to be reported as recipient/payer for professional witness activities is the attorney or the law firm requesting the services.

## **G. Limitations of University Resources / Liability Coverage**

The use of University staff, laboratories, facilities, or other University resources is subject to limitations. When Plan Participants retain income from professional consulting for for-profit entities or expert witness activities, the costs associated with the consulting or witness activities are to be borne by the third party or the faculty member, not by the University.

Reference: the Faculty Code of Conduct, Part II C, and Academic Personnel Policy 015, Section II.

In addition, the University's liability coverage generally does not extend to certain consulting and expert witness activities. For example, University malpractice/professional liability coverage does not extend to expert witness activities when the Plan Participant retains the related income (see APM-671-8-h).

A reasonable amount of University resources may be used in support of activities to governmental agencies, non-profit health-or education-related organizations, continuing health education programs administered by the University, and/or University Extension.

## **H. Involvement of Students in Outside Professional Activities**

Involvement of students in the outside professional activities of a faculty member may, under certain conditions, offer the student potential educational benefits. However, the relationship between the faculty member and the student must be protected from influences or activities that could interfere with the student's learning and must be consistent with the goals and ideals of the University (The Faculty Code of Conduct, [APM - 015](#)). A faculty member involving a student in outside activities has the responsibility to ensure that the student's participation does not interfere with the student's academic obligations.

If the faculty member has, or expects to have, academic responsibility (instructional, evaluative, or supervisory) for the student, the faculty member must obtain prior written approval from the Department Chair before involving a student in an outside professional activity regardless of whether the faculty member is compensated for or has a financial interest in the activity. Involvement of students means any substantive activity in which the student participates, whether the student is compensated or uncompensated. The involvement of a student in the outside professional activity of a faculty member must not affect, positively or negatively, the faculty member's evaluation of the student's performance in any other context.

## **I. Records and Reporting of Outside Professional Activities**

Plan Participants are responsible for maintaining updated records and a cumulative total of their annual earnings and the time devoted to all outside professional activities, whether or not they plan to exceed the time or earnings thresholds and whether or not the funds are due the plan. have the responsibility for maintaining a running total of their annual earnings and the time spent on all outside professional activities.

Each Plan Participant shall be required to submit to his/her Chair/Director an annual report describing the relevant categories of the previous year's outside professional activities from which the Plan Participant retained income and an attestation of adherence to the School HSCP Guidelines. The report should itemize outside activities in temporal order and should be consistent with the reporting requirements specified in APM 671. It is the responsibility of the Chair/Director to review and retain these reports. Chair/Director reports shall be submitted annually to the Associate Dean for Academic Affairs. It is the responsibility of the Plan Participant to bring to the attention of his/her Chair/Director those activities that require advance approval.

Plan Participants shall notify their Chairs/Directors immediately if they inadvertently exceed the dollar threshold or if any of the information they provided in an approval request changes or is found to be inaccurate; for example, a Plan Participant should immediately notify his/her Chair/Director if the initial estimate of earnings from an outside professional activity turns out to be understated.

Service performed during paid or unpaid leaves of absence, including but not limited to vacation days and holidays, is reportable and counts toward the limit.

## **J. Non-Compliance**

### **1. Monitoring and Compliance**

The responsibility for monitoring and enforcement will rest primarily with Chairs/Directors. The primary means of monitoring compliance will be reviewed by Chairs/Directors of the information provided by a Plan Participant in annual reports on outside professional activities. If a Chair/Director has concerns about whether a Plan Participant is meeting the established standards, the matter should be referred to the Dean's Office. The responsibility for oversight of the outside professional activities of Chairs and Directors resides with the Dean and may be delegated to the Associate Dean of Academic Affairs.

## 2. Corrective action and disciplinary measures

The University reserves the right to take corrective action and disciplinary measures against any Plan Participant who fails to comply with the Plan, these Implementation Procedures, and or School HSCP Guidelines. Situations where Plan Participants will be considered out of compliance include, but are not limited to:

- a) Failure to disclose and deposit income due to the Plan as required by these Implementation Procedures and School HSCP Guidelines; and/or
- b) Failure to obtain prior required written approvals for Category I , and for activities involving a student(s)
- c) Failure to comply with time or earnings limits for Categories I and/or II activities
- d) Failure to accurately disclose and describe the nature and scope of outside professional activities and earnings as required by these Implementation Procedures and School HSCP Guidelines.

Corrective action may include the discontinuation of certain privileges available only to Plan Participants, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the Plan because of noncompliance. For example, corrective actions may include:

- Discontinuation of Incentive Compensation (the “ Z”) until such time as the Plan Participant complies with the Regents’ Plan provisions; and/or
- Additional Compensation (the “ Y”) may be set with consideration of the Plan Participant’s prior performance, including compliance with Implementing Procedures guidelines on outside professional activities.

Whenever reductions in compensation are the result of corrective action, faculty shall be so notified in writing. Corrective action will not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws. Violations by Plan Participants of either the time limits or earnings thresholds on outside professional activities represent an unauthorized use of University resources and/or retention of funds belonging to the University. Such violations are subject to discipline in accordance with the Faculty Code of Conduct and/or APM 150.

## 3. Complaints

A Plan Participant who has a complaint about an issue related to outside professional activities should first try to resolve the issue at the department/ORU level. If the complaint cannot be resolved through discussions and negotiations, the Plan Participant’s complaint and the Chair/Director’s response should be documented. If the Plan Participant disagrees with the departmental/unit decision,

s/he should file a formal complaint with the Dean. The Dean or his/her delegate will charge the Advisory Committee with fact-finding. Both the Chair/Director or his/her designee and the Plan Participant will have the right to be heard by the Committee. The Committee will issue a formal written recommendation for resolution to the Dean. The Dean makes the decision based on this recommendation.

#### 4. Grievances

Plan Participants who are Senate members may pursue their grievance rights under the terms of Senate Bylaw 335. Non-Senate Plan Participants may request a hearing under the terms of APM – 140.

### **K. Conflict of Interest Code**

In addition to this policy on conflict of commitment and outside activities, Plan Participants are reminded they must comply with all University policies involving University intellectual property, conflict of interest and restrictions on compensation. See APM 671 Appendix A for a list of other relevant University policies.

A Plan Participant's compensated outside activities may create an obligation for him/her to disclose a financial interest before making or participating in certain activities. School HSCP Guidelines must reference the University's Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest. Additional information about these requirements is available through the campus office of Legal Affairs.

### **L. Requirement to submit Proposals**

The Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts Through the University was issued by the President on December 15, 1994 and applies to all faculty. This policy states that employees who receive any part of their salary through the University, or whose activities use any University resources or facilities, must submit their proposals for extramural support through the appropriate University contracts and grants office. This requirement ensures that all research and other extramurally funded projects comply with relevant University policies and guidelines. An exception to this policy has been granted to UCSF VA faculty who are physically located at the VA and who use VA resources to perform the funded project.

### **M. Benefits**

No campus may offer faculty benefits beyond those which have been approved by The Regents. All benefits shall be provided in accordance with policies and/or guidelines issued or approved by the Office of the President. Each health sciences school and respective accounting office shall develop and provide a funding mechanism for support of all benefits made available under the provisions of this Plan, and this mechanism shall be included in the school Implementing Procedures established for administration of the Plan. All such benefits as described below and in related policies shall be provided uniformly within departments/ORU and/or divisions, as reviewed by their participants and as approved by the Dean.

**a. Base Salary-Related Benefits**

Base salary-related benefits are associated with a Plan Participant's salary from one of the Health Sciences Salary Scales. These benefits include participation in the UCRP, health care benefits, disability benefits, regular term life coverage, and other benefits as may be approved by The Regents. Base salary-related benefits will be made available to Plan Participants on the same basis as to all other members of the University faculty.

**b. Optional Benefits on Additional Compensation**

The Regents have authorized disability and life insurance benefit programs related to health sciences additional compensation beyond the base salary. These programs must be approved by the Office of Human Resources, Office of the President. Policies governing optional disability and life insurance programs on additional compensation are available from that office.

**c. Paid Leave**

Plan Participants who are eligible for sabbatical leave, leave with salary, or extended illness leave may be granted such leave paid a rate that is at least the Health Sciences Scales Base Salary rate (X, X') as set forth in local Implementing Procedures. A Plan Participant who leaves University service or transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the Plan Participant's total negotiated salary rate at the time of separation.

With the exception of the two provisions below, or where explicitly stated in policy, Plan Participants are eligible for leaves as defined in APM - 710 - 760. School HSCP Guidelines shall include provisions that clearly define the rate of pay while on a leave, i.e. whether any additional leave will be paid more than the minimum base salary rate. In the absence of specific provisions in the guidelines, the leave provisions as described in APM - 710 - 760 will be used. School HSCP Guidelines shall include provisions for Plan Participants who are eligible for sabbatical leave or other leaves with salary,

including parental leave, to ensure that such benefits are provided uniformly across the school. No department/ORU may offer faculty benefits beyond those approved by The Regents for faculty members in the University.

### **1) Extended Illness Leave**

Extended illness is defined as a health condition resulting in absence for more than two weeks. Plan Participants who are appointed full-time to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury or disability shall be granted paid medical leave of a minimum six (6) weeks consecutive or intermittent paid medical leave at the Plan Participant's approved base salary. Extended illness must be documented as a leave with pay on a *Leave of Absence* form. School HSCP Guidelines [must provide a minimum of six weeks of salary at the covered compensation (X, X') rate] must specify the salary rate(s) (e.g. X, X+Y) that will apply during paid leave(s), the maximum duration of leave provided, and any documentation requirements. In addition, eligibility for successive paid extended illness leave must be articulated in the guidelines.

The School HSCP Guidelines may provide a graduated benefit depending upon the years of faculty service.

### **2) Childbearing Leave**

Childbearing leave is for a Plan Participant who bears a child or children regardless of academic series or months of service. Childbearing leave shall consist of time the Plan Participant is temporarily disabled because of pregnancy, childbirth, or related medical conditions. A minimum of six weeks of full salary (X + X'+Y) will be covered. If additional leave is required for medical reasons, the extended illness policy may apply. The School HSCP Guidelines will specify the salary rate and duration of any additional paid leave. A Plan Participant who bears a child is also eligible for childrearing/parental leave without pay and a period of Active Service-Modified Duties (see APM 760-28).

### **3) Childrearing/Parental Leave With Pay**

Guidelines must provide a minimum of two weeks childrearing/parental leave at full salary (X+X'+Y) to any non-birth parent who is a Plan Participant. Guidelines may not provide more childrearing/parental leave with pay than childbearing leave with pay. Childrearing/Parental leave with pay must be used within 12 months of the birth or adoption.

### **4) Childrearing/Parental Leave Without Pay**

Plan Participants are eligible for full-time or part-time parental leave without pay for up to 12 months to care for a child. At the Plan Participant's request, accrued vacation shall be substituted for unpaid parental leave. Childrearing/Parental leave without pay must be used within 12 months of birth or adoption.

#### **5) Other Paid Leave**

Paid leave at full salary (X+/X`+Y) will be granted when a Plan Participant is unable to work because s/he must care for a spouse, domestic partner, child or parent who is ill. Paid leave under such circumstances shall be for a maximum of five days per Plan Participant per year at full salary. If eligible for family and medical leave in accordance with APM 715, the five-day paid leave will run concurrently with the family and medical leave.

## **VI. ACCOUNTING AND BUDGETING METHODS**

### **A. Management and Reporting of Income and Expenses**

#### **1. University Management**

All professional services income generated by Plan Participants shall be managed by, accounted for, and reported as revenue of the University; the only exception to this requirement shall be income which the Plan Participant is allowed to retain in accordance with APM 670-19 or 671-10-b and his/her Department/ORU guidelines.

All compensation paid by the University to Plan Participants will be subject to Federal and State withholding and reported on a W-2 form as wages in accordance with Internal Revenue Service (IRS) Regulations and University policies and procedures. All compensation must be included in the Plan Participant's income as wages subject to withholding for applicable Federal, State and FICA taxes. Eligibility and withholding for benefits (such as the University of California Retirement Plan, Retirement Savings Programs and employee life insurance programs) will be determined based upon the University's policies and procedures. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University, campus and School of Nursing policies, procedures and delegations of authority.

All income owed the University must be deposited into the revenue account of the appropriate departmental/ORU compensation plan fund. For payments made directly to the individual Plan Participant and owed to the Plan, the check should be endorsed payable to the UC Regents and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.

## 2. Reports

The accounting standards specified in the University of California Accounting Manual must be used in reporting income and expenses in all compensation arrangements.

### **Fund Accounts and Sources**

Compensation Plan Fund Accounts shall be structured so that each department/ORU has at least two distinct funds: a Current Year operations fund and a Prior Year fund to which accumulated surpluses will be transferred annually. The Current Year fund shall receive income from patient care services and from other professional services due the Plan; amounts paid by University hospitals or affiliated institutions for professional and managerial services rendered to the hospitals by participants in the Plan; and such other funds as are required by the Chancellor or President to be included in fund accounts. Plan income from the following sources should be recorded in these accounts:

- 1) Income from professional services.
- 2) Amounts paid by University hospitals or affiliated institutions for professional and managerial services rendered to the hospitals by participants in the Plan, excluding stipends in APM - 670-18-c(3).
- 3) Such other funds as are required by the Chancellor or President or the President's designee to be included in fund accounts.

Certain other sources of University income may be available to support faculty compensation and benefits but are not recorded in Compensation Plan accounts, such as:

- 1) Funds made available for salaries from University-administered grants and contracts.
- 2) Funds made available from unrestricted, non-State fund accounts within the school.
- 3) Gifts and other funds available for such purposes, as allocated by the Dean or Chancellor.

### **Assessment of Professional Services Income**

A rate annually recommended by the Dean and approved by the Chancellor for the School of Nursing shall be applied against gross professional services income due the Plan. Income retained by Plan Participants in accordance with APM – 670 and 671 is

not subject to assessment. Current assessment rates are distributed annually to the departments and ORUs. Assessments will be collected at the time professional services income is received by the Department/ORU. The School HSCP Guidelines must detail the disposition of outside professional income due the Plan, including the methodology for calculating any departmental/ORU assessments.

### **Contingency in Event of Inadequacy of School of Nursing Fund Accounts**

As stated above, each department/ORU will have a Prior Year fund which will constitute the prior years' accumulated surpluses. One purpose of the reserve is to provide the funds necessary to pay Plan expenses, including the agreed-upon compensation to each Plan Participant, in the event that the current year income of the Plan is insufficient to do so. If the funds in the appropriate reserve account are insufficient for the purpose, the Dean and Chancellor may seek support from another non-State fund account within the School of Nursing. If such support is not forthcoming, then the campus will reduce the participants' additional compensation in a uniform manner in accordance with any fund source restrictions across the School, department/ORU, or APU as determined by the Dean and Chancellor. Although the Plan allows for the transfer of funds from one fund to another, the customary practice at UCSF will be to preserve the financial autonomy and independence of each department/ORU by maintaining separate departmental and ORU fund accounts.

### **Budgeting**

All the funds and transactions associated with this Plan will be accounted for in accordance with the applicable sections of the University accounting manuals. Fund balances will be monitored by the Dean.

## **VII. IMPLEMENTATION AND TRANSITION ARRANGEMENTS**

These School of Nursing procedures are developed in accordance with the Regents' Plan approved for implementation July 1, 2015 and supersede any previous implementation.