November 22, 2013

To: George Haggerty, Chair
   Committee on Academic Personnel

   Georgia Warnke, Chair
   Committee on Faculty Welfare

Fr: Jose Wudka, Chair
    Riverside Division

Re: Revised School of Medicine Health Sciences Compensation Plan

In fall of 2011, UCR’s School of Medicine received conditional approval to implement the Health Sciences Compensation Plan. The provision was that the plan be modified to bring it to compliance with the newly revised APM 670.

To that end, I forward the revised plan and supporting documents and ask that you review with your committee. I respectfully request receipt of your comments by December 6, 2013. Please let me know if you need additional time, or would like to request assistance from someone in SOM to discuss/explain any concerns you might have.

Attachments:
   Dean Olds cover email
   Clean version of plan revisions
   Red line version of plan revisions
   Original plan as conditionally approved
   Conditional approval memo from Provost Pitts
   Previous CAP and Faculty Welfare responses
From: Jessica L Kump on behalf of G Richard Olds
To: Jose Wudka
Cc: Cynthia Palmer; Monica J Carson; Phyllis A Guze; Scott A Allen; Amee M Walker; Sheila E Morris; Beverley Herbert; Jessica L Kump
Subject: Revised Health Sciences Compensation Plan, 2013
Date: Thursday, November 21, 2013 3:57:23 PM
Attachments: HSCP - Revised Clean Copy .doc
            HSCP - APPROVED 11-18-2011.doc
            HSCP - Revised track changes v1.doc

TO: JOSE WUDKA, PhD
    DIVISION CHAIR OF THE ACADEMIC SENATE

FROM: G. RICHARD OLDS, MD, DEAN, SCHOOL OF MEDICINE

SUBJECT: REVISED HEALTH SCIENCES COMPENSATION PLAN, 2013

I am submitting the attached revised Health Sciences Compensation Plan (HSCP) for the School of Medicine for approval by the Academic Senate. I have also attached a copy of the HSCP Plan that was approved by the Senate in 2011 and a copy of the Revised HSCP with track changes. Because of the extensive editing, we have included comments in the margins of the document with track changes indicating why the changes have been made.

All eligible academic faculty at the School of Medicine participated in the vote and it was unanimously approved.

We appreciate your attention to this matter. After approval by the UCR Senate, the plan will be forwarded to the Office of the President.

Thank you for your assistance.
INTRODUCTION

Overview and Philosophy
Health Sciences education occupies a special place in American higher education with unique functions and responsibilities. In health sciences education, the orientation to clinical practice, essential to the teaching function, requires an emphasis on sophisticated patient care, in addition to an emphasis on research and the advancement of knowledge. In medicine, dentistry, nursing, pharmacy, and other health science education as well, clinical teaching is integrated with basic and applied research. In joining the University of California system as its sixth and newest School of Medicine, the University of California at Riverside is committed to this same excellence in instruction, research, and public service in the health sciences just as it is committed to the same goals in other academic disciplines. Health science faculty members are expected to act as professional role models for all. As the only public university in California authorized to grant professional doctoral degrees in the health sciences, the University has a responsibility to the State, the public, and its students to maintain the breadth and depth of its curricula, the creativity of its research efforts, and the quality of its health care services.

To ensure the level of excellence essential in the University of California and at our UCR School of Medicine, special effort must be exerted to recruit and retain the best and most dedicated faculty.

The University of California Health Sciences Compensation Plans were established over the years to provide for quality across academic programs in the health sciences disciplines. These health sciences compensation plans must offer a competitive salary structure indispensable to the health sciences schools’ recruitment and retention efforts.
Health sciences disciplines require varying compensation levels in order to remain competitive with comparable schools elsewhere in the United States. However, because University health sciences schools share some common needs and operating requirements, the University has developed a uniform Health Sciences Compensation Plan to govern compensation arrangements and account for compensation plan income to the University’s Schools of Medicine, Dentistry, Nursing, Pharmacy, and other health sciences units as deemed appropriate by the President or the President’s designee.

Health sciences compensation plans must be clear and justify calculation of compensation and contain a mechanism for impartial review to protect the rights of individual faculty.

The Health Sciences Compensation Plan is approved, amended and repealed, by and under the authority of The Regents of the University of California. Through the Plan, compensation is set as a part of the employment relationship, and as a consequence, the level of compensation and the terms and conditions of the Plan may be amended or repealed at any time by the President, following consultation with the Health Sciences Chancellors, Deans and appropriate Academic Senate Committee(s).

The implementation, administration and continued operation of this UCR School of Medicine Implementing Plan shall be, and is contingent on the understanding and assurance that it will not require the expenditure of more State-appropriated funds in the University budget than operation without the Plan would require.

I. PURPOSE

The purpose of the UCR School of Medicine Implementing Procedures for the Health Sciences Compensation Plan (Plan) is to provide a common administrative framework within which a participating health sciences school can compensate its faculty according to the competitive requirements of each discipline. Specific goals of this Plan are:

a. To provide sufficient non-State resources to recruit and retain outstanding health sciences faculty
b. To encourage a balance among teaching, research, and service activities (including clinical practice) of the quality required in the University of California

c. To provide teaching, patient care and research incentives that encourage and recognize academic merit as well as generation of income

d. To offer consistent benefits and privileges to UCR Plan participants, consistent with other health sciences faculty and schools at all University of California campuses

e. To benefit the UCR School of Medicine by providing academic and research support funds in addition to State-appropriated funds.

In adopting these Implementing Procedures, the faculty and administration of the School of Medicine at UCR affirm the philosophy and goals as outlined above and which are also included in the Regents’ Plan.

Consistent with the Plan, this UCR School of Medicine Implementing Plan has been developed to foster academic balance among the joint responsibilities of teaching, research, and service activities (including clinical practice). This document constitutes the Implementing Plan and Procedures for the UCR School of Medicine.

II. REVIEW AND APPROVAL RESPONSIBILITY

a. **Roles of The Regents and the President**

   After consultation with the Health Sciences Chancellors, Deans and the appropriate Academic Senate committee(s), and upon recommendation of the President, The Regents may amend or repeal the entire Plan or any portion thereof.

   The President or the President’s designee shall review Implementing Procedures for the school which has elected to participate in the Plan.

   The President shall report to The Regents total compensation for any Plan participant which is greater than four times the highest step on the Professor Series Fiscal Year Salary Scale.
b. Role of the Chancellor

The Chancellor shall have operational authority over the development and, subsequent to review and approval by the President or the President’s designee, implementation and monitoring of the School Implementing Procedures for administration of this Plan.

The Chancellor shall be responsible for assuring that affected Plan participants and the appropriate Academic Senate committees shall be afforded the opportunity to review and comment on the proposed campus implementing procedures. The Chancellor also shall approve individual exceptions to the provisions of this Plan to meet special teaching, research or clinical service requirements.

c. Role of the Academic Senate

The President shall consult with the appropriate Academic Senate committee(s) concerning proposed revisions of this Plan.

The UCR Academic Senate and other committee(s) shall be provided the opportunity to review and comment on any proposed exceptions to the School Implementing Procedures which the Chancellor intends to submit to the President or the President’s designee for review.

d. Role of the Advisory Committee

A school-specific Advisory Committee which includes Senate and non-Senate faculty members representative of the disciplines and faculty series participating in the Plan shall be established to assist the Dean in resolving the issues that may arise from implementing the Plan.

The Committee assists in 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 division or unit Implementing Procedures, when such plans may be developed for the UCR School of Medicine.
The Advisory Committee will consist of a minimum of six voting members, all of whom must hold faculty appointments and must be Plan Participants in good standing. No more than 50% of the voting members will be appointed by the Dean, and the remaining voting members of the Advisory Committee are elected by Plan members. At least one voting member should be in the Division of Biomedical Sciences and one member in the Division of Clinical Sciences. The Dean’s appointed members should assure diverse representation. The terms of service will be three years; elected members may be re-elected for one additional consecutive term. The Senior Associate Dean for Finance and Administration and the Chief Privacy, Risk and Compliance Officer will serve as non-voting ex officio members of the Advisory Committee. The Dean will appoint the Chair.

The Advisory Committee has responsibility for advising the Dean with regard to:

- Development of the school Implementing Procedures, including the establishment of Good Standing Criteria, Academic Programmatic Unit (APU) assignments, and APU Scales.
- Divisional Implementing Procedures (when initiated) including methods for obtaining faculty input and for determining consistency with School Implementing Procedures.
- Review of potential conflicts between a Plan participant’s commitment to generating revenue within the Plan and his or her outside professional activities.
- Review of faculty member appeals regarding implementing and administering the Plan that are not resolved at the Division or school levels or are submitted to the Advisory Committee as a result of a determination of loss of Good Standing.

Academic Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Non-Senate members are entitled to a Step III hearing under Academic Personnel Manual (APM) - 140.

The Advisory Committee will provide an annual summary report on its activities to the Dean and Plan participants.
III. GOOD STANDING CRITERIA

Faculty members of the UCR School of Medicine must comply with the “Good Standing Criteria” in order to engage in outside activity and successfully progress academically. Good Standing Criteria for Health Sciences faculty will include expectations related to clinical practice for those faculty engaged in patient care. Good Standing criteria for health sciences faculty will include expectations related to their academic series, divisional/unit expectations related to service, and expectations related to generation of salary support and to shared expenses.

a. Good Standing Criteria include (as example):
   1) Keeping appropriate licensure and clinical privileges current,
   2) Meeting requirements for clinical coverage,
   3) Participation in divisional activities or revenue generation
   4) Fulfillment of clinical, teaching, research and administrative obligations, as assigned
   5) Meet the Faculty Code of Conduct and other UC rules and regulations, including timely completion of all required compliance classes, meetings and procedures.
   Provision of accurate and timely documentation related to outside activities
   6) Compliance with State and Federal regulations as related to professional activities
   7) Collegial interactions with others
   8) Compliance with guidelines on outside professional activities
   9) Meeting other requirements as determined by the division/unit and described in these UCR School of Medicine Implementing guidelines

b. Loss of Good Standing Criteria:
   A faculty member may fail to be in “good standing” for conduct which significantly impairs the UCR School of Medicine’s central functions of clinical care, scholarship, teaching, and University and public service.
   1) Loss of Good Standing may occur in the following instances:
      • Finding of instances of faculty misconduct
• Finding of unsatisfactory performance in a Five-Year review
• Refusal or failure to participate in reasonable assigned duties, such as teaching or administrative 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 of the Division/Unit related to the generation of salary support and/or shared expenses

c. **Administrative Review Process for Loss of Good Standing:**

1) In cases of disagreement related to the determination of Good Standing of a Plan Participant or to specific consequences, the Chair/Unit Director shall meet with the Plan Participant to discuss how to remedy the situation and review the specific consequences of lack of remediation, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Chair/Unit Director and the Plan Participant should strive for informal resolution, as appropriate to the circumstances. Informal resolution should strive to be completed within 6 weeks, or if additional time is needed, the Plan member will be notified as to the status and need for more time. The Chair/Unit Director shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant within 2 weeks of the informal resolution process.

2) If informal resolution is unsuccessful, the Chair/Unit Director 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 to reestablish good standing if they are deemed to be Not in Good Standing. Relevant back-up documentation should be included.

3) The Plan Participant shall be given a copy of the Chair’s/Unit Director’s written statement and have the opportunity to provide a written response to the Chair/Unit Director within 14 days. If the issue is resolved within the 14 day response
period, the Chair/Unit Director shall provide the Plan Participant with a written
document that the matter is closed.

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

5) If the Dean agrees with the Chair’s/Unit Director’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 and the Chair/Unit
Director.

6) If the Dean does not agree with the Chair’s/Unit Director’s assessment, the Dean
will issue a written determination that the Plan Participant remains in Good
Standing. A copy of the Dean’s determination shall be provided to the Plan
Participant and the Chair/Unit Director.

7) Any faculty member considered not in good standing will be notified by the Dean
in writing. Notification will include reasons for the determination and any
recommended remedy, as well as a time line to move back into good standing.
Faculty members who believe that Good Standing Criteria have been applied
unfairly may appeal to the Advisory Committee through its Chair (see below).

d. 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/Unit
Director, 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.
e. **Consequences of Not Being in Good Standing:**

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

1) Must obtain advanced approval from the Division Chair to engage in any unassigned professional activities. If approved, all income from such approved activities shall accrue to the Plan and not to the faculty member.

2) Decrease in negotiated compensation (Y; see APM - 670-18-c (1)).

3) Loss of, or reduction in, incentive compensation (Z; see APM - 670-18-c (2))

4) Requests for any academic leave will not be approved and/or requests that were previously approved will be reconsidered.

f. **Return to Good Standing:**

To return to Good Standing, the Plan Participant must submit a written request to his/her Chair/Unit Director that outlines how the issues were resolved or rectified. The Chair/Unit Director 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 the Chair’s/Unit Director’s written assessment states that no progress or insufficient progress was made, the Chair/Unit Director should specify in his/her written recommendation to the Dean what further actions must be taken.

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

If the Dean determines that all issues were resolved, the Dean shall provide a written assessment to the Chair/Unit Director. The Chair/Directory shall notify the Plan Participant in writing that he/she has returned to Good Standing. A copy of the
Dean’s assessment shall be provided to the Plan Participant and the Chair/Unit Director.

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

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

g. 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/Director, and will prepare a written assessment for the Dean. The final decision will be made by the Dean. Plan Participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

Exceptions may be approved in writing in accordance with the School Implementing Procedures.

IV. MEMBERSHIP IN THE COMPENSATION PLAN

a. Membership Requirements

Individuals in health sciences schools, disciplines or specialties that have been approved for participation in this Plan shall be members of this Plan if they hold a University appointment at greater than 50 percent of full time, funded by one or more of the participating health sciences units, in any of the following title series:
1. Professor
2. Professor In-Residence
3. Professor of Clinical X_ (e.g., Medicine)
4. Adjunct Professor
5. Acting Professor
6. Visiting Professor
7. Health Sciences Clinical Professor
8. Health Sciences School Dean titles
9. Any other title series approved for membership in this Plan by the President.

A member of the faculty who was appointed in a health sciences school at the time of their retirement may be recalled to participate in the Health Sciences Compensation Plan yet may not exceed a maximum total per each month of 43 percent of full time. Please refer to APM - 205, Recall for Academic Appointees, for terms and conditions for Plan membership for recall appointees. All other faculty participating in the Plan must hold appointments greater than 50 percent of full time.

Faculty recalled as members of the Plan are subject to all Plan rules and local implementation procedures and guidelines. Deans and other faculty administrators in Plan schools shall be members of the Plan if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies governing the administrative appointments.

Membership in the Plan is a term and condition of employment. All new and continuing eligible Plan members shall receive a copy of this Implementing Plan document and any other related School or Division Guidelines setting forth campus and Divisional Policy applicable to faculty covered by the Plan.

Faculty holding any of the titles 1 through 9 above with an appointment in more than one department or School may be considered for inclusion in the Plan if their appointment is more than 50% in a Division participating in the Plan and funded by one
or more of the participating health sciences units. If included in the Plan, they will be subject to continued membership and all requirements of the Plan. Determination of and responsibility for the faculty member’s salary must be jointly agreed to in writing by the Chairs of the affected Divisions/Departments, and approved annually by the Dean(s). The Division participating in the Plan is responsible for administering compensation, including health and welfare benefits.

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

b. Exceptions to Membership Requirements
The Chancellor may approve exceptions to membership requirements in individual circumstances to meet special teaching, research, or clinical service requirements.

The Chancellor shall review and has authority to approve provisions in campus procedures, and requests by Deans in specific cases, for inclusion in the Plan of individuals in a health sciences school whose appointments are in the series listed in Section IV.a, regardless of percentage of time.

V. COMPENSATION

a. Total Compensation

Faculty members participating in this Plan shall:
1) receive base salary as described in Section b, below.
2) be eligible for optional additional compensation as described in Section c, below.
3) be permitted to retain the other miscellaneous income as described in Section VI.a).(2) below.

No State funds shall be used for the portion of base salary that exceeds the Fiscal Year Salary Scale (HSCP Scale 0) for the Plan member’s rank and step, or for optional additional compensation as described at Section D, below. Compensation
above HSCP Scale 0 shall be funded using Compensation Plan funds and other non-State funds in compliance with any related fund source restrictions.

Payment under the Health Sciences Compensation Plan will be made directly to the Plan participant in his/her individual capacity and will not, absent prior approval from the President or the President’s designee, be made to any professional corporation or other legal entity maintained by the Plan participant.

Generally, off-scales salaries are not awarded, with exceptions approved by the Dean. No State funds shall be used for the portion of base salary that exceeds the Fiscal Year Salary Scale for the Plan member’s rank and step or for optional additional compensation as described at Section c, below. This portion of compensation shall be funded using Compensation Plan funds and other non-State funds in compliance with any related fund source restrictions.

b. Base Salary (X and X’) and Academic Programmatic Unit (APU)

Base salary for an individual is the approved rate on one of the Health Sciences Compensation Plan Salary Scales, associated with that faculty member’s academic rank, step, and assigned APU. Base salary shall equal at least the approved rate on the Fiscal Year Salary Scale (HSCP Scale1) for the faculty member’s rank and step (X). The base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal Revenue Code provisions in accordance with UCRP provisions and regulations. Plan participants’ APU scale assignments shall be approved by the Dean and assignments may be changed in accordance with guidelines issued by the Chancellor. The differential between X (Scale 0) and the faculty member’s rank and step on the HSCP Salary Scale assigned to the faculty member’s APU is designated X-prime (X’).

1) Academic Programmatic Unit (APU)
(a) For the purpose of determining the Health Sciences Base Salary Rate, each Division shall establish at least one APU to which the faculty member shall be assigned. An APU shall comprise faculty members with similar clinical, teaching and research responsibilities. The Division Chair shall recommend an appropriate APU assignment for each member of the Plan, based on clinical, teaching and research responsibilities. Each APU shall be assigned to an HSCP Salary Scale, according to school Implementing Procedures.

(b) An APU is composed of faculty with similar clinical and/or teaching and research responsibilities. The Division Chair shall recommend to the Dean an appropriate APU for each participating member of the Plan based on clinical and/or teaching and research responsibilities. Each APU shall be assigned to an HSCP salary Scale (1 – 9).

(c) In keeping with the responsibility of the University to ensure consistency of compensation by creation of APUs or assignment of faculty to APUs, the following is noted:

(1) The Dean is authorized to approve the faculty composition of each APU and assignment of a salary scale to that unit as recommended by the Division Chair;

(2) Based on current numbers of faculty with clinical responsibilities of the UCR School of Medicine, a single APU may be comprised of fewer than 4 members. The Dean will annually provide to the Chancellor of UCR criteria for composition of any APU with fewer than 4 members, and the names, series, rank, and step of each member of the APU;

(3) Once assigned, an APU must remain at its assigned HSCP salary scale for at least one year before being assigned to a higher or lower scale;

(4) An APU is permitted to move to a higher or lower HSCP salary scale by a maximum of one scale per year;
(5) No individual faculty member may be moved from one APU to another without a significant change in duties. Division chairs shall report annually to the Dean the name of any faculty member who has moved from one APU to another and the reason for the transition;

(6) Any new APUs recommended to the Dean will include assessment and analysis of financial feasibility.

c. Optional Additional Compensation

Individual levels of compensation will be established so as to maintain academic balance and to permit the recruitment and retention of the individuals necessary for the School to fulfill its missions at a high level of excellence. Faculty members participating in this Plan shall receive Base Salary and shall be eligible for additional compensation, as described below:

1) Negotiated Additional Compensation (Y)

Plan members 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.

The Y component will be negotiated with the Chair on an annual basis in the third quarter of the academic year. This component is beyond Base Salary and is not covered compensation for UCRP, but may be eligible for optional disability and life insurance programs. Mid-year renegotiation of the Y is permitted only under unusual circumstances and only with the written approval by the Dean.

The Y component of the salary will be based on activities such as research, (the number and quality of publications, the acquisition of peer reviewed research grants, and special research awards), teaching awards, clinical publications, administrative responsibilities (Division, School of Medicine, hospital, and national and international service work), as well as clinical productivity and
revenue generated by the individual’s practice. All income due the plan, including clinical income and post-threshold professional income will be deposited into the UCR School of Medicine compensation plan revenue fund. This applies to clinical work done at outside facilities, satellite clinics, or offices.

2) Incentive/Bonus Compensation (Z)

Plan members may receive incentive/bonus compensation referred to as Z payment. This incentive/bonus compensation is not covered compensation for UCRP.

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

- Be in good standing, as defined in the Implementing Procedures Plan.
- Maintain a positive compensation plan account balance.
- Maintain solvent X, X’ and Y salary sources.
- Maintain a three-month reserve in the compensation plan account that is sufficient to cover Division/Unit tax, as applicable, salary and benefits funded from the compensation plan, and other regularly occurring expenses.

All new faculty members (regardless of their rank) will not be able to participate in the incentive portion of the bonus pool for their first year. They will, however, be allowed to receive bonus compensation from the Dean’s discretionary funds, or from additional funds in the APU outside the School practice account, depending upon their academic and clinical contributions.

Excess monies net of the UCR School of Medicine’s expenses may be used as a basis for a bonus Z factor. A Z factor bonus will only occur after individual, shared clinical and academic expenses, as well as retirement benefits, billing expenses and funds to support the school (Dean’s tax) have been subtracted
from the Z pool. Calculations for estimated funds sufficient to cover the school’s overhead for the subsequent fiscal year will be discussed with the faculty during each budget resource call cycle. Z factor accounting will be fully transparent and available for faculty review.

Each faculty member must choose at the beginning of the fiscal year between two options for distribution of net bonus pool generated by proceeds from “for-profit” consulting, post-21 day consulting, and any other activities generating income due the Plan. The two options are: 1) distribution of Z payment as salary, through the University payroll system, or 2) an “enrichment fund”, which will be held in escrow in the School of Medicine on behalf of the faculty member. Unless approved by the Dean, the decision of option will remain in effect for at least one fiscal year, and may not be split between the options.

Methodology for calculating incentive/bonus pool for the UCR School of Medicine:

a) The individual’s incentive/bonus compensation (Z) will be determined in two ways. In the first component, after expenses are accounted and netted, following 20% off the top to build a School of Medicine financial reserve, then 50% of the remaining 80% of the overall bonus pool money will be distributed at the Dean’s discretion in consultation with the Chairs/Unit Heads and Advisory Committee, based on a quantified annual report of faculty non-clinical activity (such as research, committee work, etc). The remaining 50% (half of the 80%) of the bonus pool will be awarded proportionately according to each individual’s proportional contribution to the bonus pool, assuming a status of good standing.

b) A fully distributed costing of shared expenses will include (but is not limited to) rent (if applicable), support staff, medical student/residency program expenses not covered by other sources, fixed research expenses
not covered by grants, clinical patient care expenses, etc. These shared
expenses apply to the Z pool and equally to contributing faculty.

c) Each individual will be responsible for their own travel expenses along
with books, journals, and research costs not covered by grants. In the
event that a member does not make his or her negotiated salary in the
fiscal year, a salary reduction for the ensuing year may occur at the Dean’s
discretion. The reduced salary will not drop below the base salary for that
APU (X + X’).

d) By December of each taxable year, each faculty member will be required
to complete and submit an Outside Professional Activities disclosure to be
submitted to the Dean.

e) Shared expenses will also include, if applicable, payments specifically for
malpractice coverage, California state medical license renewal, DEA
controlled substance license, and hospital staff dues.

f) Individual salaries shall be negotiated annually by the individual and the
Chair/Unit Director and documented in writing.

g) Faculty with clinical responsibilities will be given a monthly statement
from the billing service of the UCR Medical Group outlining their total
billings to date, collections, and accounts receivable.

Negotiated Additional and Incentive/Bonus Compensation paid to faculty through
the University payroll system, will be subject to Federal and State withholding,
and will be reported on a W-2 form as wages.

By March of each fiscal year, each Plan Participant shall discuss with his/her
Chair/Unit Director and shall select in writing one of the following options for
income accumulated in the plan in excess of financial requirements (X+X’+Y)
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/Unit
Director shall review his/her selection. If approved, the Chair/Unit Director shall issue written approval of the Plan Participant’s selection. The options are:

a. Option A: Z Payment

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

b. Option B: Academic Enrichment Account

This option creates an academic “enrichment account” in the name of the faculty member within the Dean’s Office to be used for travel, books, subscriptions, meeting expenses, research activities (i.e., supplies, laboratory/staff salary support) or other academic expenses.

Income allocated to an academic enrichment account 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.

Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant by allowing direct charge or reimbursement for business-related expenses. Funds allocated to an Academic Enrichment Account may be used to support University-approved academic professional activities that are allowed as direct charges or reimbursable University-related business expenses of an individual 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. Disposition of year-end positive balance is communicated annually to the Plan Participant at the time requests for allocations to 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 originated by Plan Participants without Incentive Compensation shall be the property of the University. Academic Enrichment Account funds remain the property of the University. All Incentive Compensation, including payments for outstanding account receivables, shall be paid through the University of California payroll system.

_Treatment of Accounts Receivables upon Separation:_

In recognition of the principle that the Plan is an approved administrative structure within the University of California and that funds generated from professional services of the faculty are, by virtue of Plan membership, due to the University of California as herein provided, the Plan members recognize that a terminated faculty member does not have rights to monies accruing in the accounts of the Plan or the accounts of the various departments, and that nothing in these Implementation Procedures shall be construed as creating an interest in accounts receivable resulting from prior professional service. Upon termination, a faculty member will be paid the approved compensation through the effective date of termination.

Faculty who were members of the Compensation Plan for the full fiscal year shall be eligible to receive Z compensation for that year, in accordance with their department compensation plan procedures, regardless of their employment status at the time of distribution of the Z payment.
3) Administrative Stipends

Plan members may receive administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal responsibilities.

Annual Notification: On an annual basis, each faculty member of the Plan shall receive in writing from the Dean a Statement of Proposed Compensation for the forthcoming academic period July 1 – June 30. This annual statement will include:

a. The amount of UCRP covered compensation ($X + X’$);
b. APU and HSCP Salary Scale assignment (HSCP Scale 1 – 9);
c. The amount of negotiated additional compensation ($Y$);
d. The payment schedule for Incentive/Bonus compensation ($Z$) payments and the taxation policy for $Z$ payments

VI. INCOME RETENTION

a. Patient care activities must be provided within the University setting, or as part of an approved affiliation agreement or professional service agreement. All clinical income is due to the Plan. In no case will Plan participants be allowed to retain income from patient care activities.

b. Certain categories of income accruing from occasional service, as described below, may be retained by Plan members.

1) There are two options, “University-wide Standard Option” and “Alternative Option”. The University-wide Standard Requirement is that Plan participants shall be allowed to retain payments from 21 days of service (other than patient care) per fiscal year to governmental agencies, to non-profit health- or education-related organizations, to continuing health education programs administered by the University, or to University Extension, if such service has been approved by the Dean and the Chancellor, up to the limit of annual outside professional earnings approval threshold. The Alternative Option, described below, is
consistent with the University-wide Standard Requirement with the addition of annual outside professional earnings threshold. The UCR School of Medicine will utilize the Alternative Option and does not anticipate utilizing the University-wide Standard Option in the near future.

a) Alternative Plan Option

(1) Plan participants in Good Standing at UCR will be able to retain additional types of income and/or income up to 21 days of compensated professional activities with an income retention cap of $40,000 or 20% of the Health Sciences Compensation Plan salary scale for an individual faculty member’s rank, step and APU \((X + X')\), whichever is greater, without prior approval by the Division Chair/Unit Director or the Dean to engage in the activities.

(2) Plan participants may retain payments for occasional service (other than patient care) not to exceed 21 days of service per fiscal year or to exceed the income cap indicated above:

(a) from governmental agencies (travel time excluded for this category only);

(b) from non-profit health or education related organizations;

(c) continuing health education programs administered by the University, and/or University Extension.

(d) Prizes, defined as gifts in recognition of personal achievements and not for services rendered.

(e) Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies.

(f) 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.
(g) University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy.

(h) Administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal academic responsibilities. This component of income may be included as covering X and included in calculating total covered compensation under UCRP.

(i) Income from a profession or activity unrelated to the training and experience which is the individual’s qualification for University appointment as determined by the Division Chairperson in consultation with the Dean.

(3) All income derived from consulting with for-profit institutions, legal and professional witness fees are due the Plan. Professional income, as used here, includes both cash and non-cash compensation (e.g., stock and stock options). Income due the Plan must be deposited into the appropriate revenue account of the School of Medicine.

Plan members of the UCR School of Medicine are not permitted to accept a salary or other regular income from any institution other than UC Riverside.

(4) Additional Guidance on Outside Activities:

The UCR School of Medicine offers the following additional guidance on Outside Activities for faculty:

Faculty members have an obligation to disclose financial interests before making or participating in certain activities. The University policy related to Conflict of Commitment and Outside Activities of faculty members can

Additional reporting, disclosure and disqualification requirements can be found in the Political Reform Act of 1974, including the Academic Decision Regulation; and in the University’s Conflict of Interest Code, which requires designated University employees to disqualify themselves from participating in a University decision in which they have a personal financial interest. Faculty may obtain information about these requirements through the campus office of Legal Support Services.

(5) Monitoring and Enforcement

University reserves the right to take corrective action and disciplinary measures toward any Compensation Plan member who fails to comply with Compensation Plan Implementing Procedures or Guidelines on outside professional activities.

Situations where Compensation Plan members will be considered out of compliance include, but are not limited to:

- Failure to turn over income due to the Plan as required by school Implementing Procedures or Guidelines, and
- Failure to accurately disclose and describe the nature and scope of outside professional activities as required by school Implementing Procedures or Guidelines.

The primary means of monitoring compliance will be review by Chairs of information provided by the faculty member in annual reports on outside professional activities. If a Chair has any concerns about whether a Compensation Plan member is meeting the established standards, the matter may be referred to the Dean. The responsibility for oversight of the outside professional activities of Chairs shall reside with the Dean.
If the Chair or the Dean has reason to believe that a Plan member has not complied with the school Implementing Procedures or Guidelines on outside professional activities, the Dean may take appropriate corrective action. Corrective action refers to the discontinuation of certain privileges available only to Plan members, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the Compensation Plan, because of noncompliance. For example, corrective actions may include:

- Incentive or bonus compensation (commonly referred to as Z compensation) may be suspended until such time as the Plan member complies with the Compensation Plan provisions, or
- Additional negotiated compensation (commonly referred to as Y compensation) may be set with consideration of the Plan member’s prior performance, including compliance with guidelines on outside professional activities.

Compensation established in accordance with the specialized Health Sciences Salary Scales (commonly referred to as X, X’ compensation) shall not be reduced as a corrective action unless the Plan member is placed, by Chancellorial exception, on the fiscal year salary scale.

Reductions in compensation are not always the result of corrective action and may also occur for other reasons such as insufficiency of current year income and contingency reserves. Whenever reductions in compensation are the result of corrective action, faculty shall be so notified in writing.

In addition, corrective action will not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws. Violations by Plan members of either the time limits or approval 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.

An Academic Senate member who is subject to corrective action has available a grievance process through the Privilege and Tenure Committee as described in Academic Senate Bylaw 335. Non-Senate faculty may grieve through the provisions of APM - 140.

(6) Time and Earnings Thresholds:
Under the Alternative Option, 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, legal witness, etc.) for which income is retained must not exceed 21 days. The Plan recognizes and supports a framework of diverse hours and schedules to accommodate teaching, research and creative work activity, University service and University-related public service, and a day for most faculty exceeds eight hours. However, total time, defined in these guidelines totals 168 hours over 21 days. Plan participants who wish to exceed the time threshold as established must receive approval for outside professional activities that exceed the UCR time threshold by the Dean. All income from activities beyond the time threshold are due the Plan (even if the earnings threshold has not been reached) and will be submitted for deposit into the appropriate medical school compensation plan revenue account. All such payments are due upon receipt.

Earnings Threshold: The maximum annual outside professional earnings approval threshold is $40,000, or 20% of the assigned Health Sciences Compensation scale (X + X’). All income from activities beyond the
earnings threshold is due the Plan (even if the time threshold has not been reached.)

Plan participants have the responsibility for maintaining a running total of the time spent on all outside professional activities. The UCR School of Medicine will have both a 21 days of service and an earnings threshold of $40,000 (or 20% cap) annually. Earnings generated above the cap, even with Dean’s consent, within the 21 day threshold will be due the Compensation Plan.

The primary means of monitoring compliance will be review by the Dean from the information provided by the faculty member in the required annual reports on outside professional activities.

Disposition of Income Due the Plan:

If there is income due the Plan above the $30,000/20% or 21-day maximum time limits, it will be added to the calculation for the bonus (Z).

Non-cash Compensation

Professional income governed by the Plan includes not only cash compensation, but also non-cash compensation. Faculty who receive stock or stock options in lieu of compensation for outside professional activities must disclose them to the Dean’s Office within 30 days of receipt, and the stock/stock options will be valued at that time. If the purchase price is less than the stock/stock option’s valuation on the day of receipt, the difference between the purchase price and the value of the stock/stock options is due the Plan. Faculty must count this difference in their earnings threshold. Faculty who neglect to disclose the stock/stock options at the time of receipt will owe the Plan the difference between the initial purchase price and the market value at the time it is disclosed.
Policy on Requirement to Submit Proposals through the University

The Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University was issued by the University’s President on December 15, 1994 and applies to all faculty members. Faculty 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 UCR Research Office.

c. 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. The Faculty Code of Conduct, Part II.C. lists the authorized use of the University resources or facilities on a significant scale for personal, commercial, political or religious purposes as a type of unacceptable conduct (See APM – 015, Section II). In general, when faculty retain income from professional consulting or expert witness activities, particularly when the activities are conducted for their-party for-profit entities and private individuals, the cost associated with the consulting and witness activity should be born by the third party or the faculty member, not the University. In addition, the University’s liability coverage does not extend to certain faculty consulting and expert witness activities. For example, University malpractice/professional liability coverage does not generally extend to expert witness activities when the faculty member retains the related income. Questions about the appropriate use of University resources and coverage under University liability programs should be discussed with the faculty member’s Division or Unit Director, who may consult with the Dean. The Dean will, if necessary, refer the questions to other appropriate University officers.

Reasonable use of UCR School of Medicine equipment and university resources is acceptable and may include the following: use of office email, scanners, telephones or faxes for incoming or outgoing communications, but not long-distance charges (which
should be reimbursed to the University by the individual incurring them); use of departmental offices for interviews or other similar activities, unless usage creates difficulties for other School of Medicine scheduling access; using administrative support personnel to accept phone calls, take messages, and schedule appointments at the request of individuals outside the university (but not asking staff to arrange meetings, prepare materials, arrange travel, etc. when these activities relate to outside professional activities).

COMPLAINTS AND APPEALS
Faculty members who have a complaint about issues related to outside professional activities should first try to resolve the issue at the Division/Unit level. If the complaint cannot be resolved through discussions, the faculty member’s complaint and the Division Chair/Unit Director’s response should be documented. If the faculty member is dissatisfied with the Division Chair/Unit Director’s decision, she/he should file a formal complaint with the Dean. The Dean will charge the Advisory Committee with fact finding. Both the Division Chair/Unit Director or their designee and the faculty member will have the right to be heard by the Committee. The Committee will issue a formal recommendation for resolution to the Dean. The Dean will make the decision based on the recommendations of the Committee. If the faculty member is dissatisfied with the Dean’s decision, s/he can pursue administrative remedies through applicable campus academic personnel processes. Senate faculty may pursue their grievance rights under the terms of Senate Bylaw 335. Non-Senate faculty may request a hearing under the terms of APM - 140.

VII. BENEFITS

Benefits provided as outlined below are consistent with benefit levels approved by the Regents. The UCR School of Medicine will not offer faculty benefits beyond those approved by the Regents.
a. Base Salary-Related Benefits

Base salary-related benefits are associated with an individual’s base salary from one of the Health Sciences Salary Scales paid through the University of California payroll system. These benefits may include participation in the UCRP, health care benefits, disability benefits, regular term life insurance, and other benefits as may be approved by The Regents under the same eligibility requirements as to all other members of the University’s faculty.

b. Optional Benefits on Additional Compensation

The Regents have authorized some 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 members who are eligible for sabbatical leave, leave with salary, or extended illness leave will be granted such leave paid at least at the Health Sciences Scales Base Salary rate (X, X’). A Plan member 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 member’s total negotiated salary rate at the time of separation.

With the exception of the two provisions below (Extended Illness and Childbearing and Childrearing), members of the Plan are eligible for leaves as defined in APM - 710 - 760.
Faculty members remain members of the Compensation Plan while on paid leave, even if total salary is dropped to base. While on paid leave, faculty members are bound by the rules of the Plan.

1) Extended Illness:
   Members of the Plan who are appointed full-time to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury or disability, shall be granted paid medical leave up to 90 days at the approved Health Sciences Scales Base Salary rate (X + X’). The Y component of the salary will be included only if a grant, the Division or the Unit has available funds.

   Faculty who can perform part of their usual duties or other duties assigned will be required to do so. With appropriate documentation, which may include a physician’s certification of disability, and/or an outside third party review (at the School’s expense), the School will provide salary continuance during periods of extended illness or disability as follows:

   Faculty members who are still unable to return to work will then need to rely on employee-and/or employer-paid plans (whether through the University or privately-funded) for income while eligibility for disability benefits continues. Long term disability insurance for the “Y” portion of salary is an employer-paid benefit that provides coverage to eligible faculty following a full year of full disability. Faculty should consult current plan documents for complete information about the University plans available and the coverage they provide.

2) Childbearing and Childrearing

   Childbearing and childrearing leaves shall be approved consistent with
APM - 760-25. In no case shall childbearing and childrearing leave be less than the minimum time period or base salary rate of pay as allotted under APM - 760-25-b.

The School of Medicine will not distinguish between academic senate and non-senate members for the purposes of maternity leave for a faculty member who bears a child even if the member has served in their faculty title less than 12 consecutive months. It is expected that the funding sources supporting a faculty member at the time of her childbearing leave will continue to be used during childbearing leaves. If additional leave is required for medical reasons, the School’s policy regarding leaves for extended illness shall apply.

3). Other Paid Leave:

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

b. 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 (X+X’ (1 – 9)). Additional compensation (Y portion) 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 (base) 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 shall remain members of the compensation plan and subject to all of its requirements while on sabbatical leave.

c. Professional Development Leave: Faculty who are members of the Academic Senate but not eligible for sabbatical leave may apply for professional development leave. Such leaves will generally not be approved for more than six months’ duration. During an approved professional development leave (at the discretion of the Dean), the salary rate will at a minimum be equal to the individual’s rate of covered compensation (Scale 1 – 9)). Additional compensation may be granted for the same or similar sources as those providing negotiated compensation prior to the period of the leave (i.e. up to the X +X’+Y) if such funds are available. Total salary during professional development leave from all sources may not exceed the faculty member’s total salary prior to the leave. Faculty shall remain members of the compensation plan and subject to all of its requirements while on professional development leave.

d. Other: 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 at the recommendation of the Chair with concurrence of the Dean.

These paid leave provisions are available to Plan members who are appointed less than 100%, after having been employed for at least one full year, for the length of paid leave prorated according to the
percentage appointment, and paid at the full Health Sciences Scales Base Salary rate or total negotiated salary rate.

4) 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 Chair and Dean. In general, such leaves may not exceed one year. However, during such periods of leave, faculty may not engage in compensated outside professional activities consistent with the guidelines of this Implementation Plan, and they shall remain members of the compensation plan and subject to all of its requirements. Exceptions to this policy are granted only in extraordinary circumstances, or where other policy or formal agreements supersede compensation plan policy (for example, in cases of extended governmental service or for faculty placed on administrative leave).

VIII. CAMPUS ACCOUNTING AND BUDGETING METHODS

a. Management and Reporting of Professional Services Income and Expenses

1) University Management

All professional services income generated by Compensation Plan members shall be considered revenue of the University; the only exception to this requirement shall be income which the Plan participant is allowed to retain in accordance with Section V of the Plan. All compensation paid by the University to Plan members will be subject to Federal and State withholding and reported on a W-2 form as wages in accordance with Internal Revenue Service (IRS) Regulations and University policies and procedures. All compensation must be included in the employee’s income as wages subject to
withholding for applicable Federal, State and FICA taxes. Eligibility and withholding for benefits (such as the University of California Retirement Plan, Retirement Savings Programs and employee life insurance programs) will be determined based upon the University’s policies and procedures. School Implementing Procedures will include billing and accounting procedures necessary to assure accountability for all funds. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University policies, procedures and delegations of authority.

a) Professional fee billing (including, and not limited to clinical revenue, for-profit consulting income, expert witness fees) is due the Plan and collection activities shall be conducted by authorized University billing groups, by external vendors with which the University has contracted, or as otherwise permitted by University procedures. All such fees shall be deposited upon receipt by the University or by an external vendor in a University bank account established in accordance with University delegations of authority.

b) Contracts with external billing vendors shall be processed and executed in accordance with delegated authority and University purchasing policies and procedures. They shall contain standard University-approved clauses, be subject to audit, and provide for monthly transmission of billings and receipt information to the University. Specific University-wide regulations may be developed for such contracts as needed to assure that funds are accounted for, safeguarded, and appropriately managed.

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

b. **Accounts and Sources**

All income generated by a Plan member’s professional activities (e.g. all income due the Plan, including but not limited to clinical revenue, consulting income and professional/legal witness fees) shall be managed by, accounted for, and reported as revenue of the University; the only exception to this requirement shall be income that the Plan participant is allowed to retain in accordance with this Implementing Plan. All income owed to the University must be submitted to the Dean’s Office for deposit into the appropriate UCR School of Medicine professional fee revenue account.

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 Regents of the University of California” and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.

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

Compensation Plan fund accounts will be structured so that each Division/Unit has at least two distinct funds: a current-year operations fund and a prior-year fund to which accumulated surpluses will be transferred.
All fund accounts shall be separate University accounts and shall receive Plan income from the following sources:

a) Income from professional services;
b) Amounts paid by University hospitals or affiliated institutions for professional and managerial services rendered to the hospitals by participants in the Plan;
c) Such other funds as are required by the Chancellor or President to be included in fund accounts.

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

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

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

c. **Assessment of Professional Services Income**

An assessment rate annually recommended by the Dean and approved by the Chancellor for the UCR School of Medicine shall be applied against gross Plan members’ professional fee collections. An assessment rate on Outside Professional Income for the school deposited to the Plan is currently at 20%. This rate can be reset on an annual basis, with consultation with the Advisory Committee with the Dean.
d. **Contingency in Event of Inadequacy of Health Sciences Fund Accounts**

An allocation of 20% of net funds comprising the available bonus pool will be set aside to enable the school to build an adequate reserve contingency fund in the event that current year fund accounts are inadequate to meet annual commitments. The purpose of the reserve(s) is to provide the funds necessary to pay Plan expenses, including the agreed-upon compensation to each Plan participant, in the event that the current year income of the Plan is insufficient to do so.

If the reserve funds are insufficient for the purpose, other non-restricted and non-19900/state fund balances will be utilized within the School, and in the event that resources are still inadequate to meet annual commitments, the Dean will seek approval from the Chancellor to reduce the participants’ additional compensation in a uniform manner in accordance with any fund source restrictions across the school, Division, or Unit as recommended by the Dean and approved by the Chancellor.

e. **Budgeting**

Each Chair/Unit Director shall develop and submit to the Dean each year an annual budget projecting income and expenses for the upcoming year as part of its annual faculty salary budget submission. The Plan clearly indicates the funding mechanism for all benefits provided under the provisions of the Plan.

Expenditures shall be budgeted for and funded in the following order of priority:

1. Clinical practice operating expenses, defined as costs incurred by the University for billing and collection of fees for clinical services; for faculty use of University-owned and/or leased practice facilities, and for related professional operating activities;
2. To the extent that funds remain after expenditures for clinical practice costs, compensation may be paid to eligible participants in the Plan. Base salary and related benefits, including any required contribution on behalf of University of California Retirement Plan covered compensation, shall be funded before additional compensation;
(3) To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with Section VII may be paid.

(4) To the extent that funds remain after all the foregoing expenditures, funds shall be contributed to the reserve(s) for contingencies in an amount recommended by the Dean and approved by the Chancellor.

(5) When a health sciences fund account has accumulated a surplus beyond that required for expenditures and reserves as provided in all the above categories, the surplus shall be used as follows:

a) At least one-half for academic purposes in the Division of origin (including but not limited to salaries for support personnel) as recommended by the Chair/Unit Director and approved by the Dean;

b) The remainder may be used for other purposes in the school or campus as recommended by the Dean and approved by the Chancellor.

VIII. PROCEDURES/REVIEW PROCEDURES

a. Annual Notification

Once per fiscal year, the Chair or Unit Director shall provide each member of the Plan a written notification of the member’s total annual compensation. This notification shall include:

1) The amount of UCRP-covered salary (X and X’);
2) Which HSCP Salary Scale has been assigned to the Plan member’s APU (X, X’);
3) The amount of negotiated additional compensation (Y); and
4) The payment schedule for Incentive/Bonus compensation (Z) payments and the departmental and/or school assessment policy for Z payments.

b. Implementation
The Implementing Plan for the UCR School of Medicine is designed to be consistent with the policy framework of the Regents’ Plan for Health Science Compensation Plans. Revisions to the School’s Implementing Procedures that are necessitated by revisions to the Plan shall be submitted for the President’s or the President’s designee’s review within one year of approval of said Plan revisions. School Implementing Procedures may be made effective as of the effective date of such revisions to the Plan, or at any time thereafter, as authorized by the President or the President’s designee.

Campus procedures are effective as of the date of approval of this Implementing Plan by the President.

The Dean is responsible for implementing and administering the school Plan, including the resolution of complaints and appeals.
INTRODUCTION

Overview and Philosophy
Health Sciences education occupies a special place in American higher education with unique functions and responsibilities. In health sciences education, the orientation to clinical practice, essential to the teaching function, requires an emphasis on sophisticated patient care, in addition to an emphasis on research and the advancement of knowledge. In medicine, dentistry, nursing, pharmacy, and other health science education as well, clinical teaching is integrated with basic and applied research. In joining the University of California system as its sixth and newest School of Medicine, the University of California at Riverside is committed to this same excellence in instruction, research, and public service in the health sciences just as it is committed to the same goals in other academic disciplines. Health science faculty members are expected to act as professional role models for all. As the only public university in California authorized to grant professional doctoral degrees in the health sciences, the University has a responsibility to the State, the public, and its students to maintain the breadth and depth of its curricula, the creativity of its research efforts, and the quality of its health care services.

To ensure the level of excellence essential in the University of California and at our UCR School of Medicine, special effort must be exerted to recruit and retain the best and most dedicated faculty.

The University of California Health Sciences Compensation Plans were established over the years to provide for quality across academic programs in the health sciences disciplines. These health sciences compensation plans must offer a competitive salary structure indispensable to the health sciences schools’ recruitment and retention efforts.

Health sciences disciplines require varying compensation levels in order to remain competitive with comparable schools elsewhere in the United States. However, because University health sciences schools share some common needs and operating requirements, the University has
developed a uniform Health Sciences Compensation Plan to govern compensation arrangements and account for compensation plan income to the University’s Schools of Medicine, Dentistry, Nursing, Pharmacy, and other health sciences units as deemed appropriate by the President or the President’s designee.

Health sciences compensation plans must be clear and justify calculation of compensation and contain a mechanism for impartial review to protect the rights of individual faculty.

The Health Sciences Compensation Plan is approved, amended and repealed, by and under the authority of The Regents of the University of California. Through the Plan, compensation is set as a part of the employment relationship, and as a consequence, the level of compensation and the terms and conditions of the Plan may be amended or repealed at any time by The Regents, following consultation with the Health Sciences Chancellors, Deans and appropriate Academic Senate Committee(s).

Regulations included in The Regents’ Plan are intended to provide a policy framework within which implementing procedures have been developed by the UCR School of Medicine. The UCR procedures contained herein are developed to be consistent with the Regents’ Plan. Affected Plan participants have been afforded the opportunity to review and comment on these Implementation Procedures, including consultation with the School of Medicine Compensation and Outside Activities Advisory Committee (Advisory Committee) and relevant committees of the Faculty Senate. All revisions to these Implementation Procedures will be approved by the Dean, the Chancellor and the President.

Included within the Implementation Plan in Section II below are the Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants which provides guidance on the framework within which the UCR School of Medicine has developed its implementing procedures.

In addition to these Procedures, participants 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

Comment [fe2]: Substituting President for the Regents throughout document is consistent with APM-670

Comment [fe3]: The next 4 paragraphs are redundant and the information is included elsewhere in the Plan – so deleted from here.
Receive Awards for Grants and Contracts Through the University.

A faculty member’s compensated outside activities may create an obligation for the faculty member to disclose a financial interest before making or participating in certain University decisions. Faculty can obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the UCR Campus Counsel’s Office.

The implementation, administration and continued operation of this UCR School of Medicine Implementing Plan shall be, and is contingent on the understanding and assurance that it will not require the expenditure of more State-appropriated funds in the University budget than operation without the Plan would require.

I. Purpose and Goals of the Plan
The purpose of the UCR School of Medicine Implementing Procedures for the Health Sciences Compensation Plan (Plan) is to provide a common administrative framework within which a participating health sciences school can compensate its faculty according to the competitive requirements of each discipline. Specific goals of this Plan are:

a. To provide sufficient non-State resources to recruit and retain outstanding health sciences faculty
b. To encourage a balance among teaching, research, and service activities (including clinical practice) of the quality required in the University of California
c. To provide teaching, patient care and research incentives that encourage and recognize academic merit as well as generation of income
d. To offer consistent benefits and privileges to UCR Plan participants, consistent with other health sciences faculty and schools at all University of California campuses
e. To benefit the UCR School of Medicine by providing academic and research support funds in addition to State-appropriated funds.

In adopting these Implementing Procedures, the faculty and administration of the School of Medicine at UCR affirm the philosophy and goals as outlined above and which are also included in the Regents’ Plan.
Consistent with The Regents' Plan, this UCR School of Medicine Implementing Plan has been developed to foster academic balance among the joint responsibilities of teaching, research, and service activities (including clinical practice). This document constitutes the Implementing Plan and Procedures for the UCR School of Medicine.

II. REVIEW AND APPROVAL RESPONSIBILITY

A. Overview

These Implementation Procedures are developed to be consistent with the policy framework of The Regents' Plan, and these Implementation Procedures apply to the UCR School of Medicine in its entirety. Affected Plan participants, and the UCR School of Medicine Compensation and Outside Activities Advisory Committee (Advisory Committee) to the Dean, which includes members of the senate and non-senate faculty who are also eligible members of the Plan, shall be afforded the opportunity to review and comment on any proposed revisions to the Implementation Procedures. The Dean will also utilize the Advisory Committee to consult and advise him/her on matters related to School of Medicine Compensation Plan issues. All such revisions shall be approved by the Dean, the Chancellor, and the President. Local implementation shall be managed by the Dean of the School of Medicine.

a. Roles of The Regents and the President

After consultation with the Health Sciences Chancellors, Deans and the appropriate Academic Senate committee(s), and upon recommendation of the President, The Regents may amend or repeal the entire Plan or any portion thereof. The President or the President’s designee shall review Implementing Procedures for the school which has elected to participate in the Plan, have the authority to:

- approve campus procedures and revisions of approved campus procedures within the limitations of this Plan;
- issue administrative regulations and procedures further refining this Plan.

The President shall report to The Regents total compensation for any Plan participant which is greater than four times the highest step on the Professor Series Fiscal Year Salary Scale.

Comment [fe6]: See APM-670-6 – editing to be consistent with this APM section

Comment [fe7]: Editing of this paragraph to be consistent with APM 670-6

Comment [fe8]: Written to be consistent with APM 670-6
b. Role of the Chancellor

The Chancellor shall have operational authority over the development and, subsequent to review and approval by the President or the President’s designee, implementation and monitoring of the School Implementing Procedures for administration of this Plan.

The Chancellor shall be responsible for assuring that affected Plan participants and the appropriate Academic Senate committees shall be afforded the opportunity to review and comment on the proposed campus implementing procedures. The Chancellor also shall approve individual exceptions to the provisions of this Plan to meet special teaching, research or clinical service requirements.

c. Role of the Academic Senate

The President shall consult with the appropriate Academic Senate committee(s) concerning proposed revisions of The Regents’ this Plan before submitting such revisions to The Regents for approval.

The appropriate campus faculty, UCR Academic Senate and other committee(s) shall be provided the opportunity to review and comment on any proposed exceptions to the School Implementing Procedures which the Chancellor intends to submit to the President or the President’s designee for review for approval.

d. Role of the Chancellor

The Chancellor shall have operational authority over the development and, subsequent to approval by the President, implementation and monitoring of the campus procedures for administration of this Plan. The Chancellor shall be responsible for assuring that affected Plan participants and the appropriate Academic Senate committees shall be afforded the opportunity to review and comment on the proposed campus implementing procedures. The Chancellor also shall approve individual exceptions to the provisions of this Plan to meet special teaching, research or clinical service requirements.

E. Advisory Committee

The Compensation and Outside Activities Advisory Committee (Advisory Committee), which includes Senate and non-Senate faculty members representative of the disciplines participating in
the Plan, will serve as the Advisory Committee to the Dean/VCHS of the UCR School of Medicine as well as to the Chancellor. The Advisory Committee is established and charged to assist the Chancellor/Dean in maintaining transparency and fairness in plan implementation, and in resolving issues that arise from implementation of the Plan.

The Committee will provide input and will assist the Dean/VCHS on compensation issues, as well as assuring compliance with and resolving issues concerning outside professional activities, conflict of interest, and conflict of commitment and/or disputes arising through the Plan. The Advisory Committee will also review the submissions of individual academic programmatic unit (APU) by-laws.

No more than 50% of the Advisory committee’s membership shall be appointed by the Dean/VCHS. Eligible members of the Plan (both senate as well as non-senate), will nominate faculty to fill four positions on the School’s Advisory Committee and will conduct elections to select those who will serve. Eligible Plan members will develop a process to facilitate an appropriate nomination process. Eligible voters shall include all Plan members of the School of Medicine. No fewer than one of these elected faculty members shall have a Ph.D. degree and derive from the basic science faculty.

The Dean/VCHS will appoint three additional members to serve on the Advisory Committee. Finally, the Dean/VCHS will appoint an additional member to serve as Chair of the Advisory Committee. Both the elected or appointed committee members are limited to four consecutive one year terms.

1. Advising the Dean/VCHS on development of these Implementation Procedures, including establishment of Good Standing criteria and approval thresholds, Academic Programmatic Unit (APU) assignments, and APU Scales;

2. APU implementing procedures including methods for obtaining faculty input and for determining consistency with school implementation procedures.

3. Review of faculty grievances with regard to the implementation and administration of the Plan that are not resolved at the APU or School levels.

4. Review of formal appeals submitted by faculty to the Advisory Committee as a result of a
e. Role of the Advisory Committee
A school-specific Advisory Committee which includes Senate and non-Senate faculty members representative of the disciplines and faculty series participating in the Plan shall be established to assist the Dean in resolving the issues that may arise from implementing the Plan.

The Committee assists in 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 division or unit Implementing Procedures, when such plans may be developed for the UCR School of Medicine.

The Advisory Committee will consist of a minimum of six voting members, all of whom must hold faculty appointments and must be Plan Participants in good standing. No more than 50% of the voting members will be appointed by the Dean, and the remaining voting members of the Advisory Committee are elected by Plan members. At least one voting member should be in the Division of Biomedical Sciences and one member in the Division of Clinical Sciences. The Dean’s appointed members should assure diverse representation. The terms of service will be three years; elected members may be re-elected for one additional consecutive term. The Senior Associate Dean for Finance and Administration and the Chief Privacy, Risk and Compliance Officer will serve as non-voting ex officio members of the Advisory Committee. The Dean will appoint the Chair.

The Advisory Committee has responsibility for advising the Dean with regard to:
• Development of the school Implementing Procedures, including the establishment of Good Standing Criteria, Academic Programmatic Unit (APU) assignments, and APU Scales.
• Divisional Implementing Procedures (when initiated) including methods for obtaining faculty input and for determining consistency with School Implementing Procedures.
• Review of potential conflicts between a Plan participant’s commitment to generating revenue within the Plan and his or her outside professional activities.
• Review of faculty member appeals regarding implementing and administering the Plan that
are not resolved at the Division or school levels or are submitted to the Advisory Committee as a result of a determination of loss of Good Standing. Academic Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Non-Senate members are entitled to a Step III hearing under Academic Personnel Manual (APM) -140.

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

III. **GOOD STANDING CRITERIA**

Faculty members of the UCR School of Medicine must comply with the “Good Standing Criteria” in order to engage in outside activity and successfully progress academically. Good Standing Criteria for Health Sciences faculty will include expectations related to clinical practice for those faculty engaged in patient care. Good Standing criteria for health sciences faculty will include expectations related to their academic series, divisional/unit expectations related to service, and expectations related to generation of salary support and to shared expenses.

a. Good Standing Criteria include (as example):

1. Keeping appropriate licensure and clinical privileges current.
2. Meeting requirements for clinical coverage.
3. Participation in divisional activities or revenue generation.
4. Fulfillment of clinical, teaching, research and administrative obligations, as assigned.
5. Meet the Faculty Code of Conduct and other UC rules and regulations, including timely completion of all required compliance classes, meetings and procedures. Provision of accurate and timely documentation related to outside activities.
6. Compliance with State and Federal regulations as related to professional activities.
7. Collegial interactions with others.
8. Compliance with guidelines on outside professional activities.
9. Meeting other requirements as determined by the division/unit and described in these UCR School of Medicine Implementing guidelines.

b. **Loss of Good Standing Criteria:**

Comment [fe13]: Inserted from below to be consistent with APM-670-10. New text below is to be consistent with APM-670-10-a and b.

Comment [fe14]: This section added to be in compliance with APM-670-10-a and b.
A faculty member may fail to be in “good standing” for conduct which significantly impairs the UCR School of Medicine's central functions of clinical care, scholarship, teaching, and University and public service.

1) Loss of Good Standing may occur in the following instances:
   • Finding of instances of faculty misconduct
   • Finding of unsatisfactory performance in a Five-Year review
   • Refusal or failure to participate in reasonable-assigned duties, such as teaching or administrative 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 of the Division/Unit related to the generation of salary support and/or shared expenses

2) Administrative Review Process for Loss of Good Standing:

   1) In cases of disagreement related to the determination of Good Standing of a Plan Participant or to specific consequences, the Chair/Unit Director shall meet with the Plan Participant to discuss how to remedy the situation and review the specific consequences of lack of remediation, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Chair/Unit Director and the Plan Participant should strive for informal resolution, as appropriate to the circumstances. Informal resolution should strive to be completed within 6 weeks, or if additional time is needed, the Plan member will be notified as to the status and need for more time. The Chair/Unit Director shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant within 2 weeks of the informal resolution process.

   2) If informal resolution is unsuccessful, the Chair/Unit Director 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 to reestablish good standing if they are deemed to be Not in Good Standing. Relevant back-up documentation should be included.

   3) The Plan Participant shall be given a copy of the Chair’s/Unit Director’s written
statement and have the opportunity to provide a written response to the Chair/Unit Director within 14 days. If the issue is resolved within the 14 day response period, the Chair/Unit Director shall provide the Plan Participant with a written document that the matter is closed.

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

5) If the Dean agrees with the Chair’s/Unit Director’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 and the Chair/Unit Director.

6) If the Dean does not agree with the Chair’s/Unit Director’s assessment, the Dean will issue a written determination that the Plan Participant remains in Good Standing. A copy of the Dean’s determination shall be provided to the Plan Participant and the Chair/Unit Director.

7) Any faculty member considered not in good standing will be notified by the Dean in writing. Notification will include reasons for the determination and any recommended remedy, as well as a time line to move back into good standing. Faculty members who believe that Good Standing Criteria have been applied unfairly may appeal to the Advisory Committee through its Chair (see below).

d. 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/Unit Director, 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.

e. Consequences of Not Being in Good Standing:
The following consequences may be imposed on Plan Participants who are determined to be Not in Good Standing:

1) Must obtain advanced approval from the Division Chair to engage in any unassigned professional activities. If approved, all income from such approved activities shall accrue to the Plan and not to the faculty member.

2) Decrease in negotiated compensation (Y; see APM - 670-18-c (1)).

3) Loss of, or reduction in, incentive compensation (Z; see APM - 670-18-c (2))

4) Requests for any academic leave will not be approved and/or requests that were previously approved will be reconsidered.

Return to Good Standing:
To return to Good Standing, the Plan Participant must submit a written request to his/her Chair/Unit Director that outlines how the issues were resolved or rectified. The Chair/Unit Director 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 the Chair’s/Unit Director’s written assessment states that no progress or insufficient progress was made, the Chair/Unit Director should specify in his/her written recommendation to the Dean what further actions must be taken.

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

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

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

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

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

Exceptions may be approved in writing in accordance with the School Implementing Procedures.

IV. MEMBERSHIP IN THE COMPENSATION PLAN

a. Membership Requirements

Individuals in health sciences schools, disciplines or specialties that have been approved for participation in this Plan shall be members of this Plan if they hold a University appointment at greater than 50 percent of full time, funded by one or more of the participating health sciences units, in any of the following title series:

1. Professor
2. Professor In-Residence
3. Professor of Clinical X (e.g., Medicine)
4. Adjunct Professor
5. Acting Professor
6. Visiting Professor
7. Health Sciences Clinical Professor
8. Health Sciences School Dean titles

9. Any other title series approved for membership in this Plan by the President.

\[\text{A member of the faculty who was appointed in a health sciences school at}\]
the time of their retirement may be recalled to participate in the Health Sciences Compensation Plan yet may not exceed a maximum total per each month of 43 percent of full time. Please refer to APM - 205, Recall for Academic Appointees, for terms and conditions for Plan membership for recall appointees. All other faculty participating in the Plan must hold appointments greater than 50 percent of full time.

Deans and other faculty administrators in Plan Schools shall be members of the Plan if they hold an underlying Health Sciences Compensation Plan faculty title.

Faculty recalled as members of the Plan are subject to all Plan rules and local implementation procedures and guidelines.

Deans and other faculty administrators in Plan schools shall be members of the Plan if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies governing the administrative appointments.

**Membership in the Plan is a term and condition of employment.** Upon approval of this UCR School of Medicine Implementation Plan, all existing and new and continuing eligible Plan members shall receive a copy of this Implementing Plan document, a copy of the UCR Implementation Procedures, as well as any other related School or Division Guidelines departmental guidelines setting forth campus and Divisional Policy applicable to faculty covered by the Plan.

All new faculty members will be presented with a statement to be signed and filed in their personnel file as outlined below:

“I certify that I have received a copy of the University of California Health Sciences Compensation plan and the UCR School of Medicine Implementation Plan. I understand and agree to comply with all of the terms and conditions contained therein. I understand that I may not retain any income from my professional services except as stipulated in these documents. I understand further that compliance with provisions contained in the UCR Implementation Plan is a condition of employment for Plan members.”
Membership in the Plan shall continue while the Plan continues to be in effect. Separation from an eligible appointment will terminate membership in the Plan.

Faculty holding any of the titles in any of the categories 1 through 9 above with an appointment in more than one department or School may be considered for inclusion in the Plan if their appointment is more than 50% in a department/Division participating in the Plan and funded by one or more of the participating health sciences units. If included in the Plan, they will be subject to continued membership and all requirements of the Plan. Determination of and responsibility for the faculty member’s salary must be jointly agreed to and memorialized in writing by the Chairs of the affected APU Divisions/Departments, and approved annually by the Dean(s). The annual review must include funding plans for the faculty member for at least three years. The APU Division participating in the Plan is responsible for administering compensation, including health and welfare benefits.

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

b. Exceptions to Membership Requirements
The Chancellor may approve exceptions to membership requirements in individual circumstances to meet special teaching, research, or clinical service requirements.

The Chancellor shall review and has authority to approve provisions in campus procedures, and requests by Deans in specific cases, for inclusion in the Plan of individuals in a health sciences school whose appointments are in the series listed in Section IV.a, regardless of percentage of time.

V. COMPENSATION

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

Plan participants in each Academic Programmatic Unit (APU) may elect a representative group of colleagues (“APU Representatives”) to review questions about compensation or conditions of
employment about which a Plan member is concerned.

Each APU shall develop compensation plan guidelines, and must ensure that affected Plan participants are afforded the opportunity to review and comment on these proposed guidelines, and when applicable, any significant modifications, including the setting of approval thresholds and APU assessment rates. These guidelines will detail:

**a. Total Compensation**

Faculty members participating in this Plan shall:
1) receive base salary as described in Section b, below.
2) be eligible for optional additional compensation as described in Section c, below.
3) be permitted to retain the other miscellaneous income as described in Section VI.a).(2) below.

No State funds shall be used for the portion of base salary that exceeds the Fiscal Year Salary Scale (HSCP Scale 0) for the Plan member’s rank and step, or for optional additional compensation as described at Section D, below. Compensation above HSCP Scale 0 shall be funded using Compensation Plan funds and other non-State funds in compliance with any related fund source restrictions.

**Payment** under the Health Sciences Compensation Plan will be made directly to the Plan participant in his/her individual capacity and will not, absent prior approval from the President or the President’s designee, be made to any professional corporation or other legal entity maintained by the Plan participant.

Generally, off-scales salaries are not awarded, with exceptions approved by the Dean. No State funds shall be used for the portion of base salary that exceeds the Fiscal Year Salary Scale for the Plan member’s rank and step or for optional additional compensation as described at Section c, below. This portion of compensation shall be funded using Compensation Plan funds and other non-State funds in compliance with any related fund source restrictions.

**b. Base Salary (X and X’) and Academic Programmatic Unit (APU)**

Base salary for an individual is the approved rate on one of the Health Sciences Compensation Plan Salary Scales, associated with that faculty member’s academic rank, step, and assigned APU. Base salary shall equal at least the approved Scale + rate on the Fiscal Year Salary Scale (HSCP Scale 0) for the faculty member’s rank and step (X). The base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal...
Revenue Code provisions and UCRP provisions and regulations. Compensation above HSCP Scale 0 shall be funded from compensation plan funds, and/or other non-state funds, in compliance with any associated fund restrictions.

In consultation with the Advisory Committee and APU representatives, each APU will be annually assigned by its Head to a Health Sciences Compensation Plan Salary scale (i.e. any of the scales between Scale 1 and 9) and approved by the Dean/VCHS in accordance with guidelines issued by the President. The salary differential, between the value of Scale 0 (X) and the approved rate with the faculty member’s rank and step on the HSCP Salary Scale 1 through 9 assigned to the faculty member’s APU, is designated X-prime (X’). Plan participants’ APU scale assignments shall be approved by the Dean and assignments may be changed in accordance with guidelines issued by the Chancellor. The differential between X (Scale 0) and the faculty member’s rank and step on the HSCP Salary Scale assigned to the faculty member’s APU is designated X-prime (X’).

I. Academic Programmatic Unit (APU)

C. Academic Programmatic Unit (APU) Guidelines

At the outset, and until individual departmental guidelines are established, the UC Riverside School of Medicine will have APU’s comprised of a subset of members of the entire School of Medicine, and are not necessarily department-based.

(a) For the purpose of determining the Health Sciences Base Salary Rate, each Division shall establish at least one APU to which the faculty member shall be assigned. An APU shall comprise faculty members with similar clinical, teaching and research responsibilities. The Division Chair shall recommend an appropriate APU assignment for each member of the Plan, based on clinical, teaching and research responsibilities. Each APU shall be assigned to an HSCP Salary Scale, according to school Implementing Procedures.

(b) An APU is composed of faculty with similar clinical and/or teaching and research responsibilities. The Division Chair shall recommend to the Dean an appropriate APU for each participating member of the UC Riverside Health Sciences Compensation Plan will be assigned by the appropriate APU head, with concurrence by the Dean/VCHS, in consultation with the Advisory Committee, based on clinical and/or
teaching and research responsibilities. Each APU shall be assigned to an HSCP salary Scale (1 – 9).

(1) In keeping with the responsibility of the University to ensure consistency of compensation by creation of APUs or assignment of faculty to APUs, the following is noted:

(1) The Dean of CHS of the UCR School of Medicine is authorized to approve the faculty composition of each APU and assignment of a salary scale to that unit as recommended by the APU head.

(2) Based on current numbers of faculty with clinical responsibilities of the UCR School of Medicine, a single APU may be comprised of fewer than 4 members. The Dean will annually provide to the Chancellor of UCR criteria for composition of any APU with fewer than 4 members, and the names, series, rank, and step of each member of the APU.

(3) Once assigned, an APU must remain at its assigned HSCP salary scale for at least one year before being assigned to a higher or lower scale;

(4) An APU is permitted to move to a higher or lower HSCP salary scale by a maximum of one scale per year;

(5) No individual faculty member may be moved from one APU to another without a significant change in duties or a change in department. Division chairs shall report annually to the Dean the name of any faculty member who has moved from one APU to another and the reason for the transition;

(6) Any new APUs recommended to the Dean will include assessment and analysis of financial feasibility.

Base Salary \((X + X')\) is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under law and in accordance with UCRP provisions and regulations.

No State funds shall be used for compensation above the portion of Base Salary equivalent to the Fiscal Year salary scale \(0 (X)\).

Based on current numbers of faculty with clinical responsibilities of the UCR School of Medicine, a single APU may be comprised of fewer than 10 members. Given this, the
Dean/VCHS will provide periodic, but no less than annually to the Chancellor of UCR:

a. Criteria for composition of any APU with fewer than 10 members, and the names, series, rank, and step of each member of the APU;

b. Any faculty member who has moved from one APU to another, and the reason for the movement.

c. Optional Additional Compensation

Individual levels of compensation will be established so as to maintain academic balance and permit the recruitment and retention of the individuals necessary for the School to fulfill its missions at a high level of excellence. Faculty members participating in this Plan shall receive Base Salary and shall be eligible for additional compensation, as described below:

1) Negotiated Additional Compensation (Y)

Plan members 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. The Y component will be negotiated with the Dean Chair on an annual basis in the third quarter of the academic year, or likely later in the evolution and maturation of the UCR School of Medicine, with an APU head or departmental chair on an annual basis. This component is beyond Base Salary and is not covered compensation for the UCRP, but may be eligible for optional disability and life insurance programs. Mid-year renegotiation of the Y is permitted only under unusual circumstances and only with the written approval by the Dean.

The Y component of the salary will be based on activities such as research, (the number and quality of publications, the acquisition of peer reviewed research grants, and special research awards), teaching awards, clinical publications, administrative responsibilities (Division, School of Medicine, hospital, and national and international service work), as well as clinical productivity and revenue generated by the individual’s practice. All income due the plan, including clinical income and post-threshold professional income will be deposited into the UCR School of Medicine compensation plan revenue fund. This applies to clinical work done at outside facilities, satellite clinics, or offices.
Policy for new faculty members: all new faculty members will have a guaranteed salary \((X + X' + Y)\), as established by negotiations with the Dean for one year. All clinical income for services provided by the faculty member will be retained by the School Practice Plan revenue account. The Dean will provide each new faculty member a sum of $5,000 per year in an academic “escrow account” within the Dean’s Office, to be used for travel, books, subscriptions, meeting expenses or other academic expenses. The negotiated \(X + X' + Y\), and $5000 escrow account will be guaranteed for the first year.

2) Incentive/Bonus Compensation (Z)

Plan members may receive incentive/bonus compensation referred to as Z payment. This incentive/bonus compensation is beyond Base and Negotiated Additional Compensation may be earned. These components are not covered compensation for UCRP.

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

- Be in good standing, as defined in the Implementing Procedures Plan.
- Maintain a positive compensation plan account balance.
- Maintain solvent \(X\), \(X'\) and \(Y\) salary sources.
- Maintain a three-month reserve in the compensation plan account that is sufficient to cover Division/Unit tax, as applicable, salary and benefits funded from the compensation plan, and other regularly occurring expenses.

All new faculty members (regardless of their rank) will not be able to participate in the incentive portion of the bonus pool for their first year. They will, however, be allowed to receive bonus compensation from the Dean’s discretionary funds, or from additional funds in the APU outside the School practice account, depending upon their academic and clinical contributions.
Excess monies net of the UCR School of Medicine’s expenses may be used as a basis for a bonus Z factor. A Z factor bonus will only occur after individual, shared clinical and academic expenses, as well as retirement benefits, billing expenses and funds to support the school (Dean’s tax) have been subtracted from the Z pool. The Dean’s tax and billing charges will also be subtracted from the net proceeds. Calculations for estimated funds sufficient to cover the school’s overhead Dean’s tax for the subsequent fiscal year will be discussed with the faculty during each budget resource call cycle. Z factor accounting will be fully transparent and available for faculty review.

Each faculty member must choose at the beginning of the fiscal year between two options for distribution of net bonus pool generated by proceeds from “for-profit” consulting, post-21 day consulting, and any other activities generating income due the Plan. The two options are: 1) distribution of Z payment as salary, through the University payroll system, or 2) an “enrichment fund”, which will be held in escrow in the School of Medicine on behalf of the faculty member. Unless approved by the Dean, the decision of option will remain in effect for at least one fiscal year, and may not be split between the options.

Methodology for calculating incentive/bonus pool for the UCR School of Medicine:

a) The individual’s incentive/bonus compensation (Z) will be determined in two ways. In the first component, after expenses are accounted and netted, following 20% off the top to build a School of Medicine financial reserve, then 50% of the remaining 80% of the overall bonus pool money will be distributed at the Dean’s discretion in consultation with the APU Heads Chairs/Unit Heads and Advisory Committee, based on a quantified annual report of faculty non-clinical activity (such as research, committee work, etc). The remaining 50% (half of the 80%) of the bonus pool will be awarded proportionately according to each individual’s proportional contribution to the bonus pool, assuming a status of good standing.

b) A fully distributed costing of shared expenses will include (but is not limited to) rent (if applicable), support staff, medical student/residency program expenses not covered by other sources, fixed research expenses not covered
by grants, clinical patient care expenses, etc. These shared expenses apply to the Z pool and equally to contributing faculty.

c) Each individual (other than for new first year faculty) will be responsible for their own travel expenses along with books, journals, and research costs not covered by grants. In the event that a member does not make his or her negotiated salary in the fiscal year (other than for new faculty whose negotiated salary is guaranteed for the first year), a salary reduction for the ensuing year may occur at the Dean’s/VCHS’s discretion. The reduced salary will not drop below the base salary for that APU (X + X’).

d) In April of each fiscal year, eBy December of each taxable year, each faculty member will be required to complete and submit an brief, one-page Annual Faculty Report in addition to the annual Outside Professional Activities disclosure to be reviewed by the APU Head, if applicable, and put forward for submitted to the Dean/VCHS.

facultymembers hired within the prior three fiscal years, will be requested to meet with the Dean on an annual basis to review their academic and clinical activities. The results of this review process will be used as a means of setting equitable salaries and distributing the proceeds from the Dean’s incentive discretionary income (portion of Z).

e) Shared expenses will also include, if applicable, payments specifically for malpractice coverage, California state medical license renewal, DEA controlled substance license, and hospital staff dues.

f) Individual salaries shall be negotiated annually by the individual and the Chair/Unit Director and documented in writing.

g) Faculty with clinical responsibilities will be given a monthly statement from the billing service of the UCR Medical Group outlining their total billings to date, collections, and accounts receivable.

Negotiated Additional and Incentive/Bonus Compensation paid to faculty through the University payroll system, will be subject to Federal and State withholding, and will be reported on a W-2 form as wages.

By March of each fiscal year, each Plan Participant shall discuss with his/her Chair/Unit Director and shall select in writing one of the following options for income accumulated

Comment [fe29]: Following deleted because faculty will meet with Division Chairs and not the Dean. Too many faculty to meet with the Dean.

Comment [fe30]: The next section is added to expand on the requirement that the Plan include descriptions of Z and it’s distribution.
in the plan in excess of financial requirements \((X+X'+Y)\) 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/Unit Director shall review his/her selection. If approved, the Chair/Unit Director shall issue written approval of the Plan Participant’s selection. The options are:

a. Option A: Z Payment

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

b. Option B: Academic Enrichment Account

This option creates an academic “enrichment account” in the name of the faculty member within the Dean’s Office to be used for travel, books, subscriptions, meeting expenses, research activities (i.e., supplies, laboratory/staff salary support) or other academic expenses.

Income allocated to an academic enrichment account 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.

Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant by allowing direct charge or reimbursement for business-related expenses. Funds allocated to an Academic Enrichment Account may be used to support University-approved academic professional activities that are allowed as direct charges or reimbursable University-related business expenses of an individual 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. Disposition of year-end positive balance is communicated annually to the Plan Participant at the time requests for allocations to 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 originated by Plan Participants without Incentive Compensation shall be the property of the University. Academic Enrichment Account funds remain the property of the University. All Incentive Compensation, including payments for outstanding account receivables, shall be paid through the University of California payroll system.

Individual salaries shall be negotiated annually by the individual and the Dean/VCHS (or APU Head as appropriate), documented in writing. The Dean may consult with the Advisory Committee regarding faculty compensation, however the role of the Advisory Committee is consultative and advisory only, and final authority to negotiate and set individual, annually negotiated faculty compensation rests with the Dean/VCHS.

Treatment of Accounts Receivables upon Separation:
In recognition of the principle that the Plan is an approved administrative structure within the University of California and that funds generated from professional services of the faculty are, by virtue of Plan membership, due to the University of California as herein provided, the Plan members recognize that a terminated faculty member does not have rights to monies accruing in the accounts of the Plan or the accounts of the various departments, and that nothing in these Implementation Procedures shall be construed as creating an interest in accounts receivable resulting from prior professional service. Upon termination, a faculty member will be paid the approved compensation through the effective date of termination.

Faculty who were members of the Compensation Plan for the full fiscal year shall be eligible to receive Z compensation for that year, in accordance with their department compensation plan procedures, regardless of their employment status at the time of distribution of the Z payment.

3) Administrative Stipends

Comment [fe31]: This section moved to 2) f) above with edits.

Comment [fe32]: Inserted because added to APM-670-18
Plan members may receive administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal responsibilities.

Annual Notification: On an annual basis, each faculty member of the Plan shall receive in writing from the Dean a Statement of Proposed Compensation for the forthcoming academic period July 1 – June 30. This annual statement will include:

a. The amount of UCRP covered compensation (X + X');
b. APU and HSCP Salary Scale assignment (HSCP Scale 1 – 9);
c. The amount of negotiated additional compensation (Y);
d. The payment schedule for Incentive/Bonus compensation (Z) payments and the taxation policy for Z payments.

E. Good Standing Criteria

Faculty members of the UCR School of Medicine must comply with the “Good Standing Criteria” in order to engage in outside activity and successfully progress academically.

Good Standing Criteria for Health Sciences faculty will include expectations related to clinical practice for those faculty engaged in patient care. All members of a clinical practice plan shall be deemed in “good standing” until they encounter some circumstance in which their capacity to earn income is impaired. A faculty member may fail to be in “good standing” for conduct which significantly impairs the Health Sciences School’s central functions of clinical care, scholarship, teaching, and University and public service. Reasons for loss of “good standing” for faculty with clinical responsibilities might include, for example, instances of misconduct, loss of clinical privileges, or loss of licensure and/or credentialing, non-compliance with required training, etc. Reasons for loss of “good standing” for faculty without clinical responsibilities might include misconduct, non-compliance with required training, lack of quality in assigned teaching, refusal to teach, lack of research productivity that has not been counterbalanced by increased responsibilities elsewhere such as in teaching or administrative load, lack of quality in assigned administrative duties etc.

Any faculty member considered not in good standing will be notified by the Dean in writing. Notification will include reasons for the determination and any recommended remedy, as well as a time line to move back into good standing. Faculty members who believe that Good Standing Criteria have been applied unfairly may appeal to the Advisory Committee through its Chair.
In order to remain in “Good Standing”, the following criteria must be met:

- Fulfillment of clinical, teaching, research and administrative obligations, as assigned.
- Meet the Faculty Code of Conduct and other UC rules and regulations, including timely completion of all required compliance classes, meetings and procedures. Provision of accurate and timely documentation related to outside activities.
- Compliance with State and Federal regulations as related to professional activities.
- Collegial interactions with others.
- Attendance at a minimum of 50% of department/University/affiliated health systems meetings involving compliance issues.
- Compliance with guidelines on outside professional activities.
- Meeting other requirements as determined by the department and described in these UCR School of Medicine Implementation guidelines.

Where appropriate, maintain active medical staff memberships, boards and current licenses.
Meet the practice standards and follow all policies of the University, School of Medicine and Department, including billing, medical records and incentive programs.

Prior to the implementation of these “Good Standing” criteria, affected Plan participants will have been notified and provided the opportunity to review and comment on the proposed criteria. When and if applicable, Plan participants will have the opportunity to review and comment on any proposed changes, additions, or revisions.

A determination that a faculty member is not in Good Standing may affect the amount of negotiated additional compensation (Y; see Section IV.D.1) and/or Incentive/Bonus compensation (Z; see Section IV.D.2) that the faculty member may earn, and may include space assignment forfeiture. If a faculty member is unable to practice at a specific site due to revocation of clinical privileges, for example, that faculty member must be willing to undertake new duties as assigned, or otherwise forfeit the compensation from that assignment. Faculty who are not in Good Standing must obtain advance approval from the Dean to engage in any unassigned professional activities, and the income from all such approved activities shall accrue to the Plan, and not to the Plan participant.
Exceptions may be approved in writing in accordance with campus procedures.

VI. Income Retention
a. Patient care activities must be provided within the University setting, or as part of an approved affiliation agreement or professional service agreement. All clinical income is due to the Plan. In no case will Plan participants be allowed to retain income from patient care activities.
b. Certain categories of income accruing from occasional service, as described below, may be retained by Plan members.

1) There are two options, “University-wide Standard Option” and “Alternative Option”. The University-wide Standard Requirement is that Plan participants shall be allowed to retain payments from 21 days of service (other than patient care) per fiscal year to governmental agencies, to non-profit health- or education-related organizations, to continuing health education programs administered by the University, or to University Extension, if such service has been approved by the Dean and the Chancellor, up to the limit of annual outside professional earnings approval threshold. The Alternative Option, described below, is consistent with the University-wide Standard Requirement with the addition of annual outside professional earnings threshold. The UCR School of Medicine will utilize the Alternative Option and does not anticipate utilizing the University-wide Standard Option in the near future.

For existing faculty in both Clinical Sciences and Biomedical Sciences APUs, the Alternative Option is selected.

New faculty in existing APUs will follow the Alternative Option model. Upon the recruitment of new faculty which requires the creation of a new APU, the APU will make a recommendation to the Dean of one of either University-wide Standard or Alternative Option.

The following grid on page 18 provides guidance on comparing components of both options.

THE FOLLOWING TABLE PROPOSED TO BE DELETED FROM NEW PLAN
### Types of Income Which May be Retained by Health Sciences Compensation Plan Members* (Aside from X, Y and Z Compensation)

<table>
<thead>
<tr>
<th>Income from Outside Professional Activities</th>
<th>Other Income Which May be Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APM - 670.IV.D.1</strong></td>
<td><strong>APM - 670.IV.D.2-7</strong></td>
</tr>
<tr>
<td><strong>University-wide Standard Requirement:</strong></td>
<td><strong>Alternative Options:</strong></td>
</tr>
<tr>
<td>Comp Plan members in Schools/Departments</td>
<td>Comp Plan members in all or selected</td>
</tr>
<tr>
<td>that follow the University-wide Standard</td>
<td>Departments of Schools whose</td>
</tr>
<tr>
<td>Requirement:</td>
<td>approved Implementing Procedures</td>
</tr>
<tr>
<td><strong>APM - 670.IV.D.1</strong></td>
<td>specify an Alternative Option</td>
</tr>
<tr>
<td><strong>Alternative Options:</strong></td>
<td><strong>All Health Sciences Compensation Plan Members</strong></td>
</tr>
<tr>
<td>APM - 670.&quot;Guidelines&quot;.II.C</td>
<td><strong>APM - 670.IV.D.2-7</strong></td>
</tr>
<tr>
<td><strong>Comp Plan members in</strong></td>
<td><strong>Comp Plan members in all or selected</strong></td>
</tr>
<tr>
<td><strong>Schools/Departments that follow the</strong></td>
<td><strong>Complete Health Science Compensation Plan Members</strong></td>
</tr>
<tr>
<td><strong>University-wide Standard Requirement</strong></td>
<td><strong>21 Days, if approved locally by Dean and</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Chancellor in Implementing Procedures</strong></td>
</tr>
<tr>
<td><strong>21 Days, if approved locally by Dean and</strong></td>
<td><strong>At Least 21 Days, up to 48 Days, as specified in approved Implementing Procedures</strong></td>
</tr>
<tr>
<td><strong>Chancellor in Implementing Procedures</strong></td>
<td><strong>No Set Time Limit</strong></td>
</tr>
<tr>
<td><strong>Monitored by Dept. Chair and/or Dean</strong></td>
<td><strong>Monitored by Dept. Chair and/or Dean</strong></td>
</tr>
<tr>
<td><strong>Annual reporting</strong></td>
<td><strong>Annual reporting</strong></td>
</tr>
<tr>
<td><strong>Annual reporting</strong></td>
<td><strong>Annual reporting</strong></td>
</tr>
</tbody>
</table>

**Requirements**
- **Time Limit**: Time limit applies
- **Service must be approved by Dean and Chancellor**
- **Provisions must be included in School Implementing procedures and approved by the President**
- **Government agencies**: Government agencies
- **Government agencies**: Prizes
- **Non-profit health- or education-related organizations**: Non-profit health- or education-related organizations
- **Non-profit health- or education-related organizations**: Royalties
- **Continuing health education programs administered by the University**: Continuing health education programs administered by the University
- **Honoria from agencies outside the University**: Honoria from agencies outside the University
- **University Extension**: University Extension
- **University Honoraria**: University Honoraria
- **Consulting income from non-profit entities**: Consulting income from non-profit entities
- **Administrative Stipends**: Consulting income from non-profit entities
- **Administrative Stipends**: Income from a profession unrelated to the training and experience which is the individual’s qualification for University appointment
- **Consulting or testifying as an expert or professional witness**: Consulting or testifying as an expert or professional witness
- **Other sources of income as specified in the approved Implementing Procedures**: Other sources of income as specified in the approved Implementing Procedures

*APM - 670, Guidelines on Outside Professional Activities, requires Dean and Chancellor to select either the Standard Option, or the Alternative Option, upon which to base local Implementation Guidelines. The annual earnings threshold is $30,000.

**THIS TABLE IS PROPOSED FOR DELETION**
a) Alternative Plan Option

(1) Plan participants in Good Standing at UCR will be able to retain additional types of income and/or income up to 21 days of compensated professional activities with an income retention cap of $40,000 or 20% of the Health Sciences Compensation Plan salary scale for an individual faculty member’s rank, step and APU (X + X’), whichever is greater, without prior approval by the Division Chair/Unit Director or the Dean to engage in the activities.

(2) Plan participants may retain payments for occasional service (other than patient care) not to exceed 21 days of service per fiscal year or to exceed the income cap indicated above: (a) from governmental agencies (travel time excluded for this category only);

(b) from non-profit health or education related organizations;

(c) continuing health education programs administered by the University, and/or University Extension.

(c) (d) Prizes, defined as gifts in recognition of personal achievements and not for services rendered.

(e) Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies.

(f) 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.

(g) University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy.

(h) Administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal academic responsibilities. This component of income may be included as covering X and included in calculating total covered compensation under UCRP.

(i) Income from a profession or activity unrelated to the training and experience which is the individual’s qualification for University appointment as determined by the Division Chairperson in consultation with the Dean.

The preceding bullets (b) through (g) are excluded from reporting requirements and do not count in the outside activities threshold of these Implementation Procedures.
Consistent with the University-wide Standard Option, the Alternative Option, if chosen, will require that

(3) All income derived from consulting with for-profit institutions, legal and professional witness fees are due the Plan. Professional income, as used here, includes both cash and non-cash compensation (e.g., stock and stock options). Income due the Plan must be deposited into the appropriate revenue account of the School of Medicine.

Plan members of the UCR School of Medicine are not permitted to accept a salary or other regular income from any institution other than UC Riverside.

Alternative Option listed below covers all current Plan participants of the UCR School of Medicine. Both options remain available when development and growth in numbers of eligible Plan participants warrant the development of individual APU/departmental guidelines for the UCR School of Medicine. Either option selected must be reviewed and approved by affected Plan participants of the APU, as well as the Dean/VCHS through consultation with the Advisory Committee before implementation.

Alternative Option:
The “Alternative Option” allows Plan participants in Good Standing at UCR in all or selected departments or units to retain additional types of income and/or income up to 21 days of compensated professional activities with an income retention cap of $30,000 or 20% of the Health Sciences Compensation Plan salary scale for an individual faculty member’s rank, step and APU (X + X’), whichever is greater, without prior approval by the APU Head, department Chair or the Dean/VCHS to engage in the activities.

2. University-wide Standard Option:
The University-wide Standard Option allows a maximum time limit of 21 days, but has no income limit. The University-wide Standard Requirement will remain an option for the UCR School of Medicine.
(4) Additional Guidance on Outside Activities:

The UCR School of Medicine offers the following additional guidance on Outside Activities for faculty:

Faculty members have an obligation to disclose financial interests before making or participating in certain activities. The University policy related to Conflict of Commitment and Outside Activities of faculty members can be found at:


http://www.ucop.edu/ucophome/coordrev/policy/9-01-00.pdf  Additional reporting, disclosure and disqualification requirements can be found in the Political Reform Act of 1974, including the Academic Decision Regulation; and in the University’s Conflict of Interest Code, which requires designated University employees to disqualify themselves from participating in a University decision in which they have a personal financial interest. Faculty may obtain information about these requirements through the campus office of Legal Support Services.

(5) Monitoring and Enforcement

University reserves the right to take corrective action and disciplinary measures toward any Compensation Plan member who fails to comply with Compensation Plan Implementing Procedures or Guidelines on outside professional activities.

Situations where Compensation Plan members will be considered out of compliance include, but are not limited to:

• Failure to turn over income due to the Plan as required by school Implementing Procedures or Guidelines, and
• Failure to accurately disclose and describe the nature and scope of outside professional activities as required by school Implementing Procedures or Guidelines.

The primary means of monitoring compliance will be review by Chairs of information provided by the faculty member in annual reports on outside professional activities. If a Chair has any concerns about whether a Compensation Plan member is meeting the established standards, the matter may be
referred to the Dean. The responsibility for oversight of the outside professional activities of Chairs shall reside with the Dean.

If the Chair or the Dean has reason to believe that a Plan member has not complied with the school Implementing Procedures or Guidelines on outside professional activities, the Dean may take appropriate corrective action. Corrective action refers to the discontinuation of certain privileges available only to Plan members, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the Compensation Plan, because of noncompliance. For example, corrective actions may include:

- Incentive or bonus compensation (commonly referred to as Z compensation) may be suspended until such time as the Plan member complies with the Compensation Plan provisions, or
- Additional negotiated compensation (commonly referred to as Y compensation) may be set with consideration of the Plan member’s prior performance, including compliance with guidelines on outside professional activities.

Compensation established in accordance with the specialized Health Sciences Salary Scales (commonly referred to as X, X’ compensation) shall not be reduced as a corrective action unless the Plan member is placed, by Chancellorial exception, on the fiscal year salary scale.

Reductions in compensation are not always the result of corrective action and may also occur for other reasons such as insufficiency of current year income and contingency reserves. Whenever reductions in compensation are the result of corrective action, faculty shall be so notified in writing.

In addition, corrective action will not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws. Violations by Plan members of either the time limits or approval 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.
An Academic Senate member who is subject to corrective action has available a grievance process through the Privilege and Tenure Committee as described in Academic Senate Bylaw 335. Non-Senate faculty may grieve through the provisions of APM - 140.

"Twenty-one (21) days" is defined as 168 hours per fiscal year. When outside professional activities require travel time during regular UCR working hours, the time spent traveling shall be included in computing hours/days of outside service, except when the service is provided to governmental agencies.

Service performed during paid or unpaid leaves of absence (e.g., vacation, holidays, or weekends) counts toward the twenty-one day maximum.

(6) Time and Earnings Thresholds:
Under the Alternative Option, 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, legal witness, etc.) for which income is retained must not exceed 21 days. The Plan recognizes and supports a framework of diverse hours and schedules to accommodate teaching, research and creative work activity, University service and University-related public service, and a day for most faculty exceeds eight hours. However, total time, defined in these guidelines totals 168 hours over 21 days. Plan participants who wish to exceed the time threshold as established must receive approval for outside professional activities that exceed the UCR time threshold by the Dean/VCHS. All income from activities beyond the time threshold are due the Plan (even if the earnings threshold has not been reached) and will be submitted for deposit into the appropriate medical school compensation plan revenue account. All such payments are due upon receipt.

Earnings Threshold: The maximum annual outside professional earnings approval threshold is $40,000, or 20% of the assigned Health Sciences Compensation scale ($ + X'). All income from activities beyond the earnings threshold is due the Plan (even if the time threshold has not been reached.)

Comment [fe37]: This paragraph is redundant and stated below under thresholds.
Comment [fe38]: This is not reasonable and is deleted from the new Plan
Plan participants have the responsibility for maintaining a running total of the time spent on all outside professional activities. The UCR School of Medicine will have both a 21 days of service and an earnings threshold of $40,000 (or 20% cap) annually. Earnings generated above the cap, even with Dean’s consent, within the 21 day threshold will be due the Compensation Plan.

The primary means of monitoring compliance will be review by the Dean from the information provided by the faculty member in the required annual reports on outside professional activities.

Corrective Action and Disciplinary Measures

The University reserves the right to take corrective action and disciplinary measures against any Plan member who fails to comply with the Regents’ Plan and the UCR School of Medicine’s Implementation Procedures. An Academic Senate member who is subject to corrective action has available to him/her a grievance process through the Privilege and Tenure Committee as described in Academic Senate Bylaw 335. Other faculty may grieve through the provisions of Academic Personnel Policy 140.

Disposition of Income Due the Plan:

If there is income due the Plan above the $30,000/20% or 21-day maximum time limits, it will be added to the calculation for the bonus (Z).

Non-cash Compensation

Professional income governed by the Plan includes not only cash compensation, but also non-cash compensation. Faculty who receive stock or stock options in lieu of compensation for outside professional activities must disclose them to the Dean’s Office within 30 days of receipt, and the stock/stock options will be valued at that time. If the purchase price is less than the stock/stock option’s valuation on the day of receipt, the difference between the purchase price and the value of the stock/stock options is due the Plan. Faculty must count this difference in their earnings threshold. Faculty who neglect to disclose the stock/stock options at the time of receipt will owe the Plan the difference between the initial purchase price and the market value at
Policy on Requirement to Submit Proposals through the University

The Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University was issued by the University’s President on December 15, 1994 and applies to all faculty members. Faculty 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 UCR Research Office.

c. 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. The Faculty Code of Conduct, Part II.C. lists the authorized use of the University resources or facilities on a significant scale for personal, commercial, political or religious purposes as a type of unacceptable conduct (See APM – 015, Section II). In general, when faculty retain income from professional consulting or expert witness activities, particularly when the activities are conducted for their-party for-profit entities and private individuals, the cost associated with the consulting and witness activity should be born by the third party or the faculty member, not the University. In addition, the University’s liability coverage does not extend to certain faculty consulting and expert witness activities. For example, University malpractice/professional liability coverage does not generally extend to expert witness activities when the faculty member retains the related income. Questions about the appropriate use of University resources and coverage under University liability programs should be discussed with the faculty member’s Division or Unit Director, who may consult with the Dean. The Dean will, if necessary, refer the questions to other appropriate University officers.

Faculty should take note and care not to unduly stress or over-tax University staff resources when outside activities income is retained by the faculty member. In these cases, faculty should take care to allot costs to the maximum extent possible to the faculty member directly, or a third party, and not the University. In addition, faculty should take special note that the University’s liability coverage does not extend to certain faculty consulting and expert witness activities. For example, University malpractice/professional liability coverage does not extend to expert witness activities when the faculty member retains the related income.
Reasonable use of UCR School of Medicine equipment and university resources is acceptable and may include the following: use of office email, scanners, telephones or faxes for incoming or outgoing communications, but not long-distance charges (which should be reimbursed to the University by the individual incurring them); use of departmental offices for interviews or other similar activities, unless usage creates difficulties for other School of Medicine scheduling access; using administrative support personnel to accept phone calls, take messages, and schedule appointments at the request of individuals outside the university (but not asking staff to arrange meetings, prepare materials, arrange travel, etc. when these activities relate to outside professional activities).

**Disposition of Income Due the Plan**
If there is income due the Plan above the $30,000/20% or 21-day maximum time limits, it will be added to the calculation for the bonus (Z). Faculty are eligible for a bonus if all clinical and academic expenses not covered by any other fund sources have been met, including Dean’s tax and billing charges.

**10. Non-cash Compensation**
Professional income governed by the Plan includes not only cash compensation, but also non-cash compensation. Faculty who receive stock or stock options in lieu of compensation for outside professional activities must disclose them to the Dean’s Office within 30 days of receipt, and the stock/stock options will be valued at that time. If the purchase price is less than the stock/stock option’s valuation on the day of receipt, the difference between the purchase price and the value of the stock/stock options is due the Plan. Faculty must count this difference in their earnings threshold. Faculty who neglect to disclose the stock/stock options at the time of receipt will owe the Plan the difference between the initial purchase price and the market value at the time it is disclosed.

**COMPLAINTS AND APPEALS**
Faculty members who have a complaint about issues related to outside professional activities should first try to resolve the issue at the Division/Unit level. If the complaint cannot be resolved through discussions, the faculty member’s complaint and the Division Chair/Unit Director’s response should be documented. If the faculty member is dissatisfied with the Division Chair/Unit Director’s decision, she/he should file a formal complaint with the

Comment [fe43]: This paragraph and the following section were moved above for flow in the document.
Dean. The Dean will charge the Advisory Committee with fact finding. Both the Division Chair/Unit Director or their designee and the faculty member will have the right to be heard by the Committee. The Committee will issue a formal recommendation for resolution to the Dean. The Dean will make the decision based on the recommendations of the Committee. If the faculty member is dissatisfied with the Dean’s decision, s/he can pursue administrative remedies through applicable campus academic personnel processes. Senate faculty may pursue their grievance rights under the terms of Senate Bylaw 335. Non-Senate faculty may request a hearing under the terms of APM - 140.

VII. BENEFITS

Benefits provided as outlined below are consistent with benefit levels approved by the Regents. The UCR School of Medicine will not offer faculty benefits beyond those approved by the Regents.

a. Base Salary-Related Benefits

Base salary-related benefits are associated with an individual’s base salary from one of the Health Sciences Salary Scales paid through the University of California payroll system. These benefits may include participation in the University’s basic retirement plan, health care insurance benefits, disability insurance benefits, regular term life insurance, and other benefits as may be approved by The Regents under the same eligibility requirements as to all other members of the University’s faculty.

b. Optional Benefits on Additional Compensation

The Regents have authorized some 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 members who are eligible for sabbatical leave, leave with salary, or extended...
illness leave will be granted such leave paid at least at the Health Sciences Scales Base Salary rate (X, X'). A Plan member 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 member’s total negotiated salary rate at the time of separation.

With the exception of the two provisions below (Extended Illness and Childbearing and Childrearing), members of the Plan are eligible for leaves as defined in APM - 710 - 760.

Faculty members remain members of the Compensation Plan while on paid leave, even if total salary is dropped to base. While on paid leave, faculty members are bound by the rules of the Plan, the Departmental Implementation Procedures, and any departmental Guidelines, including those policies related to income due the Plan.

1) **Extended Illness/Disability Leaves:**

   Members of the Plan who are appointed full-time to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury or disability, shall be granted paid medical leave up to 90 days at the approved Health Sciences Scales Base Salary rate (X + X'). The Y component of the salary will be included only if a grant, the Division or the Unit has available funds.

   **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).**

   Faculty who can perform part of their usual duties or other duties assigned will be required to do so. With appropriate documentation, which may include a physician’s certification of disability, and/or an outside third party review (at the School’s expense), the School will provide salary continuance during periods of extended illness or disability as follows:

   **Faculty with 0 – 3 years of service:** Full time faculty members unable to work for health reasons, who have less than three years of service at the time of illness, will **Comment [fe46]: Paragraph inserted to be consistent with APM-670-20-c.**

   **Comment [fe47]: Replaced by statement above**

   **Comment [fe48]: No longer SOM procedure**
continue to receive full salary \((X + X' + Y)\) for a period equivalent to 1 day/month from date of hire to date of illness or disability.

Faculty with 3+ years of service: Faculty unable to work for health reasons, who have more than three years of service at the time of disability, will continue to receive full salary \((X + X' + Y)\) for 90 days.

Faculty members who are still unable to return to work will then need to rely on employee-and/or employer-paid plans (whether through the University or privately-funded) for income while eligibility for disability benefits continues. Long term disability insurance for the “Y” portion of salary is an employer-paid benefit that provides coverage to eligible faculty following a full year of full disability. Faculty should consult current plan documents for complete information about the University plans available and the coverage they provide.

2) Childbearing and Childrearing

Childbearing and childrearing leaves shall be approved consistent with APM - 760-25. In no case shall childbearing and childrearing leave be less than the minimum time period or base salary rate of pay as allotted under APM - 760-25-b.

The School of Medicine will not distinguish between academic senate and non-senate members for the purposes of maternity leave for a faculty member who bears a child even if the member has served in their faculty title less than 12 consecutive months. It is expected that the funding sources supporting a faculty member at the time of her childbearing leave will continue to be used during childbearing leaves. If additional leave is required for medical reasons, the School’s policy regarding leaves for extended illness shall apply.

Fathers/non-birth parents shall be granted up to two weeks paid parental leave, upon request, at their currently negotiated compensation.
Parental leave without pay is subject to approval, but may be granted for up to one year to any academic appointee for the purpose of caring for a child. Normally, this unpaid leave, when combined with childbearing leave and/or Active Service—Modified Duties (see below) shall not exceed one year for each birth or adoption.

In addition to these paid or unpaid parental leaves, periods of Active Service—Modified Duties (ASMD), at full negotiated pay (i.e., \(X + X' + Y\)) shall be granted on request to any faculty member who has primary responsibility for the care of an infant or child for the period before and/or immediately following a birth or adoption of a child under age five. Under academic policy, the total combined period of childbearing leave and ASMD for each childbirth or adoption may not exceed three months. The faculty member requesting a period of ASMD must confer with the Dean of the UCR School of Medicine prior to the begin date, in order to reach agreement on the nature and scope of the individual’s duties during this period.

3). Other Paid Leave:

a. Vacation: Faculty members accrue vacation leave at a rate of two days per month for full time service. For approved plan participants working part-time at 50% time or more, vacation allowance accumulates at a proportionate rate of full-time credit. For approved Plan participants working part-time at less than 50% time, there is no vacation accrual. Unless approved by the Dean, an appointee must serve the University for six months after initial appointment before accrued vacation allowance may be used. Accrued vacation may be approved for use during periods of extended illness, disability, and child bearing/child rearing/approved family leaves. Faculty eligible to accrue vacation credit may accumulate a maximum of 48 working days (384 hours). Terminal vacation leave (paid to those separating from University service) is paid at a rate equal to the full salary in effect immediately prior to separation.

Childbearing and Other Parental Leave: In accordance with APM 710, childbearing leave shall be granted on request to a faculty member who bears a child, for the period prior to and following childbirth, the department will provide salary at the full-negotiated salary rate (\(X + X' + Y\)) during these leaves. The normal period for childbearing leave is typically six weeks, although more
time may be necessary for medical reasons; in such cases the faculty member may consult with the APU Head/Departmental Chair for funding of childbearing and other parental leave beyond six weeks. An additional six weeks of paid leave may be supported at the negotiated salary as defined above, excluding bonuses, upon discussion and approval by the APU Head/departmental Chair and the Dean.

The School of Medicine will not distinguish between academic senate and non-senate members for the purposes of maternity leave for a faculty member who bears a child even if the member has served in their faculty title less than 12 consecutive months. It is expected that the funding sources supporting a faculty member at the time of her childbearing leave will continue to be used during childbearing leaves. If additional leave is required for medical reasons, the School’s policy regarding leaves for extended illness shall apply.

Fathers/non-birth parents shall be granted up to two weeks paid parental leave, upon request, at their currently negotiated compensation.

Parental leave without pay is subject to approval, but may be granted for up to one year to any academic appointee for the purpose of caring for a child. Normally, this unpaid leave, when combined with childbearing leave and/or Active Service—Modified Duties (see below) shall not exceed one year for each birth or adoption.

In addition to these paid or unpaid parental leaves, periods of Active Service—Modified Duties (ASMD), at full negotiated pay (i.e., \(X + X' + Y\)) shall be granted on request to any faculty member who has primary responsibility for the care of an infant or child for the period before and/or immediately following a birth or adoption of a child under age five. Under academic policy, the total combined period of childbearing leave and ASMD for each childbirth or adoption may not exceed three months. The faculty member requesting a period of ASMD must confer with the Dean of the UCR School of Medicine prior to the begin date, in order to reach agreement on the nature and scope of the individual’s duties during this period.
b. 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 \((X+X' (1 – 9))\). Additional compensation (Y portion) 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 (base) 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 shall remain members of the compensation plan and subject to all of its requirements while on sabbatical leave.

c. Professional Development Leave: Faculty who are members of the Academic Senate but not eligible for sabbatical leave may apply for professional development leave. Such leaves will generally not be approved for more than six months’ duration. During an approved professional development leave (at the discretion of the Dean), the salary rate will at a minimum be equal to the individual’s rate of covered compensation (Scale 1 – 9). Additional compensation may be granted for the same or similar sources as those providing negotiated compensation prior to the period of the leave (i.e. up to the \(X +X'+Y\)) if such funds are available. Total salary during professional development leave from all sources may not exceed the faculty member’s total salary prior to the leave. Faculty shall remain members of the compensation plan and subject to all of its requirements while on professional development leave.

d. Other: 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 at the recommendation of the Chair with concurrence of the Dean.
These paid leave provisions are available to Plan members who are appointed less than 100%, after having been employed for at least one full year, for the length of paid leave prorated according to the percentage appointment, and paid at the full Health Sciences Scales Base Salary rate or total negotiated salary rate.

above are provided uniformly within APUs as reviewed by their participants and as approved by the Dean.

4) 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 and Dean. In general, such leaves may not exceed one year. However, during such periods of leave, faculty may not engage in compensated outside professional activities consistent with the guidelines of this Implementation Plan, and they shall remain members of the compensation plan and subject to all of its requirements. Exceptions to this policy are granted only in extraordinary circumstances, or where other policy or formal agreements supersede compensation plan policy (for example, in cases of extended governmental service or for faculty placed on administrative leave).

VI. COMPLAINTS AND APPEALS FOR PLAN MEMBERS

Faculty members who have a complaint about issues related to outside professional activities should first try to resolve the issue at the APU/department level. If the complaint cannot be resolved through discussions, the faculty member’s complaint and the APU/department response should be memorialized and documented. If the faculty member is dissatisfied with the APU/department decision, s/he should file a formal complaint with the Dean/VCHS. The Dean/VCHS will charge the Advisory Committee with fact finding. Both the APU Head/Chair or their designee and the faculty member will have the right to be heard by the Committee. The Committee will issue a formal recommendation for resolution to the Dean/VCHS. If the faculty member is dissatisfied with the Dean/VCHS’s decision, s/he can pursue administrative remedies through applicable campus academic personnel processes.
VIII. CAMPUS ACCOUNTING AND BUDGETING METHODS

a. Management and Reporting of Professional Services Income and Expenses

1) University Management

All professional services income generated by Compensation Plan members shall be managed, 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 Section V.G.1. All compensation paid by the University to Plan members will be subject to Federal and State withholding and reported on a W-2 form as wages. Campus procedures shall include billing and accounting procedures necessary to assure accountability for all funds. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University policies, procedures, and delegations of authority.

All professional services income generated by Compensation Plan members shall be considered revenue of the University; the only exception to this requirement shall be income which the Plan participant is allowed to retain in accordance with Section V of the Plan. All compensation paid by the University to Plan members will be subject to Federal and State withholding and reported on a W-2 form as wages in accordance with Internal Revenue Service (IRS) Regulations and University policies and procedures. All compensation must be included in the employee’s income as wages subject to withholding for applicable Federal, State and FICA taxes. Eligibility and withholding for benefits (such as the University of California Retirement Plan, Retirement Savings Programs and employee life insurance programs) will be determined based upon the University’s policies and procedures. School Implementing Procedures will include billing and accounting procedures necessary to assure accountability for all funds. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University policies, procedures, and delegations of authority.
a) Professional fee billing (including, and not limited to clinical revenue, for-profit consulting income, expert witness fees) is due the Plan and collection activities shall be conducted by authorized University billing groups, by external vendors with which the University has contracted, or as otherwise permitted by University procedures. All such fees shall be deposited upon receipt by the University or by an external vendor in a University bank account established in accordance with University delegations of authority.

b) Contracts with external billing vendors shall be processed and executed in accordance with delegated authority and University purchasing policies and procedures. They shall contain standard University-approved clauses, be subject to audit, and provide for monthly transmission of billings and receipt information to the University. Specific University-wide regulations may be developed for such contracts as needed to assure that funds are accounted for, safeguarded, and appropriately managed.

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

b. Fund Accounts and Sources

All income generated by a Plan member’s professional activities (e.g. all income due the Plan, including but not limited to clinical revenue, consulting income and professional/legal witness fees) shall be managed by, accounted for, and reported as revenue of the University; the only exception to this requirement shall be income that the Plan participant is allowed to retain in accordance with this Implementing Plan. All income owed to the University must be submitted to the Dean’s Office for deposit into the appropriate UCR School of Medicine professional fee revenue account.

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 Regents of the University of California” and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.
In accordance with the Plan, all professional fee billing and collection activities shall conducted by a University billing group or by an external vendor which has been approved by the Dean or the Dean’s designee.

Compensation Plan fund accounts will be structured so that each Division/Unit has at least two distinct funds: a current-year operations fund and a prior-year fund to which accumulated surpluses will be transferred.

All fund accounts shall be separate University accounts and shall receive Plan income from the following sources:

a) Income from professional services;
b) Amounts paid by University hospitals or affiliated institutions for professional and managerial services rendered to the hospitals by participants in the Plan;
c) Such other funds as are required by the Chancellor or President to be included in fund accounts.

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

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

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

c. Assessment of Professional Services Income

An assessment rate annually recommended by the Dean and approved by the Chancellor for the UCR School of Medicine shall be applied against gross Plan members’ professional fee collections. **Dean’s Tax** An assessment rate on Outside Professional Income for the school
deposited to the Plan is currently at 20%. This rate can be reset on an annual basis, with consultation with the Advisory Committee with the Dean.

d. Contingency in Event of Inadequacy of Health Sciences Fund Accounts

An allocation of 20% of net funds comprising the available bonus pool will be set aside to enable the school to build an adequate reserve contingency fund in the event that current year fund accounts are inadequate to meet annual commitments. The purpose of the reserve(s) is to provide the funds necessary to pay Plan expenses, including the agreed-upon compensation to each Plan participant, in the event that the current year income of the Plan is insufficient to do so.

If the reserve funds are insufficient for the purpose, other non-restricted and non-19900/state fund balances will be utilized within the School, and in the event that resources are still inadequate to meet annual commitments, the Dean will seek approval from the Chancellor to reduce the participants’ additional compensation in a uniform manner in accordance with any fund source restrictions across the school, Division, or APU Unit as recommended by the Dean and approved by the Chancellor.

e. Budgeting

Each Chair/Unit Director shall develop and submit to the Dean each year an annual budget projecting income and expenses for the upcoming year as part of its annual faculty salary budget submission. Departments should The Plan clearly indicates the funding mechanism for all benefits provided under the provisions of the Plan.

Expenditures shall be budgeted for and funded in the following order of priority:

(1) Clinical practice operating expenses, defined as costs incurred by the University for billing and collection of fees for clinical services; for faculty use of University-owned and/or leased practice facilities, and for related professional operating activities;
(2) To the extent that funds remain after expenditures for clinical practice costs, compensation may be paid to eligible participants in the Plan. Base salary and related benefits, including any required contribution on behalf of University of California Retirement Plan covered compensation, shall be funded before additional compensation;
(3) To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with Section VII may be paid.
(4). To the extent that funds remain after all the foregoing expenditures, funds shall be contributed to the reserve(s) for contingencies in an amount recommended by the Dean and approved by the Chancellor.

(5). When a health sciences fund account has accumulated a surplus beyond that required for expenditures and reserves as provided in all the above categories, the surplus shall be used as follows:

   a) At least one-half for academic purposes in the Division of origin (including but not limited to salaries for support personnel) as recommended by the APU Head/Chair/Unit Director and approved by the Dean;

   b) The remainder may be used for other purposes in the school or campus as recommended by the Dean and approved by the Chancellor.

VIII. Procedures/Review Procedures

   a. Annual Notification

   Once per fiscal year, the Chair or Unit Director shall provide each member of the Plan a written notification of the member’s total annual compensation. This notification shall include:

   1) The amount of UCRP-covered salary (X and X’);

   2) Which HSCP Salary Scale has been assigned to the Plan member’s APU (X, X’);

   3) The amount of negotiated additional compensation (Y); and

   4) The payment schedule for Incentive/Bonus compensation (Z) payments and the departmental and/or school assessment policy for Z payments.

   b. Implementation

   The Implementing Plan for the UCR School of Medicine is designed to be consistent with the policy framework of the Regents’ Plan for Health Science Compensation Plans. Revisions to the School’s Implementing Procedures that are necessitated by revisions to the Plan shall be submitted for the President’s or the President’s designee’s review within one year of approval of said Plan revisions. School Implementing Procedures may be made effective as of the effective date of such revisions to the Plan, or at any time thereafter, as authorized by the President or the President’s designee.

Comment [fe57]: Following section added to be consistent with APM-670-80-a and b.

Comment [fe58]: Test revisions consistent with APM-670-80.
Implementation Plan for the UCR School of Medicine Compensation Plan supersedes any prior HSCP plan for UC Riverside. This document has been reviewed and approved by the APU's of the UCR School of Medicine, and reviewed by relevant committees of the Academic Senate at UC Riverside prior to submittal by the Dean of the UCR School of Medicine to the Chancellor for submittal to the President.

Campus procedures are effective as of the date of approval of this Implementing Plan by the President.

2) The Dean is responsible for implementing and administering the school Plan, including the resolution of complaints and appeals.
University of California, Riverside  
School of Medicine  
Implementation Procedures  
for the  
Health Sciences Compensation Plan  
(APPROVED 11/18/2011)  

I. INTRODUCTION  

A. Overview and Philosophy  
Health Sciences education occupies a special place in American higher education with unique functions and responsibilities. In medical education, the orientation to clinical practice, essential to the teaching function, requires an emphasis on sophisticated patient care, in addition to an emphasis on research and the advancement of knowledge. In dentistry, nursing, pharmacy, and other health science education as well, clinical teaching is integrated with basic and applied research. In joining the University of California system as its sixth and newest School of Medicine, the University of California at Riverside is committed to this same excellence in instruction, research, and public service in the health sciences just as it is committed to the same goals in other academic disciplines. Health science faculty members are expected to act as professional role models for all. As the only public university in California authorized to grant professional doctoral degrees in the health sciences, the University has a responsibility to the State, the public, and its students to maintain the breadth and depth of its curricula, the creativity of its research efforts, and the quality of its health care services.  

To ensure the level of excellence essential in the University of California and at our UCR School of Medicine, special effort must be exerted to recruit and retain the best and most dedicated faculty.  

The University of California Health Sciences Compensation Plans were established over the years to provide for quality across academic programs in the health sciences disciplines. These health sciences compensation plans must offer a competitive salary structure indispensable to the health sciences schools’ recruitment and retention efforts.  

Health sciences disciplines require varying compensation levels in order to remain competitive with comparable schools elsewhere in the United States. However, because University health sciences schools share some common needs and operating requirements, the University has
developed a uniform Health Sciences Compensation Plan to govern compensation arrangements and account for compensation plan income to the University’s Schools of Medicine, Dentistry, Nursing, Pharmacy, and other health sciences units as deemed appropriate by the President or the President’s designee.

Health sciences compensation plans must be clear and justify calculation of compensation and contain a mechanism for impartial review to protect the rights of individual faculty.

The Health Sciences Compensation Plan is approved, amended and repealed, by and under the authority of The Regents of the University of California. Through the Plan, compensation is set as a part of the employment relationship, and as a consequence, the level of compensation and the terms and conditions of the Plan may be amended or repealed at any time by The Regents, following consultation with the Health Sciences Chancellors, Deans and appropriate Academic Senate Committee(s).

The regulations included in The Regents’ Plan are intended to provide a policy framework within which implementing procedures have been developed by the UCR School of Medicine. The UCR procedures contained herein are developed to be consistent with the Regents’ Plan. Affected Plan participants have been afforded the opportunity to review and comment on these Implementation Procedures, including consultation with the School of Medicine Compensation and Outside Activities Advisory Committee (Advisory Committee) and relevant committees of the Faculty Senate. All revisions to these Implementation Procedures will be approved by the Dean, the Chancellor and the President.

Included within the Implementation Plan in Section II below are the Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants which provides guidance on the framework within which the UCR School of Medicine has developed its implementing procedures.

In addition to these Procedures, participants 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 faculty member’s compensated outside activities may create an obligation for the faculty member to disclose a financial interest before making or participating in certain University decisions. Faculty can obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the UCR Campus Counsel’s Office.

The implementation, administration and continued operation of this UCR School of Medicine Implementation Plan shall be, and is contingent on the understanding and assurance that it will not require the expenditure of more State-appropriated funds in the University budget than operation without the Plan would require.

**B. Purpose and Goals of the Plan**

The purpose of the UCR School of Medicine Implementation Procedures for the Health Sciences Compensation Plan (Plan) is to provide a common administrative framework within which a participating health sciences school can compensate its faculty according to the competitive requirements of each discipline. Specific goals of this Plan are:

1. To provide sufficient non-State resources to recruit and retain outstanding health sciences faculty
2. To encourage a balance among teaching, research, and service activities (including clinical practice) of the quality required in the University of California
3. To provide teaching, patient care and research incentives that encourage and recognize academic merit as well as generation of income
4. To offer consistent benefits and privileges to UCR Plan participants, consistent with other health sciences faculty and schools at all University of California campuses
5. To benefit the UCR School of Medicine by providing academic and research support funds in addition to State-appropriated funds.

In adopting these Implementation Procedures, the faculty and administration of the School of Medicine at UCR affirm the philosophy and goals as outlined above and which are also included in the Regents’ Plan.
Consistent with The Regents’ Plan, this UCR School of Medicine Implementation Plan has been developed to foster academic balance among the joint responsibilities of teaching, research, and service activities (including clinical practice). This document constitutes the Implementation Plan and Procedures for the UCR School of Medicine.

II. REVIEW AND APPROVAL RESPONSIBILITY

A. Overview
These Implementation Procedures are developed to be consistent with the policy framework of The Regents’ Plan, and these Implementation Procedures apply to the UCR School of Medicine in its entirety. Affected Plan participants, and the UCR School of Medicine Compensation and Outside Activities Advisory Committee (Advisory Committee) to the Dean, which includes members of the senate and non-senate faculty who are also eligible members of the Plan, shall be afforded the opportunity to review and comment on any proposed revisions to the Implementation Procedures. The Dean will also utilize the Advisory Committee to consult and advise him/her on matters related to School of Medicine Compensation Plan issues. All such revisions shall be approved by the Dean, the Chancellor, and the President. Local implementation shall be managed by the Dean of the School of Medicine.

B. Roles of The Regents and the President
After consultation with the Health Sciences Chancellors, Deans and the appropriate Academic Senate committee(s), The Regents may amend or repeal any portion of or the entire Plan.

The President or the President’s designee shall have the authority to:

- approve the inclusion or exclusion of a health sciences school, discipline or specialty in the Plan.
- approve campus procedures and revisions of approved campus procedures within the limitations of this Plan.
- issue administrative regulations and procedures further refining this Plan.
C. Role of the Academic Senate

The President shall consult with the appropriate Academic Senate committee(s) concerning proposed revisions of The Regents’ Plan before submitting such revisions to The Regents for approval.

The appropriate campus faculty Senate and other committee(s) shall be provided the opportunity to review and comment on any proposed exceptions to campus procedures which the Chancellor intends to submit to the President for approval.

D. Role of the Chancellor

The Chancellor shall have operational authority over the development and, subsequent to approval by the President, implementation and monitoring of the campus procedures for administration of this Plan. The Chancellor shall be responsible for assuring that affected Plan participants and the appropriate Academic Senate committees shall be afforded the opportunity to review and comment on the proposed campus implementing procedures. The Chancellor also shall approve individual exceptions to the provisions of this Plan to meet special teaching, research or clinical service requirements.

E. Advisory Committee

The Compensation and Outside Activities Advisory Committee (Advisory Committee), which includes Senate and non-Senate faculty members representative of the disciplines participating in the Plan, will serve as the Advisory Committee to the Dean/VCHS of the UCR School of Medicine as well as to the Chancellor. The Advisory Committee is established and charged to assist the Chancellor/Dean in maintaining transparency and fairness in plan implementation, and in resolving issues that arise from implementation of the Plan.

The Committee will provide input and will assist the Dean/VCHS on compensation issues, as well as assuring compliance with and resolving issues concerning outside professional activities, conflict of interest, and conflict of commitment and/or disputes arising through the Plan. The Advisory Committee will also review the submissions of individual academic programmatic unit (APU) by-laws.

No more than 50% of the Advisory committee’s membership shall be appointed by the
Dean/VCHS. Eligible members of the Plan (both senate as well as non-senate), will nominate faculty to fill four positions on the School’s Advisory Committee and will conduct elections to select those who will serve. Eligible Plan members will develop a process to facilitate an appropriate nomination process. Eligible voters shall include all Plan members of the School of Medicine. No fewer than one of these elected faculty members shall have a Ph.D. degree and derive from the basic science faculty.

The Dean/VCHS will appoint three additional members to serve on the Advisory Committee. Finally, the Dean/VCHS will appoint an additional member to serve as Chair of the Advisory Committee. Both the elected or appointed committee members are limited to four consecutive one year terms.

The Committee’s functions include:

1. Advising the Dean/VCHS on development of these Implementation Procedures, including establishment of Good Standing criteria and approval thresholds, Academic Programmatic Unit (APU) assignments, and APU Scales;

2. APU implementing procedures including methods for obtaining faculty input and for determining consistency with school implementation procedures.

3. Review of faculty grievances with regard to the implementation and administration of the Plan that are not resolved at the APU or School levels.

4. Review of formal appeals submitted by faculty to the Advisory Committee as a result of a determination of loss of Good Standing.

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

III. MEMBERSHIP IN THE COMPENSATION PLAN

A. Membership Requirements

Individuals in health sciences schools, disciplines or specialties that have been approved for
participation in this Plan shall be members of this Plan if they hold a University appointment at greater than 50 percent of full time, funded by one or more of the participating health sciences units, in any of the following title series:

1. Professor
2. Professor In Residence
3. Professor of Clinical ____________(e.g., Medicine)
4. Adjunct Professor
5. Acting Professor
6. Clinical Professor
7. Any other title series approved for membership in this Plan by the President.

Deans and other faculty administrators in Plan Schools shall be members of the Plan if they hold an underlying Health Sciences Compensation Plan faculty title.

Faculty recalled as members of the Plan are subject to all Plan rules and local implementation procedures and guidelines.

Membership in the Plan is a term and condition of employment. Upon approval of this UCR School of Medicine Implementation Plan, all existing and new Plan members shall receive a copy of the Regents’ Plan document, a copy of the UCR Implementation Procedures, as well as any other relevant departmental guidelines. All new faculty members will be presented with a statement to be signed and filed in their personnel file as outlined below:

“I certify that I have received a copy of the University of California Health Sciences Compensation plan and the UCR School of Medicine Implementation Plan. I understand and agree to comply with all of the terms and conditions contained therein. I understand that I may not retain any income from my professional services except as stipulated in these documents. I understand further that compliance with provisions contained in the UCR Implementation Plan is a condition of employment for Plan members.

Membership in the Plan shall continue while the Plan continues to be in effect. Separation from an eligible appointment will terminate membership in the Plan.
Faculty in any of the categories 1 through 7 above with an appointment in more than one department or School may be considered for inclusion in the Plan if their appointment is more than 50% in a department participating in the Plan. If included in the Plan, they will be subject to continued membership and all regulations of the Plan. Determination of and responsibility for the faculty member’s salary must be jointly agreed to and memorialized by the Heads of the affected APU, and approved annually by the Dean. The annual review must include funding plans for the faculty member for at least three years. The APU participating in the Plan is responsible for administering compensation, including health and welfare benefits.

**B. Exceptions to Membership Requirements**

As specified at Section II. D., the Chancellor may approve exceptions to membership requirements in individual circumstances to meet special teaching, research, or clinical service requirements.

The Chancellor shall review and has authority to approve provisions in campus procedures, and requests by Deans in specific cases, for inclusion in the Plan of individuals in a health sciences school whose appointments are in the series listed in Section III.A, regardless of percentage of time.

**IV. COMPENSATION**

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

Plan participants in each Academic Programmatic Unit (APU) may elect a representative group of colleagues (“APU Representatives”) to review questions about compensation or conditions of employment about which a Plan member is concerned.

Each APU shall develop compensation plan guidelines, and must ensure that affected Plan participants are afforded the opportunity to review and comment on these proposed guidelines, and when applicable, any significant modifications, including the setting of approval thresholds and APU assessment rates. These guidelines will detail:
A. Total Compensation
Faculty members participating in this Plan shall:
1) receive base salary as described in Section B, below.
2) be eligible for optional additional compensation as described in Section D, below.
3) be permitted to retain the other miscellaneous income as described in Section G, below.

No State funds shall be used for the portion of base salary that exceeds the Fiscal Year Salary Scale (HSCP Scale 0) for the Plan member’s rank and step, or for optional additional compensation as described at Section D, below. Compensation above HSCP Scale 0 shall be funded using Compensation Plan funds and other non-State funds in compliance with any related fund source restrictions.

B. Base Salary (X and X')
Base salary for an individual is the approved rate on one of the Health Sciences Compensation Plan Salary Scales, associated with that faculty member’s academic rank, step, and APU. Base salary shall equal at least the approved Scale 1 rate on the Fiscal Year Salary Scale for the faculty member’s rank and step. The base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under law and in accordance with UCRP provisions and regulations. However, compensation above HSCP Scale 0, shall be funded from compensation plan funds, and/or other non-state funds, in compliance with any associated fund restrictions.

In consultation with the Advisory Committee and APU representatives, each APU will be annually assigned by its Head to a Health Sciences Compensation Plan Salary scale (i.e. any of the scales between Scale 1 and 9) and approved by the Dean/VCHS in accordance with guidelines issued by the President. The salary differential, between the value of Scale 0 (X) and the approved rate with the faculty member’s rank and step on the HSCP Salary Scale 1 through 9 assigned to the faculty member’s APU, is designated X-prime (X’).

C. Academic Programmatic Unit (APU) Guidelines
At the outset, and until individual departmental guidelines are established, the UC Riverside School of Medicine will have APUs comprised of a subset of members of the entire School of Medicine, and are not necessarily department-based.
An APU is composed of faculty with similar clinical and/or teaching and research responsibilities. Each participating member of the UC Riverside Health Sciences Compensation Plan will be assigned by the appropriate APU head, with concurrence by the Dean/VCHS, in consultation with the Advisory Committee, based on clinical and/or teaching and research responsibilities. Each APU shall be assigned to an HSCP salary Scale (1 – 9).

In keeping with the responsibility of the University to ensure consistency of compensation by creation of APUs or assignment of faculty to APUs, the following is noted:

a. The Dean/VCHS of the UCR School of Medicine is authorized to approve the faculty composition of each APU and assignment of a salary scale to that unit as recommended by the APU head;
b. Once assigned, an APU must remain at its assigned HSCP salary scale for at least one year before being assigned to a higher or lower scale;
c. An APU is permitted to move to a higher or lower HSCP salary scale by a maximum of one scale per year;
d. No individual faculty member may be moved from one APU to another without a significant change in duties or a change in department;
e. Any new APUs recommended to the Dean will include assessment and analysis of financial feasibility.

The Base Salary \((X + X')\) is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under law and in accordance with UCRP provisions and regulations.

No State funds shall be used for compensation above the portion of Base Salary equivalent to the Fiscal Year salary scale 0 \((X)\).

Based on current numbers of faculty with clinical responsibilities of the UCR School of Medicine, a single APU may be comprised of fewer than 10 members. Given this, the Dean/VCHS will provide periodic, but no less than annually to the Chancellor of UCR:

a. Criteria for composition of any APU with fewer than 10 members, and the names,
series, rank, and step of each member of the APU;

b. Any faculty member who has moved from one APU to another, and the reason for the movement.

D. Optional Additional Compensation

Individual levels of compensation will be established so as to maintain academic balance and to permit the recruitment and retention of the individuals necessary for the School to fulfill its missions at a high level of excellence. Faculty members participating in this Plan shall receive Base Salary and shall be eligible for additional compensation, as described below:

1) Negotiated Additional Compensation ("Y") will be negotiated with the Dean (or likely later in the evolution and maturation of the UCR School of Medicine, with an APU head or departmental chair on an annual basis. This component is beyond Base Salary and is not covered compensation for the UCRP, but may be eligible for optional disability and life insurance programs. Mid-year renegotiation of the “Y” is permitted only under unusual circumstances and only with the written approval by the Dean.

The Y component of the salary will be based on such activities as research, (the number and quality of publications, the acquisition of peer reviewed research grants, and special research awards), teaching awards, clinical publications, administrative responsibilities (department, School of Medicine, hospital, and national and international service work), as well as clinical productivity and revenue generated by the individual’s practice. All income due the plan, including clinical income and post-threshold professional income (see section G of these Guidelines below) will be deposited into the UCR School of Medicine compensation plan revenue fund. This applies to clinical work done at outside facilities, satellite clinics, or offices.

a. Policy for new faculty members: all new faculty members will have a guaranteed salary (X+X’+Y), as established by negotiations with the Dean for one year. All clinical income for services provided by the faculty member will be retained by the School Practice Plan revenue account. The Dean will provide each new faculty member a sum of $5,000 per year in an academic “escrow account” within the Dean’s
Office, to be used for travel, books, subscriptions, meeting expenses or other academic expenses. The negotiated X + X’ + Y, and $5000 escrow account will be guaranteed for the first year.

2) **Incentive/Bonus Compensation ("Z")** beyond Base and Negotiated Additional Compensation may be earned. These components are not covered compensation for UCRP.

All new faculty members (regardless of their rank) will not be able to participate in the incentive portion of the bonus pool for their first year. They will, however, be allowed to receive bonus compensation from the Dean’s discretionary funds, or from additional funds in the APU outside the School practice account, depending upon their academic and clinical contributions.

Excess monies net of the UCR School of Medicine’s expenses may be used as a basis for a bonus Z factor. A Z factor bonus will only occur after individual, shared clinical and academic expenses, as well as retirement benefits, have been subtracted from the Z pool. The Dean’s tax and billing charges will also be subtracted from the net proceeds. Calculations for estimated Dean’s tax for the subsequent fiscal year will be discussed with the faculty during each budget resource call cycle.

Faculty must choose at the beginning of the fiscal year between two options for distribution of net bonus pool generated by proceeds from “for-profit” consulting, post-21 day consulting, and any other activities generating income due the Plan. The two options are: 1) distribution of Z payment as salary, through the University payroll system, or 2) an “enrichment fund”, which will be held in escrow in the School of Medicine on behalf of the faculty member. Unless approved by the Dean, the decision of option will remain in effect for at least one fiscal year, and may not be split between the options.

Methodology for calculating incentive/bonus pool for the UCR School of Medicine:

a) The individual’s incentive/bonus compensation (Z) will be determined in two ways. In the first component, after expenses are accounted and netted,
following 20% off the top to build a School of Medicine financial reserve, then 50% of the remaining 80% of the overall bonus pool money will be distributed at the Dean’s discretion in consultation with the APU Heads and Advisory Committee, based on a quantified annual report of faculty non-clinical activity (such as research, committee work, etc). The remaining 50% (half of the 80%) of the bonus pool will be awarded proportionately according to each individual’s proportional contribution to the bonus pool, assuming a status of good standing.

b) A fully distributed costing of shared expenses will include (but is not limited to) rent (if applicable), support staff, medical student/residency program, expenses not covered by other sources, fixed research expenses not covered by grants, clinical patient care expenses, etc. These shared expenses apply to the Z pool and equally to contributing faculty.

c) Each individual (other than for new first year faculty) will be responsible for their own travel expenses along with books, journals, and research costs not covered by grants. In the event that a member does not make his or her negotiated salary in the fiscal year (other than for new faculty whose negotiated salary is guaranteed for the first year), a salary reduction for the ensuing year may occur at the Dean/VCHS’s discretion. The reduced salary will not drop below the base salary for that APU (X + X’).

d) In April of each fiscal year, each faculty member will be required to complete and submit a brief, one-page Annual Faculty Report in addition to the annual Outside Professional Activities disclosure to be reviewed by the APU Head, if applicable, and put forward for submittal to the Dean/VCHS. All faculty members hired within the prior three fiscal years, will be requested to meet with the Dean on an annual basis to review their academic and clinical activities. The results of this review process will be used as a means of setting equitable salaries and distributing the proceeds from the Dean’s incentive discretionary income (portion of Z).

e) Shared expenses will also include, if applicable, payments specifically for malpractice coverage, California state medical license renewal, DEA controlled substance license, and hospital staff dues.
f) Faculty with clinical responsibilities will be given a monthly statement from the billing service of the UCR Medical Group outlining their total billings to date, collections, and accounts receivable.

Negotiated Additional and Incentive/Bonus Compensation paid to faculty through the University payroll system, will be subject to Federal and State withholding, and will be reported on a W-2 form as wages.

Individual salaries shall be negotiated annually by the individual and the Dean/VCHS (or APU Head as appropriate), documented in writing. The Dean may consult with the Advisory Committee regarding faculty compensation, however the role of the Advisory Committee is consultative and advisory only, and final authority to negotiate and set individual, annually negotiated faculty compensation rests with the Dean/VCHS.

*Treatment of Accounts Receivables upon Separation:*
In recognition of the principle that the Plan is an approved administrative structure within the University of California and that funds generated from professional services of the faculty are, by virtue of Plan membership, due to the University of California as herein provided, the Plan members recognize that a terminated faculty member does not have rights to monies accruing in the accounts of the Plan or the accounts of the various departments, and that nothing in these Implementation Procedures shall be construed as creating an interest in accounts receivable resulting from prior professional service. Upon termination, a faculty member will be paid the approved compensation through the effective date of termination.

Faculty who were members of the Compensation Plan for the full fiscal year shall be eligible to receive Z compensation for that year, in accordance with their department compensation plan procedures, regardless of their employment status at the time of distribution of the Z payment.

E. **Good Standing Criteria**
Faculty members of the UCR School of Medicine must comply with the “Good Standing Criteria” in order to engage in outside activity and successfully progress academically.

Good Standing Criteria for Health Sciences faculty will include expectations related to clinical practice for those faculty engaged in patient care. All members of a clinical practice plan shall be
deemed in “good standing” until they encounter some circumstance in which their capacity to earn income is impaired. A faculty member may fail to be in “good standing” for conduct which significantly impairs the Health Sciences School’s central functions of clinical care, scholarship, teaching, and University and public service. Reasons for loss of “good standing” for faculty with clinical responsibilities might include, for example, instances of misconduct, loss of clinical privileges, or loss of licensure and/or credentialing, non-compliance with required training, etc. Reasons for loss of “good standing” for faculty without clinical responsibilities might include misconduct, non-compliance with required training, lack of quality in assigned teaching, refusal to teach, lack of research productivity that has not been counterbalanced by increased responsibilities elsewhere such as in teaching or administrative load, lack of quality in assigned administrative duties etc.

Any faculty member considered not in good standing will be notified by the Dean in writing. Notification will include reasons for the determination and any recommended remedy, as well as a time line to move back into good standing. Faculty members who believe that Good Standing Criteria have been applied unfairly may appeal to the Advisory Committee through its Chair.

In order to remain in “Good Standing”, the following criteria must be met:

a. Fulfillment of clinical, teaching, research and administrative obligations, as assigned.
b. Meet the Faculty Code of Conduct and other UC rules and regulations, including timely completion of all required compliance classes, meetings and procedures. Provision of accurate and timely documentation related to outside activities
c. Compliance with State and Federal regulations as related to professional activities
d. Collegial interactions with others
e. Attendance at a minimum of 50% of department/University/affiliated health systems meetings involving compliance issues
f. Compliance with guidelines on outside professional activities
g. Meeting other requirements as determined by the department and described in these UCR School of Medicine Implementation guidelines
h. Where appropriate, maintain active medical staff memberships, boards and current licenses  
i. Meet the practice standards and follow all policies of the University, School of Medicine and Department, including billing, medical records and incentive programs.

Prior to the implementation of these “Good Standing” criteria, affected Plan participants will have been notified and provided the opportunity to review and comment on the proposed criteria. When and if applicable, Plan participants will have the opportunity to review and comment on any proposed changes, additions, or revisions.

A determination that a faculty member is not in Good Standing may affect the amount of negotiated additional compensation (Y; see Section IV.D.1) and/or Incentive/Bonus compensation (Z; see Section IV.D.2) that the faculty member may earn, and may include space assignment forfeiture. If a faculty member is unable to practice at a specific site due to revocation of clinical privileges, for example, that faculty member must be willing to undertake new duties as assigned, or otherwise forfeit the compensation from that assignment. Faculty who are not in Good Standing must obtain advance approval from the Dean to engage in any unassigned professional activities, and the income from all such approved activities shall accrue to the Plan, and not to the Plan participant. Exceptions may be approved in writing in accordance with campus procedures.

F. Annual Notification
On an annual basis, each faculty member of the Plan shall receive in writing from the Dean a Statement of Proposed Compensation for the forthcoming period July 1 – June 30.

This annual statement will include:

a. The amount of UCRP covered compensation (X + X’);  
b. APU and HSCP Salary Scale assignment (HSCP Scale 1 – 9);  
c. The amount of negotiated additional compensation (Y);  
d. The payment schedule for Incentive/Bonus compensation (Z) payments and the taxation policy for Z payments
G. Other Miscellaneous Income That May be Retained by Plan Members

There are two options, “University-wide Standard” and “Alternative”.

For existing faculty in both Clinical Sciences and Biomedical Sciences APUs, the Alternative Option is selected.

New faculty in existing APUs will follow the Alternative Option model. Upon the recruitment of new faculty which requires the creation of a new APU, the APU will make a recommendation to the Dean of one of either University-wide Standard or Alternative Option.

The following grid on page 18 provides guidance on comparing components of both options.
<table>
<thead>
<tr>
<th>Income From These Sources May Be Retained</th>
<th>Other Income Which May Be Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Income Which May Be Retained by Plan Members (See APM - 670.IV.D)</td>
<td>Other Income Which May Be Retained</td>
</tr>
<tr>
<td>Income from Outside Professional Activities</td>
<td>Other Income Which May Be Retained</td>
</tr>
<tr>
<td>Comp Plan members in Schools/Departments that follow the University-wide Standard Requirement</td>
<td>Comp Plan members in all or selected Departments of Schools whose approved Implementing Procedures specify an Alternative Option</td>
</tr>
<tr>
<td>21 Days, if approved locally by Dean and Chancellor in Implementing Procedures</td>
<td>At Least 21 Days, up to 48 Days, as specified in approved Implementing Procedures</td>
</tr>
<tr>
<td>Time Limit</td>
<td>Time Limit</td>
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<tr>
<td>Monitored by Dept. Chair and/or Dean</td>
<td>Monitored by Dept. Chair and/or Dean</td>
</tr>
<tr>
<td>Annual reporting</td>
<td>Annual reporting</td>
</tr>
<tr>
<td>Time limit applies</td>
<td>Time limit applies</td>
</tr>
<tr>
<td>Service must be approved by Dean and Chancellor</td>
<td>Provisions must be included in School Implementing Procedures and approved by the President</td>
</tr>
<tr>
<td>Good Standing Criteria shall be established by the School</td>
<td>Faculty must be in Good Standing to retain outside professional income</td>
</tr>
<tr>
<td>Government agencies</td>
<td>Government agencies</td>
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<tr>
<td>Prizes</td>
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<tr>
<td>Non-profit health- or education-related organizations</td>
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<td>Consulting income from non-profit entities</td>
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</tr>
<tr>
<td>Consulting or testifying as an expert or professional witness</td>
<td>Income from a profession unrelated to the training and experience which is the individual's qualification for University appointment</td>
</tr>
<tr>
<td>Other sources of income as specified in the approved Implementing Procedures</td>
<td>Other sources of income as specified in the approved Implementing Procedures</td>
</tr>
</tbody>
</table>

*APM - 670, Guidelines on Outside Professional Activities, requires Dean and Chancellor to select either the Standard Option, or the Alternative Option, upon which to base local implementation Guidelines. The annual earnings threshold is $30,000.
Under both options, Plan participants may retain payments for occasional service (other than patient care) not to exceed 21 days of service per fiscal year, to:

a) governmental agencies (travel time excluded for this category only);
b) non-profit health or education related organizations;
c) continuing health education programs administered by the University, and/or
d) University Extension.

The following categories of income accruing from occasional service may be retained by the Plan member:

a) Income from occasional outside professional activity (other than patient care) in accordance with the Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants issued by the President and campus implementing procedures.
b) Prizes, defined as gifts in recognition of personal achievements and not for services rendered.
c) Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies.
d) 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.
e) University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy.
f) Administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal academic responsibilities. This component of income may be included as covering X’ and included in calculating total covered compensation under UCRP.
g) Income from a profession or activity unrelated to the training and experience which is the individual’s qualification for University appointment as determined by the Department Chairperson in consultation with the Dean.
The preceding bullets (b) through (g) are excluded from reporting requirements and do not count in the outside activities threshold of these Implementation Procedures.

Consistent with the University-wide Standard Option, the Alternative Option, if chosen, will require that all income derived from consulting with for-profit institutions, legal and professional witness fees are due the Plan. Professional income, as used here, includes both cash and non-cash compensation (e.g., stock and stock options). Income due the Plan must be deposited into the appropriate revenue account of the School of Medicine.

Plan members of the UCR School of Medicine are not permitted to accept a salary or other regular income from any institution other than UC Riverside.

The Alternative Option listed below covers all current Plan participants of the UCR School of Medicine. Both options remain available when development and growth in numbers of eligible Plan participants warrant the development of individual APU/departmental guidelines for the UCR School of Medicine. Either option selected must be reviewed and approved by affected Plan participants of the APU, as well as the Dean/VCHS through consultation with the Advisory Committee before implementation.

1. **Alternative Option:**
The “Alternative Option” allows Plan participants in Good Standing at UCR in all or selected departments or units to retain additional types of income and/or income up to 21 days of compensated professional activities with an income retention cap of $30,000 or 20% of the Health Sciences Compensation Plan salary scale for an individual faculty member’s rank, step and APU (X’), whichever is greater, without prior approval by the APU Head, department Chair or the Dean/VCHS to engage in the activities.

2. **University-wide Standard Option:**
The University-wide Standard Option allows a maximum time limit of 21 days, but has no income limit. The University-wide Standard Requirement will remain an option for the UCR School of Medicine.
3. **Additional Guidance on Outside Activities:**

The UCR School of Medicine offers the following additional guidance on Outside Activities for faculty:

Faculty members have an obligation to disclose financial interests before making or participating in certain activities. The University policy related to Conflict of Commitment and Outside Activities of faculty members can be found at: [http://www.ucop.edu/acadadv/acadpers/apm/apm-025-07-01.pdf](http://www.ucop.edu/acadadv/acadpers/apm/apm-025-07-01.pdf)  [http://www.ucop.edu/ucophome/coordrev/policy/9-01-00.pdf](http://www.ucop.edu/ucophome/coordrev/policy/9-01-00.pdf)  Additional reporting, disclosure and disqualification requirements can be found in the Political Reform Act of 1974, including the Academic Decision Regulation; and in the University’s Conflict of Interest Code, which requires designated University employees to disqualify themselves from participating in a University decision in which they have a personal financial interest. Faculty may obtain information about these requirements through the campus office of Legal Support Services.

4. **Monitoring and Enforcement**

“Twenty-one (21) days” is defined as 168 hours per fiscal year. When outside professional activities require travel time during regular UCR working hours, the time spent traveling shall be included in computing hours/days of outside service, except when the service is provided to governmental agencies.

Service performed during paid or unpaid leaves of absence (e.g. vacation, holidays, or weekends) counts toward the twenty-one day maximum.

5. **Time and Earnings Thresholds:**

Under the Alternative Option, 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, legal witness, etc.) for which income is retained must not exceed 21 days. The Plan recognizes and supports a framework of diverse hours and schedules to accommodate teaching, research and creative work activity, University service and University-related public service, and a day for most faculty exceeds eight hours. However, total time, defined in these guidelines totals 168 hours over 21 days. Plan participants who wish to exceed the time threshold as established must
receive approval for outside professional activities that exceed the UCR time threshold by the Dean/VCHS. All income from activities beyond the time threshold are due the Plan (even if the earnings threshold has not been reached) and will be submitted for deposit into the appropriate medical school compensation plan revenue account. All such payments are due upon receipt.

**Earnings Threshold:** The maximum annual outside professional earnings approval threshold is $30,000, or 20% of the assigned Health Sciences Compensation scale \((X + X')\). All income from activities beyond the earnings threshold is due the Plan (even if the time threshold has not been reached.)

Plan participants have the responsibility for maintaining a running total of the time spent on all outside professional activities. With the election of the “Alternative Option” the UCR School of Medicine will have both a 21 days of service and an earnings threshold of $30,000 (or 20% cap) annually. With this option, earnings generated above the cap, even with Dean’s consent, within the 21 day threshold will be due the Compensation Plan.

The primary means of monitoring compliance will be review by the Dean from the information provided by the faculty member in the required annual reports on outside professional activities.

6. **Corrective Action and Disciplinary Measures**
The University reserves the right to take corrective action and disciplinary measures against any Plan member who fails to comply with the Regents’ Plan and the UCR School of Medicine’s Implementation Procedures. An Academic Senate member who is subject to corrective action has available to him/her a grievance process through the Privilege and Tenure Committee as described in Academic Senate Bylaw 335. Other faculty may grieve through the provisions of Academic Personnel Policy 140.

7. **Policy on Requirement to Submit Proposals through the University**
The *Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University* was issued by the University’s President on December 15, 1994 and applies to all faculty members. Faculty 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 UCR Research Office.
8. Limitations on Use of University Resources
The use of University staff, laboratories, facilities, or other University resources in connection with outside professional activities is subject to limitations. Faculty should take note and care not to unduly stress or over-tax University staff resources when outside activities income is retained by the faculty member. In these cases, faculty should take care to allot costs to the maximum extent possible to the faculty member directly, or a third party, and not the University. In addition, faculty should take special note that the University’s liability coverage does not extend to certain faculty consulting and expert witness activities. For example, University malpractice/professional liability coverage does not extend to expert witness activities when the faculty member retains the related income.

Reasonable use of UCR School of Medicine equipment and university resources is acceptable and may include the following: use of office email, scanners, telephones or faxes for incoming or outgoing communications, but not long-distance charges (which should be reimbursed to the University by the individual incurring them); use of departmental offices for interviews or other similar activities, unless usage creates difficulties for other School of Medicine scheduling access; using administrative support personnel to accept phone calls, take messages, and schedule appointments at the request of individuals outside the university (but not asking staff to arrange meetings, prepare materials, arrange travel, etc. when these activities relate to outside professional activities).

9. Disposition of Income Due the Plan
If there is income due the Plan above the $30,000/20% or 21-day maximum time limits, it will be added to the calculation for the bonus (Z). Faculty are eligible for a bonus if all clinical and academic expenses not covered by any other fund sources have been met, including Dean’s tax and billing charges.

10. Non-cash Compensation
Professional income governed by the Plan includes not only cash compensation, but also non-cash compensation. Faculty who receive stock or stock options in lieu of compensation for outside professional activities must disclose them to the Dean’s Office within 30 days of receipt, and the stock/stock options will be valued at that time. If the purchase price is less than the stock/stock option’s valuation on the day of receipt, the difference between the purchase price
and the value of the stock/stock options is due the Plan. **Faculty must count this difference in their earnings threshold.** Faculty who neglect to disclose the stock/stock options at the time of receipt will owe the Plan the difference between the initial purchase price and the market value at the time it is disclosed.

V. **BENEFITS**

Benefits provided as outlined below are consistent with benefit levels approved by the Regents. The UCR School of Medicine may not offer faculty benefits beyond those approved by the Regents.

A. **Base Salary-Related Benefits** are associated with an individual’s base salary (from one of the Health Sciences Salary Scales) paid through the University of California payroll system. These benefits may include participation in the University’s basic retirement plan, health care insurance, disability insurance, regular term life insurance, and other benefits as may be approved by The Regents under the same eligibility requirements as other members of the University’s faculty.

B. **Optional Benefits on Additional Compensation**

The Regents have authorized some 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 Employee Benefits/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**

Faculty members remain members of the Compensation Plan while on paid leave, even if salary is dropped to base. While on paid leave, faculty members are bound by the rules of the Plan, the Departmental Implementation Procedures, and any departmental Guidelines, including those policies related to income due the Plan.

1. **Extended Illness/Disability Leaves:**

   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).

Faculty who can perform part of their usual duties or other duties assigned will be required to do so. With appropriate documentation, which may include a physician’s certification of disability, and/or an outside third party review (at the School’s expense), the School will provide salary continuance during periods of extended illness or disability as follows:

Faculty with 0 – 3 years of service: Full-time faculty members unable to work for health reasons, who have less than three years of service at the time of illness, will continue to receive full salary (X + X’+Y) for a period equivalent to 1 day/month from date of hire to date of illness or disability.

Faculty with 3+ years of service: Faculty unable to work for health reasons, who have more than three years of service at the time of disability, will continue to receive full salary (X + X’+Y) for 90 days.

Faculty members who are still unable to return to work will then need to rely on employee-and/or employer-paid plans (whether through the University or privately-funded) for income while eligibility for disability benefits continues. Long term disability insurance for the “Y” portion of salary is an employer-paid benefit that provides coverage to eligible faculty following a full year of full disability. Faculty should consult current plan documents for complete information about the University plans available and the coverage they provide.

2. Other Paid Leave:

A. Vacation: Faculty members accrue vacation leave at a rate of two days per month for full time service. For approved plan participants working part-time at 50% time or more, vacation allowance accumulates at a proportionate rate of full-time credit. For approved Plan participants working part-time at less than 50% time, there is no vacation accrual. Unless approved by the Dean, an appointee must serve the University for six months after initial appointment
before accrued vacation allowance may be used. Accrued vacation may be approved for use during periods of extended illness, disability, and child bearing/child rearing/approved family leaves. Faculty eligible to accrue vacation credit may accumulate a maximum of 48 working days (384 hours). Terminal vacation leave (paid to those separating from University service) is paid at a rate equal to the full salary in effect immediately prior to separation.

B. Childbearing and Other Parental Leaves: In accordance with APM 710, childbearing leave shall be granted on request to a faculty member who bears a child, for the period prior to and following childbirth; the department will provide salary at the full negotiated salary rate \((X + X' + Y)\) during these leaves. The normal period for childbearing leave is typically six weeks, although more time may be necessary for medical reasons; in such cases the faculty member may consult with the APU Head/Departmental Chair for funding of childbearing and other parental leave beyond six weeks. An additional six weeks of paid leave may be supported at the negotiated salary as defined above, excluding bonuses, upon discussion and approval by the APU Head/departmental Chair and the Dean.

The School of Medicine will not distinguish between academic senate and non-senate members for the purposes of maternity leave for a faculty member who bears a child even if the member has served in their faculty title less than 12 consecutive months. It is expected that the funding sources supporting a faculty member at the time of her childbearing leave will continue to be used during childbearing leaves. If additional leave is required for medical reasons, the School’s policy regarding leaves for extended illness shall apply.

Fathers/non-birth parents shall be granted up to two weeks paid parental leave, upon request, at their currently negotiated compensation.

Parental leave without pay is subject to approval, but may be granted for up to one year to any academic appointee for the purpose of caring for a child. Normally, this unpaid leave, when combined with childbearing leave and/or
Active Service—Modified Duties (see below) shall not exceed one year for each birth or adoption.

In addition to these paid or unpaid parental leaves, periods of Active Service—Modified Duties (ASMD), at full negotiated pay (i.e., $X + X' + Y$) shall be granted on request to any faculty member who has primary responsibility for the care of an infant or child for the period before and/or immediately following a birth or adoption of a child under age five. Under academic policy, the total combined period of childbearing leave and ASMD for each childbirth or adoption may not exceed three months. The faculty member requesting a period of ASMD must confer with the Dean of the UCR School of Medicine prior to the begin date, in order to reach agreement on the nature and scope of the individual’s duties during this period.

C. 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 ($X (1 – 9)$). Additional compensation ($Y$ portion) 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 (base) 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 shall remain members of the compensation plan and subject to all of its requirements while on sabbatical leave.

D. Professional Development Leave: Faculty who are members of the Academic Senate but not eligible for sabbatical leave may apply for professional development leave. Such leaves will generally not be approved for more than six months’ duration. During an approved professional development leave (at the discretion of the Dean), the salary rate will at a minimum be equal to the individual’s rate of covered compensation (Scale 1 – 9)). Additional
compensation may be granted for the same or similar sources as those providing negotiated compensation prior to the period of the leave (i.e. up to the $X + X' + Y$) if such funds are available. Total salary during professional development leave from all sources may not exceed the faculty member’s total salary prior to the leave. Faculty shall remain members of the compensation plan and subject to all of its requirements while on professional development leave.

E. Other: 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.

These paid leave provisions are available to Plan members who are appointed less than 100%, after having been employed for at least one full year, for the length of paid leave prorated according to the percentage appointment, and paid at the full Health Sciences Scales Base Salary rate or total negotiated salary rate.

The above are provided uniformly within APUs as reviewed by their participants and as approved by the Dean.

3. **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, and Dean. In general, such leaves may not exceed one year. However, during such periods of leave, faculty may not engage in compensated outside professional activities consistent with the guidelines of this Implementation Plan, and they shall remain members of the compensation plan and subject to all of its requirements. Exceptions to this policy are granted only in extraordinary circumstances, or where other policy or formal agreements supersede compensation plan policy (for example, in cases of extended governmental service or for faculty placed on administrative leave).

VI. **COMPLAINTS AND APPEALS FOR PLAN MEMBERS**

Faculty members who have a complaint about issues related to outside professional activities
should first try to resolve the issue at the APU/department level. If the complaint cannot be resolved through discussions, the faculty member’s complaint and the APU/department response should be memorialized and documented. If the faculty member is dissatisfied with the APU/department decision, s/he should file a formal complaint with the Dean/VCHS. The Dean/VCHS will charge the Advisory Committee with fact finding. Both the APU Head/Chair or their designee and the faculty member will have the right to be heard by the Committee. The Committee will issue a formal recommendation for resolution to the Dean/VCHS. If the faculty member is dissatisfied with the Dean/VCHS’s decision, s/he can pursue administrative remedies through applicable campus academic personnel processes.

VII. CAMPUS ACCOUNTING AND BUDGETING METHODS

A. Management and Reporting of Professional Services Income and Expenses

1. University Management

All professional services income generated by Compensation Plan members shall be managed by, accounted for and reported as revenue of the University; the only exception to this requirement shall be income which the Plan participant is allowed to retain in accordance with Section IV.G.1. All compensation paid by the University to Plan members will be subject to Federal and State withholding and reported on a W-2 form as wages. Campus procedures shall include billing and accounting procedures necessary to assure accountability for all funds. All financial transactions shall be approved, documented, and otherwise processed or executed in accordance with University policies, procedures and delegations of authority.

All professional fee billing (including, and not limited to clinical revenue, for-profit consulting income, expert witness fees) is due the Plan and collection activities shall be conducted by authorized University billing groups, by external vendors with which the University has contracted, or as otherwise permitted by University procedures. All such fees shall be deposited upon receipt by the University or by an external vendor in a University bank account established in accordance with University delegations of authority.

2. Reports
The accounting standards specified in the University of California Accounting Manual must be used in reporting income and expenses in all compensation arrangements.
B. Fund Accounts and Sources

All income generated by a Plan member’s professional activities (e.g. all income due the Plan, including but not limited to clinical revenue, consulting income and professional/legal witness fees) shall be managed by, accounted for, and reported as revenue of the University; the only exception to this requirement shall be income that the Plan participant is allowed to retain in accordance with this Implementation Plan. All income owed to the University must be submitted to the Dean’s Office for deposit into the appropriate UCR School of Medicine professional fee revenue account.

Compensation Plan fund accounts will be structured so that each department has at least two distinct funds: a current-year operations fund and a prior-year fund to which accumulated surpluses will be transferred.

All fund accounts shall be separate University accounts and shall receive Plan income from the following sources:

   a) Income from professional services;
   b) Amounts paid by University hospitals or affiliated institutions for professional and managerial services rendered to the hospitals by participants in the Plan;
   c) Such other funds as are required by the Chancellor or President to be included in fund accounts.

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

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

C. Assessment of Professional Services Income
An assessment rate annually recommended by the Dean and approved by the Chancellor for the UCR School of Medicine shall be applied against gross Plan members’ professional fee collections. The UCR School of Medicine Dean’s Tax, which in consultation with the Advisory Committee is subject to change annually, is currently at 10% on gross receipts in the current year Professional Fees revenue fund.

Dean’s Tax on Outside Professional Income deposited to the Plan is currently at 20%. This rate can be reset on an annual basis, and although consultation with the Advisory Committee will occur, authority rests with the Dean.

D. Contingency in Event of Inadequacy of Health Sciences Fund Accounts

An allocation of 20% of net funds comprising the available bonus pool will be set aside to enable the Dean/VCHS to build an adequate reserve contingency fund in the event that current year fund accounts are inadequate to meet annual commitments. The purpose of the reserve(s) is to provide the funds necessary to pay Plan expenses, including the agreed-upon compensation to each Plan participant, in the event that the current year income of the Plan is insufficient to do so.

If the reserve funds are insufficient for the purpose, other non-restricted and non-19900/state fund balances will be utilized within the School, and in the event that resources are still inadequate to meet annual commitments, the Dean will seek approval from the Chancellor to reduce the participants’ additional compensation in a uniform manner in accordance with any fund source restrictions across the school, division, or APU as recommended by the Dean and approved by the Chancellor.

E. Budgeting

Each department shall develop and submit to the Dean each year an annual budget projecting income and expenses for the upcoming year as part of its annual faculty salary budget submission. 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. Departments should clearly indicate the funding mechanism for all benefits provided under the provisions of the Plan.

Expenditures shall be budgeted for and funded in the following order of priority:
1. Clinical practice operating expenses, defined as costs incurred by the University for billing and collection of fees for clinical services; for faculty use of University-owned and/or leased practice facilities, and for related professional operating activities;

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

3. To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with Sections V.B. and V.C. may be paid.

4. To the extent that funds remain after all the foregoing expenditures, funds shall be contributed to the reserve(s) for contingencies in an amount recommended by the Dean and approved by the Chancellor.

5. When a health sciences fund account has accumulated a surplus beyond that required for expenditures and reserves as provided in all the above categories, the surplus shall be used as follows:

   a) At least one-half for academic purposes in the department or division of origin (including but not limited to salaries for support personnel) as recommended by the APU Head/Chair and approved by the Dean;

   b) The remainder may be used for other purposes in the school or campus as recommended by the Dean and approved by the Chancellor.

VIII. Implementation

The Implementation Plan for the UCR School of Medicine is designed to be consistent with the policy framework of the Regents’ Plan for Health Science Compensation Plans.

The Implementation Plan for the UCR School of Medicine Compensation Plan supersedes any prior HSCP plan for UC Riverside. This document has been reviewed and approved by the APUs of the UCR School of Medicine, and reviewed by relevant committees of the Academic Senate at UC Riverside prior to submittal by the Dean of the UCR School of Medicine to the Chancellor for submittal to the President.

Campus procedures are effective as of the date of approval of this Implementation Plan approval by the President.
November 18, 2011

ROBERT M. ANDERSON
CHAIR, ACADEMIC COUNCIL

Re: Implementation of Health Sciences Compensation Plan at UCR’s School of Medicine

Dear Bob:

Thank you for your letter of November 7, 2011 recommending conditional approval of UCR’s plan for implementing the Health Sciences Compensation Plan. I will recommend to President Yudof that the plan be approved with the recognition that it will need to undergo revisions to bring it in compliance with a revised APM – 670. I will forward your comments and those of UCAP and UCFW to UCR for review and clarify that the plan will need to undergo review again.

I am grateful for Council’s service and the thoughtful participation of UCFW and UCAP members in the review.

Sincerely,

[Signature]

Lawrence H. Pitts
Provost and Executive Vice President
Academic Affairs

cc: Academic Council
Vice Provost Carlson
Executive Director Winnacker
April 25, 2011

TO: DAVID BOCIAN
   VICE PROVOST FOR ACADEMIC PERSONNEL

FM: MARY GAUVAIN, CHAIR
    RIVERSIDE DIVISION

RE: UCR HEALTH SCIENCES COMPENSATION PLAN

The Health Sciences Compensation Plan has been reviewed by the appropriate Senate Committees and the responses were received and endorsed by the Executive Council at its April 25, 2011 meeting.

Attached are the committee responses for your information and action.

CC: Chancellor T. White
    EVCP Rabenstein
    Katina Napper
April 18, 2011

To: Mary Gauvain  
Chair, Riverside Division Academic Senate

Fr: Rise Axelrod  
Chair, Committee on Academic Personnel

Re: Request for Review of Health Sciences Compensation Plan

CAP reviewed the proposed compensation plan, and had no suggestions or comment to add.
April 4, 2011

TO: MARY GAUVAIN, CHAIR
RIVERSIDE DIVISION

FR: D. HARE, CHAIR
COMMITTEE ON FACULTY WELFARE

RE: HEALTH SCIENCES COMPENSATION PLAN

The committee reviewed this complex issue on relatively short notice and benefited from the input of Prof. Ameae Walker, who was one of the negotiators of this plan. The committee found the implementation of UCR's Health Sciences Compensation Plan was broadly consistent with the Systemwide plan and recommends approval with caution.

The Committee was concerned with the fact that the distribution of Senate and non-Senate members within the plan will change greatly in a relatively small amount of time as substantial numbers of non-Senate faculty are hired into the clinical non-Senate ranks. Consequently, what may seem to be appropriate implementation procedures now may be found to be inappropriate in the future. Whereas CFW cautiously recommends approval of the proposed plan, we also recommend that future committees of the Academic Senate be vigilant to the possibility that inequities may emerge as the consequences of this proposed implementation become better known. Future committees of the Academic Senate should be prepared to facilitate appropriate changes in the proposed plan to mitigate such inequities as they arise.