August 26, 2009

CHAIRMEN
ACADEMIC SENATE CHAIR CROUGHAN

Colleagues:

Re: Furlough Exchange Program

A Furlough Exchange Program (FEP) is being implemented to allow faculty who are subject to the Furlough/Salary Reduction Plan to devote extra effort to extramurally funded projects in exchange for furlough time.

Attached are the program guidelines, which include the definition of extramural awards, eligibility requirements, and implementation procedures. Please let me know if you have questions.

Sincerely,

Lawrence H. Pitts
Interim Provost and Executive Vice President
Academic Affairs

Attachment

cc: President Yudof
Executive Vice President Lapp
Senior Vice President Dooley
Academic Senate Vice Chair Powell
Vice President Lenz
Vice Provost Greenstein
Academic Senate Executive Director Winnacker
Interim Executive Director Price
Furlough Exchange Program (FEP)

August 26, 2009

Description:

This program allows academic employees who are subject to the furlough program to devote extra effort to extramurally funded projects in exchange for the furlough time they would be accruing. Appointees may charge an equivalent amount of effort to extramural funding, provided this is permissible with the granting agency and the terms of the extramural award as determined in consultation with the campus Sponsored Projects Office (SPO). All charges must remain in compliance with Office of Management and Budget (OMB) Circular A-21. Restricted gifts and endowments that can be used for research support may be used to support this increased effort.

Extramural awards include federal, state, other government or private contracts, grants, or cooperative agreements. Such awards also include special state appropriations for Breast Cancer, HIV/AIDS, or Tobacco-Related Disease research programs that have been awarded to campuses on a competitive basis by the Office of the President.

This program is in effect for the duration of the Salary Reduction/Furlough Plan, September 1, 2009 through August 31, 2010. The participant must elect to participate in this program in advance. Participation must be approved prior to the service period of the research activity. Retroactive participation is not permitted.

Faculty may not earn more than his/her normal annual pre-reduced compensation. This program may not be used to supplement administrative stipends. Faculty may not reduce their teaching and/or service commitments during participation in the program. Compensation earned under this program is considered regular pay (REG) and is subject to standard payroll deductions, benefit charges, and retirement contributions.

During the period of participation, furloughs will be forfeited and may not be used for any other purpose, including additional consulting days and campus closures. Participants are expected to be in service during campus closures, with the exception of fiscal year employees on approved vacations.

Eligibility:

This program is available to faculty who are full time (100%) and appointed to a title in a Professorial or Lecturer with Security of Employment series.

Currently this proposal does not apply to members of a Health Sciences Compensation Plan, staff employees or to members of the Senior Management program. An implementation Furlough Exchange Program is being developed for HSCP faculty.

Requires Prior Approval:

Faculty will need to work with their Sponsored Project Office (SPO) to determine whether prior sponsor approval is needed in each case. Any charges must be compliant with Office of Management and Budget (OMB) Circular A-21 requirements.
In cases where effort charged to an existing extramural award is increased, prior sponsor approval may be needed if the scope of work is adversely affected, if the cost sharing commitment is reduced, or otherwise as may be required by individual contracts and grants. Although there may be cases in which prior approval is not necessary under federal rules and under agency policy, staff and Principal Investigators will need to spend time necessary to analyze the terms of an award and to obtain approvals if necessary. This same issue is true for other instances where, under the Furlough Plan, effort to an existing federal award is to be changed.

Only those extramural fund sources that have been excluded from the Salary Reduction/Furlough Plan may be exchanged under this program.

Implementation process:

1. After consultation with the campus SPO, the participant submits a document to request participation in the FEP and forfeiture of furlough hours. It should identify the project in which the additional research effort will be worked, including the account and fund source to be charged.

2. Full year participation is mandatory.

Faculty must participate in the program for the entire 2009-10 academic year. Participation for less than a twelve month period does not provide the requisite salary savings required in the Salary Reduction/Furlough Plan approved by The Regents.

The service period for academic year faculty is mid-September through mid-June. The extramural fund source(s) will be charged for the normal academic year of July 1, 2009 through June 30, 2010 for participants on quarter campuses. Participants on semester campuses will participate from September 1, 2009 through August 31, 2010.

Since fiscal year pay and service periods match, fiscal year employees may participate for the period of September 1, 2009 through August 31, 2010.

An employee hired mid-year may only participate from the onset of his/her appointment through June 30, 2010 (academic year employees) or August 31, 2010 (fiscal year employees).

3. Once the participant receives approval (according to campus approval guidelines), the employee’s record must be updated in the Payroll Personnel System (PPS) as follows.

   Note: Do not change the FTE value associated with the 100% REG distribution
   
   - Delete the salary reduction distribution (SRB DOS Code).
   - Change the current 100% REG distribution to a future distribution.
     - Set the distribution begin date to the appropriate date, i.e., the day after the exchange program ends
Create a new REG distribution.
  - Distribution percent is 100% less the reduction percentage.
  - Distribution begin and end dates reflect the dates applicable to the term for the furlough exchange program.

Create a new Research distribution.
  - Distribution percent equal to the reduction percentage.
  - Distribution begin and end dates reflect the dates applicable to the term for the furlough exchange program.
  - Extramural fund source.

4. Departments would need to process the appropriate cost transfer of funds for academic year appointees. They would need to be completed in the requisite 120 day limit.

Cost transfers or payments made in July and August for academic year effort will need to be made by October 31 (for July salary payments) and by November 30 (for August salary payments) in order to comply with the 120 day federal rule for cost transfers.
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*UCOP employees who are funded from these State appropriations will be subject to the furlough/salary reduction because they are acting in the capacity of a C&G Office, not performing, or directly supporting, the research itself.