

University of California, San Francisco School of Medicine Anesthesia & Perioperative Care Implementing Guidelines for the Health Sciences Compensation Plan

I. INTRODUCTION

The Health Sciences Compensation Plan (“Regents’ Plan” or “the 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. In accordance with the Regents’ Plan, the President issued Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants. The procedures contained herein (“Implementing Procedures”) provide supplementary regulations for implementation of the Regents’ Plan at the University of California, San Francisco (UCSF) School of Medicine.

In adopting these Guidelines the faculty and administration of the Department of Anesthesia & Perioperative Care affirm the philosophy outlined in the Plan. The Plan, the Implementing Procedures, and these Guidelines will be used in the Department of Anesthesia & Perioperative Care to foster academic balance among the joint responsibilities of teaching, research, patient care, and other public service responsibilities. Individual levels of compensation shall be established so as to maintain this academic balance and to permit the recruitment and retention of the individuals necessary for the Department of Anesthesia & Perioperative Care to fulfill its missions at a level of excellence.

All clinical and/or 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 the Plan. In no case are faculty who are members of the Plan (“Plan Participants”) allowed to retain income from outside clinical or patient care activities.

All category I and II outside professional activities, compensated or uncompensated, must be reported annually and certain approvals are required, as detailed in Section V of these Implementing Guidelines.

Plan Participants remain members of the Plan while on vacation and other paid leaves, including but not limited to sabbatical leave, professional development leave, extended illness leave, childbearing leave and childrearing leave, even if salary is reduced to covered compensation (X) or Base Salary, as well as while on unpaid leaves. Thus, while on any 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.

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 and uncompensated 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 Guidelines are developed to be consistent with the policy framework of the Regents’ Plan. Affected Plan Participants in Department of Anesthesia & Perioperative Care shall be afforded the opportunity to review and comment on any proposed revisions to the Department of Anesthesia & Perioperative Care guidelines, including consultation with the School of Medicine Compensation Plan Advisory Committee (“Advisory Committee”). All such revisions shall be reviewed by the Advisory Committee 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 Chair of Department of Anesthesia & Perioperative Care and approved by the Dean or his/her designee prior to the Chancellor’s review. The School of Medicine Advisory Committee shall be provided the opportunity to review and comment on any proposed exception(s) to these Implementing Procedures that the Dean 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 submissions of individual Department and Unit compensation plans (“department/unit guidelines”).

The Advisory Committee shall consist of six voting members, all of whom must hold faculty appointments and must be Plan Participants in good standing. Three members shall be appointed by the Dean and then three members shall be elected from the School's Plan membership. At least one member from each title series shall serve on the Advisory Committee at all times; the sixth member may represent any title series. The members shall be representative of the disciplines participating in the Plan. Elected committee members' terms shall be staggered in order to promote the stability of Committee membership. The terms of service will be three years; elected members may renew their term of service once. The Vice Dean of Academic Affairs shall serve as an ex-officio member and Chair of the Committee. The Vice-Dean shall only vote in event of a tie.

The Advisory Committee's function 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) Department/Unit Guidelines, including methods for obtaining faculty input and for determining consistency with these Implementing Procedures.
- 3) Review of potential conflicts between a Plan Participant's commitment to generating revenue within the Plan and his/her outside professional activities. (See APM - 670-19-c).
- 4) Review of Plan Participants' appeals regarding implementing and administering the Plan that are not resolved at the department or school level or are submitted to the Advisory Committee as a result of a determination of being found Not in 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 the Academic Personnel Manual ("APM") - 140.

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

III. GOOD STANDING CRITERIA

A. Definition of Good Standing

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

Plan Participants should meet department/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 of Anesthesia & Perioperative Care'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 Chair shall 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 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. The Chair shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant.

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

The Plan Participant shall be given a copy of the Chair's written statement and have the opportunity to provide a written response to the Chair within 14 days. If the issue is

resolved within the 14 day response period, the Chair shall provide the Plan Participant with a written document that the matter is closed.

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

If the Dean agrees with the Chair's assessment, the Dean shall 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 shall be provided to the Plan Participant, the Chair, and the Vice/Associate Dean of Academic Affairs.

If the Dean does not agree with the Chair's assessment, the Dean will issue a written determination that the Plan Participant remains in Good Standing. A copy of the Dean's determination shall be provided to the Plan Participant, the Chair 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 shall review the documents, may interview the Plan Participant and/or the Chair, and 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.

- Requests for emeritus status by non-Senate faculty who are not in good standing upon their retirement may not be supported.
- 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 that outlines how the issues were resolved or rectified. The Chair shall 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 written assessment states that no progress or insufficient progress was made, the Chair should specify in his/her written recommendation to the Dean what further actions must be taken.

If the Dean endorses the Chair'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 shall be provided to the Plan Participant, the Chair and the Vice/Associate Dean of Academic Affairs.

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

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

If a Plan Participant remains Not in Good Standing for more than one calendar year, the Chair 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 shall review all written documents, may interview the Plan Participant and/or the Chair, 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 Health Sciences Compensation Plan (“the Plan”) is a term and condition of employment. All new and continuing Plan members will receive a copy of the Regents’ Plan document, the School Implementing Procedures, and these Department Guidelines, as well as any related documents or policies.

Membership in the Plan continues so long as the Plan continues to be in effect. Separation from an eligible appointment terminates membership in the Plan.

Plan Participants who leave the compensation plan (effort $\leq 50\%$ and compensated at scale 0) will remain outside of the plan for a full year (12 consecutive months) before being eligible to return to membership in the compensation plan.

School of Medicine faculty members employed by The Regents shall be Plan Participants if they hold University-funded appointments at greater than 50 percent of full time in a School of Medicine department or unit in any of the following professorial series: Professor, Professor in Residence, Professor of Clinical _____ (e.g., Medicine), Adjunct Professor, Acting Professor, Health Sciences Clinical Professor or Dean. Faculty in the Visiting Professor series who receive income for clinical services and meet the above criteria are also Plan Participants.

Faculty members who are otherwise eligible to be Plan Participants, as defined above, but who have appointments of 50 percent of full time or less may participate in the Plan upon the recommendation of the Chair and approval by the Dean or his/her designee.

Deans and other faculty administrators in Plan schools shall be Plan Participants if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies that govern administrative appointments. If the faculty position is funded by two or more School of Medicine departments/units, the Plan Participant shall be subject to the department/unit guidelines of the department/unit in which the preponderance of his/her academic activities occurs. 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 his/her designee.

For faculty members whose paid effort at the SFVAHCS is $>0\%$ and whose concurrent UC-funded effort is $\geq 50\%$, Compensation Plan membership is required. Faculty members who hold an unpaid (0%) appointment at the SFVAHCS and concurrently hold a UC-funded appointment at $<51\%$ effort are not eligible to participate in the Compensation Plan. VA faculty should inform their department chair and division chief of changes in VA-funded effort. These requirements apply to faculty appointed in all academic series.

If a Plan Participant's 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 his/her academic home department resides. Exceptions to this policy must be recommended by the relevant Chairs/Directors, endorsed by the 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 monthly effort of 43 percent. Retired faculty members who are recalled at a salary rate greater than base salary (X, X') plus Y and/or Z, as defined in sections IV. B and C below), regardless of percentage effort, are required to be Plan Participants. For recalled faculty who are Plan Participants, all terms and conditions of the Plan apply, including the requirement that 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 the Plan. In no case are Plan Participants 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 and other paid leaves, even if salary is reduced to covered compensation (X) or Base Salary, as well as while on unpaid leaves. Thus, while on any 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

No single member professional corporations, or any other form of professional corporation, partnership, or other entities for the provision of professional health care shall be permitted for faculty under the Plan without the express written approval of the President.

Affected Plan Participants have the opportunity to review and comment on proposed department guidelines as well as any significant modifications, including the setting of approval thresholds, setting of APUs and department assessment rates. These guidelines shall 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;

- department requirements on occasional outside professional activities, including good standing criteria;
- the department's policy on collecting and distributing all income paid into the Plan; and
- department policies regarding paid and unpaid leaves of absence and sabbaticals.

Plan Participants' input on proposed department guidelines and subsequent revisions must be obtained by consultation with all affected Plan Participants in a department. Revisions to guidelines must be reviewed and approved by the Dean or his/her designee and may only be altered to take effect on July 1 of each fiscal year. Department guidelines may be more, but not less, restrictive than the Regents' Plan and must be consistent with the School of Medicine Implementing Procedures.

Individual salaries shall be negotiated annually between each Plan Participant and his/her Chair. Requests for salary increases that exceed the specified percentage determined by the Dean may require the approval of the Dean or his/her designee.

Additional compensation shall be paid in accordance with the applicable University and department 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 a statement of proposed compensation for the forthcoming period July 1 - June 30. Base Salary scale assignment, Additional Compensation, and the methodology for calculating Incentive Compensation must be detailed in this statement.

For faculty engaged in compensated clinical activities, in the event of termination of employment any outstanding account receivables will be treated in accordance with the compensation arrangement of the individual faculty member. Receivables originated by those without Incentive Compensation will be the property of the University. Payments for outstanding accounts receivables will be paid through the University of California payroll system.

Salary Support During a Terminal Year Appointment for In Residence Faculty

Establishment of a terminal year appointment occurs when the appointment of an In Residence faculty member at Associate or Professor rank is converted from an appointment without an end date ("indefinite appointment") to an appointment with a specific end date. This process includes a one-year notice period ("Terminal year appointment") that the faculty member's appointment in the In Residence series will end. Refer to the 2020 In Residence Task Force Report, September 2020 for a full

description of the Governing Policies, General Provisions for Appointees, and the process for Establishment of a Terminal Year Appointment.

Salary Support:

If an In Residence faculty member at Associate or Professor rank does not have sufficient funds to support their salary at the level of X+X' for their rank and step, the department is required to provide salary support to ensure that the faculty member maintains an appointment at 100% effort during the terminal year appointment.

There are two methods of providing salary support for In Residence faculty, the Day 1/Dollar 1 approach or Bank. Each department/school must select one approach that applies to all In Residence faculty members.

The department/school has chosen the bank approach:

- When an In Residence faculty member experiences challenges sustaining 100% effort at the level of X+X', the Department will establish a bank with a balance that is equivalent to one year of X+X' at the faculty member's current rank-step and make the funds available to the faculty member .
- The value of the "bank" is established during the first year of use and inflates annually, in accord with UC systemwide range adjustments (i.e., changes to UC salary scales), assuming the balance is not exhausted during the first year.
- The In Residence faculty member may access the funds in the bank over one year, consecutive years or non-consecutive years.
- Once the bank funds are exhausted and budget projections indicate that the funds will be fully depleted within one year, the Notification of Terminal Year Appointment is given and the indefinite In Residence appointment will be converted to a terminal year appointment with a specified end date.
- At the time the Notification of Terminal Year Appointment is given, the department remains obligated to provide 12 months' salary support at X+X', as needed to maintain 100% effort

Compensation

A. Total Compensation

Plan Participants shall receive Base Salary, as described below and in APM 670-19, be eligible for optional University additional compensation, as described below, and be permitted to retain other miscellaneous income as described below and in APM 670-19. Payment under the Plan shall 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 or his/her designee 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').

Effective July 1, 2020, whenever there is an adjustment to the HSCP scales that becomes effective mid-year (any time between 7/1 - 6/30, generally in October), X' will increase, as stipulated by the range adjustment, and the Y salary component will be simultaneously adjusted, such that there is no change to fixed compensation (X' + Y) for the remainder of the fiscal year.

Base salary in the Department of Anesthesia & Perioperative Care is as follows:

- APU #1: Faculty without clinical responsibilities and pain psychologists: Scale 3
- APU #2: Faculty with clinical responsibilities: Scale 7

The APU structure and associated scales will be reviewed annually by the Chair's Advisory Group of the Department.

An APU must remain at its assigned HSCP Salary Scale for at least one year before being assigned to a higher or lower scale.

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 per year.

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

C. Optional University Additional Compensation

The Chair 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 department/unit guidelines, affected Plan Participants and the Advisory Committee shall be afforded the opportunity to review and comment on the proposed Procedures.

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 Chancellor or his/her designee.

The "Y" component of the salary is based on a Department scale that considers AAMC salary data for academic anesthesia departments to establish an appropriate salary and total compensation target by rank.

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.

The department must consult with the Dean's Office if they are proposing payment of such a stipend as part of the Plan Participant's covered compensation because such stipend payments are generally reserved for Chairs and Directors in recognition of their significant administrative leadership 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. Incentive compensation payouts are at the discretion of the Chair and are contingent upon the strategic needs of the Department, the good standing of the plan member and/or the Department’s financial condition. There are two unique clinical incentive compensation plans. One for incentive activity that is performed at ZSFG and a separate plan for incentive activity that is performed at UCSF Health locations. Please reference Addendum A for the ZSFG Clinical Incentive plan and Addendum B for the UCSF Health Clinical Incentive plan.

The Department may pay clinical incentive compensation for the following:

- a. **Clinical Compensation:** Faculty members are expected to work a specific number of clinical days and call days, based on their clinical commitment. If a faculty member exceeds the expected number of clinical days and call days, s/he may receive additional compensation that is paid at a set rate for all faculty. Faculty members may earn additional compensation by providing clinical services during evening / overnight hours.
- b. **Voluntary Clinical Activities:** The Department has defined certain clinical schedule slots as voluntary, above and beyond the expected clinical commitment. Faculty members may volunteer to work these voluntary clinical slots and receive additional compensation at pre-defined levels, based on the clinical schedule slot.

If any portion of the department's Funds Flow Tier 2 revenue is calculated based on the revenues (charged or collected) or operating margin of the department or one or more individual plan participants, that portion of the Funds Flow Tier 2 revenue cannot be used for compensating any physician in the department. Such revenue can be used to cover non-physician administrative and overhead expenses.

Treatment of Z Payments when a Faculty Member Leaves the Department:

Clinical Incentive: Faculty who leave the Department must provide a minimum of two months’ written notice to the Chair in order to receive the Clinical Overtime portion of their incentive payment that may be owed them (section V. C. 3a). All Voluntary Clinical Activities will be paid in full regardless of notification provided (V. C. 3b).

Outside Consulting Income Paid to the Plan: Faculty who leave the Department with undistributed outside income that was generated by the faculty member prior to

his/her separation from the Department will be paid out to the faculty member after the appropriate School and Department taxes have been deducted (10% total). These payments will occur via the UC payroll system and will be net of the faculty member's salary, fringe benefits, and other expenses.

Academic Enrichment Accounts: The Academic Enrichment Account balances remain the property of the University when a faculty member leaves the Department.

By May 31 of each fiscal year, each Plan Participant shall discuss with his/her Chair and, **with the Chair'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 shall review his/her selection. If approved, the Chair 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 (August 31, November 30, February 28 and May 31). 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 in writing another option.**

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 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. 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 (August 31, November 30, February 28 and May 31). 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.

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 direct charge or reimbursable University-related business expenses of 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 academic outside professional activity income due to the Compensation Plan.
- On an annual basis, if allowed by his/her department guidelines, a Plan Participant may request that funds be allocated to an Academic Enrichment Account for the forthcoming academic year July 1 through June 30 and such a request **must always occur in writing prior to May 31st of the forthcoming academic year in which the income will be earned.**
- The Chair 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. UCSF, through the Chair (or Dean/designee), has final authority over the use and distribution of funds held in an Academic Enrichment Account.
- Once funds have been allocated to an Academic Enrichment Account, the Plan Participant cannot change the designation of these funds.

- The department 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 an academic year that may be carried forward to the next academic year, at the discretion of the Chair (Dean/designee). 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 guidelines. All Incentive Compensation, including payments for outstanding account receivables, shall be paid through the University of California's payroll system.

Distribution of Faculty Responsibilities

In order for faculty to earn full salary (X+Y) from department derived funds, clinical faculty are expected to engage in department approved activities five days per week plus provide on-call coverage. Faculty are usually allowed the equivalent of one non-clinical day per week, funded by the department. The allocation of this or additional time is at the discretion of the Chair with input from appropriate department leaders and committees. An example would be to allow additional non-clinical time for the department's Director of Residency Program.

Should faculty request to increase their non-clinical time for peer reviewed research, they are allowed to use their own externally obtained funds in lieu of department funds.

Additional non clinical time is not a right and indeed may not be approved by the Chair. It is granted based on whether it contributes to the department's overall goals and whether it appropriately facilitates those activities that the individual is performing in the department.

Part-Time Faculty

Part-time faculty include those whose UCSF appointments are less than 100% but greater than 50%. Part-time faculty appointed at greater than 50% effort, must participate in the University Health Science Compensation Plan, regardless of academic series. University service credit is pro-rated and affects retirement benefits.

1. Requests for academic non-clinical time and personal requests should be treated the same way for full time faculty and part time faculty (i.e. one group does not have priority over the other).

Some scheduling flexibility is required unless specifically negotiated at the outset. Over scheduling of clinical activity of part time faculty beyond their pro-rated employment should be undertaken only with prior agreement of the faculty member.

Call will be pro-rated including nights, weekend, and holidays

Contributions to the academic mission of the department are required, (e.g. teaching, committee memberships, etc.). Expectations for scholarly activity may be pro-rated.

Vacation requests for part time and full time faculty will be adjudicated similarly by the clinical schedulers

D. Department/Unit Requirements on Outside Professional Activities

Outside Professional Activities, whether compensated or uncompensated, and regardless of financial interest, are activities within a Plan Participant'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 Plan Participant's professional obligation to the University.

A conflict of commitment occurs when a Plan Participant's outside activities interfere with the Plan Participant's professional obligations to the University.

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. 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 week-ends. Income due the Plan must be deposited into the revenue account of the appropriate department/unit compensation plan fund. In no case are Plan Participants allowed to retain income from patient care activities. 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).

Mechanisms for Addressing Potential Conflicts of Commitment

Outside professional activities must be undertaken in a manner consistent with the Plan Participant's professional obligations to the University. Outside activities must not conflict with the Plan Participant's obligations to students, colleagues or to the University as a whole.

Plan Participants may engage in outside professional activities (other than patient care) only if they are deemed to be in Good Standing and may retain the income from outside professional activities only in accordance with the terms of APM 670 and 671, the Implementing Procedures and these Implementing Guidelines.

Plan Participants are responsible for:

- 1) Reading and actively complying with these Guidelines. Plan Participants are expected to consult these Guidelines and to obtain *prior* clarification and/or approval from their Chair and/or the Department Manager.
- 2) Maintaining Good Standing in accordance with the Implementing Procedures and these Guidelines;
- 3) Obtaining prior written approval for engagement in Category I activities;
- 4) Maintaining a running total of annual earnings from, and time spent on, all outside professional activities;
- 5) 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;
- 6) Obtaining prior written approval to engage in outside professional activities that may result in exceeding the total annual time and/or earnings approval thresholds;
- 7) Submitting annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Chair . The Chair shall submit his/her annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Dean or her/his designee;

- 8) Attesting to adherence with the requirements of the policy in the annual report;
- 9) Disclosing any current or prospective outside professional activity to the Chair if there is any conflict of commitment; and
- 10) Obtaining prior approval from the Chair before involving a student in an outside professional activity (see APM - 671-8-f).

Payments for professional outside activities, including those where the income is due the Plan, shall be made payable to the Plan Participant and not to the Regents. The Regents are not a party to a Plan Participant's outside professional activities.

E. Department Requirements on Occasional Outside Professional Activities

1. Faculty in good standing (as detailed in section III above) may retain payments (other than patient care) for occasional service from all entities up to a maximum of 48 days (384 hours). This includes governmental agencies, non-profit health or education-related organizations, continuing health education programs administered by the University, University Extension, and for-profit organizations (including consulting and legal work such as testimony as an expert or professional witness).
2. Service performed during paid or unpaid leaves of absence (e.g., vacation, holidays, or week-ends) counts toward the 48-day maximum and the time threshold of \$40,000 or 40% of scale 0 whichever is greater.

There are two components to the threshold: maximum time and maximum earnings.

Time Threshold: The **total** number of hours for **all** outside activities (service to governmental agencies, non-profits, for-profits, legal witness, etc.) for which income is retained must not exceed 48 days (384 hours). Plan Participants who wish to exceed the time threshold defined by their department/unit must receive advance written approval from the Chair and the Vice Dean for Academic Affairs for outside professional activities that exceed the department's/unit's time threshold. Chairs/Directors shall seek written approval from the Dean or his/her designee. All income from activities in excess of the time threshold is due the Plan, even if the earnings threshold has not been reached.

Earnings Threshold: Effective with the issuance of these Implementing Procedures, the maximum annual outside professional earnings approval

threshold is \$40,000 or 40% of the Plan Participant’s fiscal year Base Salary (scale 0), whichever is greater. All income from outside professional activities that exceeds the earnings threshold is due the Plan, even if the time threshold has not been reached.

A Plan Participant who has satisfied the good standing criteria set forth in these Implementing Procedures and established by his/her department/unit, who has not exceeded the limit on the number of days devoted to compensated outside professional activities established by the department/unit, and whose annual earnings from all outside professional activities is estimated to be less than the approval threshold is allowed to engage in outside professional activities (other than patient care) without having to request prior approval from his/her Chair /Director to engage in the activities unless required by other Academic policies, e.g. APM 671 for Category 1 activities. The Dean or his/her designee must approve such activities for the Chair.

Table

Income Retention from Occasional Outside Professional Activities			
	Retained by Plan Participant (income is not deposited to the Compensation Plan)	Due to Comp Plan (income is deposited to the Compensation Plan)	Must be included in Annual Reporting and counted in 48-day limit
All patient care income, regardless of where the clinical activity is performed	Never	Yes	Not applicable
Prizes (recognition of personal achievement)	Yes	No	No
Royalties (author, inventor)	Yes	No	No
Honoraria for occasional lectures, public appearances outside the University	Yes	No	No
University honoraria (e.g., occasional lectures)	Yes	No	No
Income unrelated to qualifications for	Yes	No	No

Income Retention from Occasional Outside Professional Activities			
	Retained by Plan Participant (income is not deposited to the Compensation Plan)	Due to Comp Plan (income is deposited to the Compensation Plan)	Must be included in Annual Reporting and counted in 48-day limit
University appointment			
Service to governmental agencies	Yes, up to 48 days and <\$40,000* total outside earnings	Yes, for work that exceeds 48 days and/or the earnings threshold (>\$40,000*)	Yes (travel time excluded for this category)
Service or consulting to non-profit health- or education-related organizations or other non-profit entities;	Yes, up to 48 days and <\$40,000* total outside earnings	Yes, for work that exceeds 48 days and/or the earnings threshold (>\$40,000*)	Yes
Continuing health education programs administered by the University or University extension	Yes, up to 48 days and <\$40,000* total outside earnings	Yes, for work that exceeds 48 days and/or the earnings threshold (>\$40,000*)	Yes
Consulting to for-profit entities	Yes, up to 48 days and <\$40,000* total outside earnings	Yes, for work that exceeds 48 days and/or the earnings threshold (>\$40,000*)	Yes
Expert or professional witness fees	Yes, up to 48 days and <\$40,000* total outside earnings	Yes, for work that exceeds 48 days and/or the earnings threshold (>\$40,000*)	Yes
* or 40% of the Plan Participant's Academic Year Base Salary (scale 0), whichever is greater			

Plan Participants may retain income (up to the threshold limits) from the following activities:

- Occasional service **other than clinical and/or 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

A conflict of commitment occurs when a Plan Participant's outside activities interfere with his/her professional obligations to the University. Outside professional activities are categorized based on the extent to which a conflict of commitment is likely to arise. When an activity could fall under more than one category, it should be assigned to the category which requires more stringent reporting and prior approval.

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 are the individual's

qualification for University appointment, but performed for a third party, and/or 2) they require significant professional commitment.

Category I activities require prior approval by the Chair, Dean or his/her designee, and the Chancellor and require disclosure in annual reporting, regardless of financial remuneration. Approvals are generally for one fiscal year but may be requested for a longer term, not to exceed five years. Category I activities count toward the Plan Participant's time threshold for outside professional activities and earned income counts toward the earnings approval threshold.

Category I activities include, but are not limited to:

- a) 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., are not considered Category I activities;
- b) Employment outside of the University, including but not limited to as a W2 employee;
- c) Assuming a founding/co-founding role of a company;
- d) Assuming an executive or managerial position outside of the University. This does not include leadership positions within professional societies.
- e) Current or pending acceptance of an honorary, visiting, adjunct, or other institutional appointment (either compensated or uncompensated) at an outside institution of higher education, research institute, or medical center affiliated with an outside institution of higher education, non-U.S. government, or other entity
- f) Current or pending participation in, or application to, talent recruitment programs (specifically designed to recruit science and technology professionals or students) sponsored by a government agency of a nation other than the United States ("non-U.S. government")

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 Category I activities.

Category II activities require disclosure in annual reporting but do not require prior approval unless they will cause the Plan Participant to exceed the time and/or earnings

threshold. Time devoted to these activities counts toward the time threshold. Income earned from these activities counts toward the earnings threshold.

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

- a) Additional University-compensated teaching, including teaching for UNEX courses and programs (see [APM - 662](#), Additional Compensation: Additional Teaching); or
- b) Participation in continuing health education programs run by the University; or
- c) Participation in self-supporting UC degree programs. These are teaching activities outside of the assigned teaching load. If the department assigns the teaching activity, it is not considered an outside activity; or
- d) Consulting under the auspices of the University of California; or
- e) Consulting or testifying as an expert or professional witness; or
- f) Consulting for for-profit entities; or
- g) Consulting for non-profit entities; or
- h) Consulting for non-profit health or education-related organizations; or
- i) Consulting for government agencies; or
- j) Serving on a board of directors outside of the University, whether compensated or uncompensated; or
- k) Providing or presenting a workshop for industry; or
- l) Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories; or
- m) Other income-generating activities specified in the School's Implementing Procedures.

Category III

Category III activities are within the course and scope of the Plan Participant's University employment. As such, they are unlikely to raise concerns about conflict of commitment.

Category III activities, even if compensated, do not require disclosure in annual reporting or 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:

- a) Serving on government or professional panels or committees or as an officer or board member of a professional or scholarly society;
- b) Reviewing manuscripts or acting in an editorial capacity;
- c) Attending and presenting talks at university/academic colloquia and conferences; and
- d) 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 earnings threshold. Time devoted to the following activities does not count toward the time threshold:

- Prizes, defined as gifts in recognition of personal achievements and not for services rendered;
- Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
- 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;
- University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus, as permitted by Academic Personnel Policy (See APM 666, Additional Compensation: Honoraria) and applicable UCSF policies;
- Administrative stipends; and

- Income from a profession unrelated to the training and experience which is the Plan Participant's qualification for University appointment, as determined by the Chair, in consultation with the Dean or his/her designee.

Please note that the term "honoraria" may be used by other institutions or agencies to refer to compensation for a wide variety of activities. A Plan Participant should not rely on the use of the term "honoraria" or a similar label that describes the type of payment to determine whether such a payment may be retained by the Plan Participant or deposited into the Plan. The Plan Participant should consult with the Chair or Department Manager.

E. Non-Cash Compensation, including Stock and Stock Options

Professional income governed by the Plan includes cash and non-cash compensation. **Plan Participants are required to disclose non-cash compensation received in exchange for any type of professional service within 30 days of receipt.** The following paragraphs provide specific guidance with respect to stock, stock options, and founders' stock.

A Plan Participant who receives **stock** in lieu of compensation for outside professional activities must disclose this fact to the Chair 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, payment in 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 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 do not disclose receipt of 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 payment is due the Plan. Plan Participants may be able to retain the money due the Plan if they have not yet met or exceeded their time and/or earnings threshold for outside professional activities. However, both the time spent on outside professional activities related to the receipt of stock and any income due the Plan under the formula above *must be counted toward the time and earnings thresholds.*

A Plan Participant who receives **stock options** in lieu of compensation for outside professional activities must disclose this fact to the Chair and the Dean's Office *within 30 days of the date the stock option agreement is signed.* The Dean's Office shall obtain a

valuation of the stock options 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 shall be notified of the nature of any Plan obligations, based on the above methodology.

Plan Participants who neglect to disclose stock options *within 30 days of signing stock option agreements* shall owe the Plan the difference between the offered option price at the time the agreement was signed and the value of the stock options 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 and/or earnings threshold for outside professional activities. However, both the time spent in outside professional activities related to the receipt of stock options and any income that would be due the Plan under the formula above *must be counted toward the time and earnings thresholds*.

A Plan Participant who receives **founder's stock** in lieu of compensation for outside professional activities must disclose this fact to the Chair and to the Dean's Office *within 30 days of the date of receipt*. The founder's stock will be valued by the Dean's office as of the date of receipt and any value shall be due the Plan. Since the value of founder's stock is generally insignificant, in most cases a negligible amount will be due the Plan. However, if the founder's stock is not disclosed within 30 days of receipt, the entire value of the founder's stock when the disclosure is ultimately made shall be due the Plan. Both the time spent in outside professional activities related to the receipt of stock options and any income that would be due the Plan under the formula above *must be counted toward the time and earnings thresholds*.

Exception Requests

Advance, written approval is required in the following instances:

Advance, written approval from the Chair, Dean or his/her designee and the Chancellor is required for all Category I activities.

Advance, written approval from the Chair is required for all outside professional activities involving students or the use of University resources beyond incidental use.

Advance, written approval from the Chair and the 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 department/unit has adopted an annual threshold that is lower than the Plan maximum (\$40,000 or 40% of the Plan Participant's academic year base salary (scale 0)), the Chair must approve all activities that exceed the department/unit maximum up to the Plan maximum. The Dean or his/her designee must approve such activities for the Chair.

If a Plan Participant wishes to engage in an outside professional activity that might reasonably be expected to exceed the earnings threshold, s/he must request written approval to engage in the activity. To request approval, the Plan Participant is required to submit a written request in advance of the activity to the Chair. The Chair shall submit a written request to the Dean or his/her designee. The request to exceed the earnings threshold 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 services¹, the anticipated period of service and/or hours to be devoted to the activity, the total expected earnings 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. The Chair 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 Guidelines and APM 670/671. If a request is not approved, the Chair shall advise the Plan Participant whether: 1) the activity may be undertaken, but with all related earnings accruing to the department, in accordance with these Implementing 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 earnings threshold, s/he must request the Chair'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 these Implementing Guidelines. The Chair and/or the Dean or his/her designee may approve a Plan Participant's request to engage in outside professional activities in accordance with the School's Implementing Procedures and these Implementing Guidelines. Plan Participants shall notify the Chair immediately if they inadvertently exceed the earnings 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 the

• ¹ 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.

Chair 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 requirements contained in the Implementing Procedures and these Guidelines. Plan Participants may also be found to be Not in Good Standing in accordance with Section III A of the School's Implementing Procedures and these Implementing Guidelines.

The Chair must notify the Vice Dean for Academic Affairs if they believe a Plan Participant has violated, neglected, or manipulated any of these Guideline's requirements. Plan Participants may be subject to corrective action and disciplinary measures for such violations.

This policy must conform to the Regents' Plan *Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan*.

Limitations on Use of University Resources in Connection with Outside Professional Activities

The use of University staff, laboratories, facilities, or other University resources in connection with outside professional activities is subject to limitations. If the department's Implementing Guidelines permit Plan Participants to 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 Plan Participant, not by the University (*Faculty Code of Conduct, Part II. C, and APM-015, Section II*).

The University's liability and workers compensation coverage does not extend to any activity that is outside of the course and scope of the Plan Participant's University employment. Some outside professional activities, particularly certain consulting and expert witness testimony, would generally be considered outside the Plan Participant's course and scope of University employment, depending on the facts and circumstances of any given case. Questions about University liability coverage or exposure in connection with a specified activity should be discussed with the Office of Risk Services at the Office of the President.

Involvement of Students in Outside Professional Activities

For the purpose of this policy, "student" includes trainees, graduate students, professional students, residents, fellows, and postdocs.

Involvement of students in the outside professional activities of a Plan Participant may, under certain conditions, offer the student potential educational benefits. However, the relationship between the Plan Participant 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 Plan Participant who involves 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 Plan Participant has, or expects to have, academic responsibility (instructional, evaluative, or supervisory) for the student, the Plan Participant must obtain prior written approval from the Chair before involving a student in an outside professional activity, regardless of whether the Plan Participant is compensated 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 Plan Participant must never affect, positively or negatively, the Plan Participant's evaluation of the student's performance in any other context.

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 believe they will exceed the time or earnings threshold and whether or not the funds are due the Plan.

All Plan Participants are required to submit to the Chair an annual report in the Outside Activity Tracking System (OATS) that describes the previous years outside professional activities from which the Plan Participant received income or allocated time and an attestation of adherence to these Guidelines. The annual report should itemize outside activities in temporal order and should be consistent with the reporting requirements specified in APM 671 and any successive sections of the APM. It is the responsibility of the Chair to review this information for each Plan Participant. The Chair's annual report shall be submitted in OATS to the Vice Dean for Academic Affairs. It is the responsibility of the Plan Participant to bring to the attention of the Chair of any activity(ies) that require(s) advance approval, as detailed above.

Service performed during paid or unpaid leaves of absence, including, but not limited to, weekends, vacation days, holidays, sabbatical leaves, and professional development leaves, is reportable and counts toward the time and earnings thresholds.

Monitoring and Enforcement: Chairs/Directors have primary responsibility for monitoring and enforcing the requirements of their department/unit guidelines and these Implementing Procedures. The primary means of monitoring compliance shall be the Chair's/Director's annual review of the information the Plan Participants provide in their 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 Vice Dean of Academic Affairs.

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 department/unit 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 department/unit guidelines; and/or b) failure to accurately disclose and describe the nature and scope of outside professional activities as required by these Implementation Procedures and department/unit guidelines. Corrective action refers to 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 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 guidelines on outside professional activities.

Whenever reductions in compensation are the result of corrective action or discipline, the Chair shall notify the Plan Participant in writing. Corrective action does not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws, nor does it preclude the possibility that a Plan Participant may be determined to be Not In Good Standing for lack of compliance with University policy and/or reporting requirements. Violations by Plan Participants of either the time 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.

While reductions in compensation may be related to corrective action, such reductions may occur for other reasons, such as insufficiency of current year income or

contingency reserves. Whenever there are planned reductions in compensation for a Plan Participant, the Chair shall provide the Plan Participant with written notice.

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, even if the income from these activities is retained by the individual Plan Participant.

Complaints and Appeals

If a Plan Participant has a complaint about an issue related to outside professional activities, s/he should make every effort to resolve the complaint at the department/unit level. If the complaint cannot be resolved through discussion and negotiation at this level, then the Plan Participant's complaint and the Chair/Director's response shall be documented in writing. If the Plan Participant disagrees with the department/unit response, s/he should file a formal complaint with the Dean. The Advisory Committee is charged with fact-finding to assess the nature of the complaint. Both the Chair/Director or his/her designee and the Plan Participant have the right to be interviewed by the Advisory Committee. The Advisory Committee shall issue a formal written recommendation for resolution of the complaint to the Dean. The Dean shall review this recommendation and make a final decision.

Grievance Rights

Plan Participants who are Academic 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.

Conflict of Interest Code

A Plan Participant's compensated and/or uncompensated outside activities may create an obligation for him/her to disclose a financial interest before making decisions or participating in certain activities. The University's Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974, 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.

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.

Benefits

All benefits as described below and in related policies shall be provided uniformly within the department, as reviewed by plan 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 may 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 shall 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 shall be granted such leave paid at least the Health Sciences Scales Base Salary rate (X, X') as set forth in these 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 provisions below, or where explicitly stated in policy, Plan Participants are eligible for leaves as defined in APM - 710 - 760.

Plan Participants remain members of the Compensation Plan while on paid leave, even if their salary is dropped to base. While on paid leave, they are bound by rules of the Plan, the School of Medicine Implementing Procedures and these Guidelines, including but not limited to policies related to income due the Plan.

1) Extended Illness Leave

Extended illness is defined as a health condition resulting in absence for more than two weeks. Extended illness must be documented as a leave with pay on a Leave of Absence form.

Per University policy, faculty do not accrue sick leave but may be approved for leaves with pay (i.e. "salary continuance") during periods of extended illness or disability (APM 710). An absence of greater than two weeks for health reasons is considered an extended illness and should be officially recorded as a leave with pay, and when appropriate, will be designated as Family Medical Leave (FMLA).

With appropriate documentation, which may include a physician's certification of disability and/or an outside third party review at the department's expense, the Department of Anesthesia will provide salary continuance during periods of extended illness or disability as follows:

Faculty with (0-1) years of service: Faculty members who have less than one year of service and are unable to work due to an extended illness, will receive six weeks of full salary (X+Y). Generally, the extended illness leave period will be pro-rated for months of service. The Chair must grant approval for this extended illness leave and related compensation.

Faculty with (1+) years of service: Faculty members who have more than one year of service and are unable to work due to extended illness, will receive six weeks of full salary (X+Y). This benefit is available on an annual basis each calendar year.

Extended illness leave may be taken on a consecutive or intermittent basis. If the intermittent benefit is chosen, the leave shall be taken and recorded in full day increments.

Plan Participants are strongly encouraged to review their individual insurance needs for extended illness/disability leave and to consult extended illness/disability policy documents for complete information about the University's plan and the coverage

provided. Plan Participants are encouraged to apply for supplemental disability insurance with a 30 day waiting period.

2) Pay for Family Care and Bonding:

Pay for Family Care and Bonding (PFCB) is a wage replacement program offered by the University of California. Effective January 1, 2023, faculty may be eligible for 100% of their $X + X'$ earnings ($X+X'$) for specific types of Family and Medical Leaves (FML). The PFCB is available for up to 8 work weeks per calendar year. To determine the interaction between the PFCB and compensation plan benefits, the Academic Shared Services team should be consulted.

3) Childbearing Leave

Childbearing leave is provided for a Plan Participant who holds a 12-month appointment and bears a child or children, regardless of academic series or months of service. The Plan Participant will be granted twelve (12) weeks (84 consecutive calendar days) of paid childbearing leave at their negotiated compensation rate ($X' + Y$), excluding clinical incentives and bonuses. Childbearing leave is the time the Plan Participant is temporarily disabled because of pregnancy, childbirth or related medical conditions (APM 760-25). If the period of temporary disability related to pregnancy, childbirth or related medical conditions lasts less than 12 weeks, the remaining period of paid childbearing leave (for a leave in progress), may be used for bonding, up to the maximum period of 12 weeks (84 consecutive calendar days).

Paid childbearing leave will be allocated in one 12-week block (84 consecutive calendar days). At the direction of the Plan Participant's health care provider, the childbearing leave may be allocated in intermittent periods, consistent with the provider's medical recommendations and the Plan Participant's eligibility for Family and Medical Leave (FML). If the Plan Participant cannot return after 12 weeks of childbearing leave and qualifies for additional leave on the basis of medical need, the period of childbearing leave may be followed by extended illness leave, and, if necessary, any disability benefits which may apply.

A Plan Participant who bears a child is also eligible for full or part-time parental leave without pay (APM 760-27) and a period of Active Service-Modified Duties (APM 760-28). At the Plan Participant's request, accrued vacation shall be substituted for unpaid parental leave. Parental leave must be taken within 12 months of the birth, adoption or placement of a child.

4) Paid Childrearing Leave

Childrearing leave is provided for a Plan Participant who holds a 12-month appointment and is the non-birth parent responsible for caring for any child or children who are, or become, a member of the Plan Participant's family. The Plan Participant will be granted paid childrearing leave of twelve (12) weeks (84 consecutive calendar days) at their negotiated compensation rate (X'+Y), excluding clinical incentives and bonuses.

Paid childrearing leave will be allocated in two six-week blocks of continuous full-time or fixed part-time leave. The six-week blocks (42 consecutive days) may be taken consecutively or separately but must be used within 12 months of the birth, adoption, or placement of a child or children.

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

5) Bereavement Leave

The department will grant up to 10 business days of bereavement leave (continuous or intermittent) at the full negotiated salary rate (i.e., X'+Y) per occurrence. If a Plan Participant requests more than three bereavement leaves within the same academic year, each subsequent request (after the third request) must be reviewed and approved by the Department Chair and the Dean's Office.

6) Parental Leave *Without Pay*

Plan Participants are eligible for full-time or part-time parental leave without pay for a maximum of 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.

7) Other Paid Leave

Paid leave will be granted when a Plan Participant is unable to work because s/he must care for a spouse, domestic partner, childparent or designated person who is ill. For this benefit, a "designated person" is any individual related by blood or whose association with the appointee is the equivalent of a family relationship. The appointee may identify the designated person at the time the appointee requests the leave, and appointees are limited to one designated person per calendar year for family and medical leave purposes. Paid leave under such circumstances shall be for five days per Plan Participant per fiscal year at full salary (X+Y). 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.

8) **Sabbatical Leave:** Sabbatical Leaves are a privilege accorded to eligible Ladder Rank faculty to allow them to engage in periodic and intensive programs of research and study (see APM 740). During an approved sabbatical, the salary rate will at a minimum be equal to the individual's rate of covered compensation. Additional compensation may be granted from the same or similar sources as those providing negotiated compensation prior to the period of leave (i.e., faculty may not accept salary directly from another institution while on sabbatical), but any salary above covered compensation shall be limited by the availability of extramural, clinical or other discretionary funds. Total salary during sabbatical leave from all sources may not exceed the faculty member's total salary prior to the leave. Faculty remain members of the Compensation Plan and subject to all of its requirements while on sabbatical leave, included but not limited to those pertaining to outside professional activity and income, intellectual property and conflict of commitment. Requests for sabbatical leave are to occur at least 12 months in advance of desired leave start date.

9) **Professional Development Leave:** Plan Participants who are not eligible for sabbatical leave may apply for professional development leave. Requests for professional development leave are to occur at least 12 months in advance of desired leave start date. Leaves will be granted contingent upon funding being available. During an approved professional development leave, the salary rate will at a minimum be equal to the individual's rate of covered compensation. Additional compensation may be granted from the same or similar sources as those providing negotiated compensation prior to the period of leave (i.e., faculty may not accept salary directly from another institution while on leave), but any salary above covered compensation shall be limited by the availability of extramural, clinical or other discretionary funds. The Chair may designate additional compensation funding from Department sources up to but not to exceed the faculty member's total salary (X+Y). This funding may tie to the faculty's departmental responsibilities that may continue through the leave period. Faculty remain members of the Compensation Plan and subject to all of its requirements while on professional development leave, included but not limited to those pertaining to outside professional activity and income, intellectual property and conflict of commitment.

10) **Other Leaves with Pay:** On occasion, leaves of absence with pay may be approved for good cause (for example, during military service or for brief periods of governmental service); salary during such leaves will in general be at the full negotiated rate.

11) **Vacation Leave:** In accordance with Academic Policy 730, full-time faculty accrue vacation at the rate of two working days per month for full time service. For

part-time faculty working 50% or more, vacation allowance accrues at that proportion of the full-time rate. For part-time faculty working less than 50%, there is no vacation allowance.

Accrued vacation may be approved for use during periods of extended illness, disability, and child bearing/childrearing/approved family leaves.

Vacation credit may accumulate to a maximum of 48 working days. Terminal vacation leave is paid at a rate equal to the full salary (X+Y) in effect immediately prior to separation.

12) Leaves without Pay: In addition to the types of leave described above, leaves of absence without pay for other good cause (e.g., for family care or other personal reasons) may be granted, subject to approval by the department chair, Vice Dean for Academic Affairs, and Vice Provost for Academic Affairs. In general, such leaves may not exceed one year. During such periods of leave, faculty may not engage in compensated outside professional activities, and they shall remain members of the Compensation Plan and subject to all of its requirements included but not limited to those pertaining to outside professional activity and income, intellectual property and conflict of commitment.

Exceptions to this policy are granted only in extraordinary circumstances, or where other policy or formal agreements supersede Compensation Plan policy (for example, this might occur in cases of extended governmental service, for faculty placed on administrative leave, or for those on leave under the terms of a formal UCSF affiliation with an outside organization such as the Howard Hughes Medical Institute).

Active Service Modified Duties (ASMD):

Plan Participants who are appointed at 100% effort for a twelve month period and have primary responsibility for the care of a child under age eighteen years, may request a period of Active Service Modified Duties (ASMD) at their negotiated compensation (X' + Y) during the period before and/or immediately following the birth, adoption, or placement for foster care. ASMD requires approval by the Department Chair/ORU Director, the Vice Dean for Academic Affairs, and the VPAA.

Health Sciences Compensation Plan (HSCP) faculty members who are appointed at 100% effort for at least a twelve month period are eligible for a total period of childrearing leave plus ASMD of up to one quarter (one quarter is equal to 13 weeks) for each event of birth or placement of a child for adoption or foster care. A Plan Participant who bears a child may be granted an additional two quarters (26 weeks) of active service modified duties to prepare for and/or care for the newborn child and to enable her to fully recover from the effects of pregnancy and childbirth, for a total period of childbearing leave plus active service modified duties of 3 quarters or 39 weeks.

The Plan Participant who requests a period of ASMD must confer with their division chief and/or Department Chair prior to the anticipated start date in order to reach agreement on the nature and scope of the Plan Participant's duties during the ASMD period. The Plan Participant's request must include a written statement that certifies that s/he is responsible for at least 50 percent of the care of a newborn child or a child under age eighteen years who was recently adopted or placed for foster care. In addition, the request will include a detailed description of the specific duties which would be modified, and the duration of the ASMD period.

A period of ASMD is not a leave of absence nor a reduction in effort. A Plan Participant who would like to request a reduction in effort would be governed by other policies related to family accommodations, including parental leave without pay (plan participants may use vacation accruals to compensate leave) or a reduction in effort to accommodate family needs under APM 760. Please contact the Academic HR Leave Specialist assigned to the Department (<https://hr.ucsf.edu/hr.php?function=hrrep>) or the Department/ORU Manager to discuss.

During an approved period of ASMD, the Plan Participant is on active service and is expected to perform some or all of her/his usual duties. Plan Participants with clinical responsibilities may request a modification in clinical duties and/or teaching responsibilities. Departments may accommodate ASMD requests by adjusting clinical schedules, teaching duties, conference attendance and/or faculty meeting attendance. When reviewing the Plan Participant's request, the division chief and/or Department Chair will take into consideration the clinical, teaching, and research needs of the department before determining whether to approve the request for ASMD.

After the division chief and/or Department Chair have reviewed and approved the Plan Participant's request, the request for ASMD is reviewed and approved by the SOM Vice Dean for Academic Affairs and the Vice Provost for Academic Affairs.

VI. ACCOUNTING AND BUDGETING METHODS

A. Management and Reporting of Income and Expenses

All professional services income generated by Plan Participants shall be 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 his/her department/unit guidelines.

All income owed the University must be deposited in accordance with University cash/check handling policies and procedures and recorded in the appropriate revenue account and a fund within the UCOP fund group 409140. For payments made directly

to the individual Plan Participant and owed to the Plan, the check should be endorsed payable to the University and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.

All compensation paid by the University to Plan Participants is subject to Federal and State tax withholding and reported on a W-2 form as wages. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University, campus and School of Medicine policies, procedures, and delegations of authority.

In accordance with the Plan, all professional fee billing and collection activities shall be conducted by a University billing group or by an external vendor which has been approved by the Medical Group and the Dean.

B. Assessment of Professional Fee Income

The Department will assess a fee of 10% on all outside professional activity income due the Plan. Specifically, if the faculty member has received income in excess of the department's maximum threshold (in time or earnings), then the income is due the plan and a 10% fee is assessed by the Department before it is paid to the faculty member through the University payroll system.

C. Budgeting and Accounting

All the funds and transactions associated with the Plan will be accounted for in accordance with the applicable sections of the University accounting manuals. Each department and unit shall develop and submit to the Dean an all funds consolidated budget/forecast at regular intervals as determined by the Dean's Office. Except where accumulated surpluses are being used to support an extensive growth phase, it is expected that revenue will always be adequate to support anticipated expenses. Current Year expenditures shall be budgeted for and funded in the following order of priority:

- 1) Clinical practice operating expenses, defined as costs incurred by the department/unit for billing and collection of fees for clinical services; for faculty use of University-owned and/or leased practice facilities; and for all related operating activities including administrative overhead.

- 2) To the extent that funds remain after expenditures for clinical practice costs indicated in 1) above, compensation may be paid to eligible participants in the Plan. Base salary and related benefits, including any required contribution on behalf of UCRP-covered compensation shall be funded before additional compensation.

3) To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with the Regents' Plan may be paid. Each department and unit shall maintain a Reserve for Contingencies. These reserves will be used for academic purposes such as funding necessary renovation projects, recruitment expenses, or unfunded research expenses, and as a security for emergencies. In the event a department/unit has accumulated a surplus beyond that required to cover contingencies, it is expected that these funds will be used to enhance the department's/unit's academic program or to develop new programs as recommended by the Chair/Director and approved by the Dean. Fund balances will be monitored quarterly by the Dean or his/her designee.

VII. IMPLEMENTATION AND TRANSITION ARRANGEMENTS

These School of Medicine procedures are developed in accordance with the Regents' Plan approved for implementation July 1, 2012 and supersede any previous implementation. These departmental implementation guidelines are effective September 1, 2013.