

**University of California, San Francisco School of Medicine
Department of Medicine Implementing Guidelines
for the Health Sciences Compensation Plan**

I. INTRODUCTION

The Health Sciences Compensation Plan (“Regents’ Plan” or “the Plan”) was approved by The Regents of the University of California in July 1999 and amended in 2012 for implementation at all University of California health sciences schools. In accordance with the Regents’ Plan, the President issued Conflict of Commitment and Outside Professional Activities of Health Sciences Compensation Plan Participants. The School of Medicine Implementing Procedures (“Implementing Procedures”) provide supplementary regulations for implementation of the Regents’ Plan at the University of California, San Francisco (UCSF) School of Medicine and were approved by the President on February 23, 2015. The Implementing Procedures are effective July 1, 2015 and supersede any and all previous Implementing Procedures as well as any previous Department or Organized Research Unit (“ORU”) Implementing Guidelines (“Implementing Guidelines”).

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

All clinical and/or patient care activities must be provided within the University setting or as part of an approved affiliation agreement or Professional Service Agreement. All clinical income is due the Plan. In no case are faculty who are members of the Plan (“Plan Participants”) allowed to retain income from outside clinical or patient care activities.

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

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

In addition to these Implementing Guidelines, Plan Participants, as defined in Section IV of these Implementing Guidelines, are also subject to the requirements of other University policies, including (1) the University's Conflict of Interest code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest; and (2) the Policy on Requirements to Submit Proposals and to Receive Awards for Grants and Contracts Through the University. A Plan Participant's compensated and/or uncompensated outside activities may create an obligation for the Plan Participant to disclose a financial interest before making or participating in certain University decisions. Faculty may obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the campus Office of Legal Affairs.

II. REVIEW AND APPROVAL RESPONSIBILITY

These Implementing Guidelines are developed to be consistent with the policy framework of the Regents' Plan and the School of Medicine's Implementing Procedures. Affected Plan Participants in the Department of Medicine shall be afforded the opportunity to review and comment on any proposed revisions to these Implementing Guidelines. All department/unit individual compensation plans ("department/unit guidelines") shall be reviewed by the School of Medicine Compensation Plan Advisory Committee ("Advisory Committee") and reviewed and approved by the Dean or his/her designee prior to implementation.

The Chancellor may approve individual exceptions to the provisions of the Regents' Plan to meet special teaching, research or clinical service requirements. All exception requests shall be proposed by the appropriate Department Chair ("Chair")/ORU Director ("Director") and approved by the Dean or his/her designee prior to the Chancellor's review. The School of Medicine Advisory Committee shall be provided the opportunity to review and comment on any

proposed exception(s) to the School's Implementing Procedures that the Dean intends to submit to the Chancellor for approval.

A. Advisory Committee

The Advisory Committee's role is to assist the Dean in resolving issues that may arise from Plan implementation. The Advisory Committee assists by assuring compliance with and resolving issues on outside professional activities, conflict of interest, and conflict of commitment. The Committee also reviews each Department and Unit Compensation Plan ("Implementing Guideline").

The Advisory Committee shall consist of six voting members, all of whom must hold faculty appointments and must be Plan Participants in Good Standing. Three members shall be appointed by the Dean and then three members shall be elected from the School's Plan membership. At least one member from each title series shall serve on the Advisory Committee at all times; the sixth member may represent any title series. The members shall be representative of the disciplines participating in the Plan. Elected committee members' terms shall be staggered in order to promote the stability of Committee membership. The terms of service will be three years; elected members may renew their term of service once.

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

- 1) Development of the School's Implementing Procedures, including the establishment of Good Standing Criteria, Academic Programmatic Unit (APU) assignments, and APU Scales. (See APM - 670-18-b for more information on APUs);
- 2) Department/Unit Guidelines, including methods for obtaining faculty input and for determining consistency with the School's Implementing Procedures;
- 3) Review of potential conflicts between a Plan Participant's commitment to generating revenue within the Plan and his/her outside professional activities, See APM - 670-19-c.
- 4) Review of Plan Participants' appeals regarding implementing and administering the Plan that are not resolved at the department or school level or are submitted to the Advisory Committee as a result of a determination of being found Not in Good Standing. Plan Participants who are Academic Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under the Academic Personnel Manual ("APM") - 140.

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

III. GOOD STANDING CRITERIA

A. Definition of Good Standing

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

Plan Participants should meet Department of Medicine guidelines regarding productivity in research, teaching, patient care, mentoring, and University service, as defined by their series, rank and step.

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

Loss of Good Standing may occur in the following instances:

- Finding of faculty misconduct
- Finding of research misconduct
- Finding of unsatisfactory performance in a Five-Year review
- Refusal or failure to participate in assigned duties
- Loss of clinical privileges (as required)
- Loss of licensure and/or credentials (as required)
- Refusal or failure to complete required trainings
- Lack of compliance with University policy and/or reporting requirements
- Failure to meet expectations related to the generation of salary support and/or shared expenses
- Participation in clinical or patient care activities performed outside of the University without an approved Professional Services Agreement or affiliation agreement.

Please see the appendix for additional information about Loss of Good Standing in the Department of Medicine.

B. Administrative Review Process

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

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

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

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

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

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

Appeal process: If a determination is made that the Plan Participant is Not in Good Standing and the Plan Participant believes that the Good Standing Criteria were unfairly applied, the Plan Participant may appeal to the Advisory

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

C. Consequences

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

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

Additional consequences may result, as set forth by other policies.

D. Return to Good Standing

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

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

If the Dean determines that all issues were resolved, the Dean shall provide a written assessment to the Chair. The Chair shall notify the Plan Participant, in

writing, that s/he has returned to Good Standing. A copy of the Dean's assessment shall be provided to the Plan Participant, the Chair, and the Vice Dean for Academic Affairs.

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

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

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

IV. MEMBERSHIP IN THE HEALTH SCIENCES COMPENSATION PLAN

Membership in the Health Sciences Compensation Plan ("the Plan") is a term and condition of employment. All new and continuing eligible members of the Plan ("Plan Participants") will receive a copy of the Regent's Plan document, the School's Implementing Procedures, the Department of Medicine Implementing Guidelines and any related School and/or department guidelines setting forth campus and department policies that are applicable to faculty covered by the Plan, as well as updates to these policies.

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

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

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

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

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

Deans and other faculty administrators shall be Plan Participants if they hold an underlying Health Sciences Compensation Plan faculty title; however, salary and reporting requirements are defined by the personnel policies that govern administrative appointments. If the faculty position is funded by two or more School of Medicine departments/units, the Plan Participant shall be subject to the department/unit guidelines of the department/unit in which the preponderance of his/her academic activities occur. Exceptions to this policy must be requested by submission of a written explanation for the request by the relevant Chairs/Directors and must be approved by the Dean or his/her designee.

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

A member of the faculty who was appointed in a health sciences school at the time of his/her retirement may be recalled as a Plan Participant in accordance

with APM 205. All recalled faculty are limited to a maximum total monthly effort of 43 percent. Retired faculty members who are recalled at a salary rate greater than base salary (X, X'), as defined in Section V below, regardless of percentage effort, are required to be Plan Participants. **For recalled faculty who are Plan Participants, all terms and conditions of the Plan apply, including the requirement that all clinical and/or patient care activities must be provided within the University setting or as part of an approved affiliation agreement or Professional Service Agreement. All clinical income is due the Plan. In no case are Plan Participants allowed to retain income from clinical and/ or patient care activities. All category I and II outside professional activities must be reported annually.**

V. COMPENSATION AND BENEFITS

No single member professional corporation or any other form of professional corporation, partnership or other entity for the provision of healthcare is permitted for Plan Participants without the express written approval of the President.

Plan Participants must be provided the opportunity to review and comment on proposed changes to these Implementing Guidelines as well as any significant modifications, including the setting of approval thresholds, setting of APUs and departmental assessment rates. The guidelines shall detail:

- the Base Salary scale(s); and
- the manner in which Additional Compensation is negotiated; and
- the methodology for calculating Incentive Compensation and the frequency of payments; and
- the department requirements on outside professional activities, including Good Standing criteria; and
- the department's policy on collecting and distributing income paid into the Plan; and
- the department's policies regarding paid and unpaid leaves of absence and sabbatical/professional development leaves.

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

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

Additional compensation shall be paid in accordance with the applicable University and department/unit guidelines during sabbatical leave, vacation leave, extended illness leave or other types of paid leave.

By July 1st of each year, each Plan Participant shall receive, in writing, from the Chair a statement of proposed compensation for the forthcoming fiscal year: July 1 – June 30. This communication must include the Plan Participant's Base Salary scale assignment, additional compensation, if applicable, and the methodology for calculating Incentive Compensation, if applicable.

All clinical and/or patient care activities must be provided within the University setting or as part of an approved affiliation agreement or Professional Service Agreement. All clinical income is due the Plan. In no case are Plan Participants allowed to retain income from patient or clinical care activities. All category I and II outside professional activities must be reported annually and certain approvals are required.

If a Plan Participant wishes to provide clinical care as a volunteer during an approved vacation leave, he/she shall consult with the Chair and Vice Dean for Academic Affairs well in advance of the proposed vacation leave to determine whether such activity is permitted.

For Plan Participants who engage in compensated clinical activities, in the event of termination of employment any outstanding account receivables will be treated in accordance with the compensation arrangement of the individual Plan Participant. Receivables originated by Plan Participants who do not receive Incentive Compensation will be the property of the University. Payments for outstanding accounts receivables will be paid through the University of California payroll system.

For Plan Participants who are eligible for Incentive Compensation, incentives earned from clinical activities and undistributed consulting income originated by Plan Participants prior to his or her separation from the Department will be paid out to the faculty member after appropriate School and Department taxes have been deducted. These payments will occur via the UC payroll system and will be net of the faculty member's salary, fringe benefits, and other expenses.

Salary Support During a Terminal Year Appointment for In Residence Faculty

Establishment of a terminal year appointment occurs when the appointment of an In Residence faculty member at Associate or Professor rank is converted from an appointment without an end date (“indefinite appointment”) to an appointment with a specific end date. This process includes a one-year notice period (“Terminal year appointment”) that the faculty member’s appointment in the In Residence series will end. Refer to the 2020 In Residence Task Force Report, September 2020 for a full description of the Governing Policies, General Provisions for Appointees, and the process for Establishment of a Terminal Year Appointment.

Salary Support:

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

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

Bank:

- When an In Residence faculty member experiences challenges sustaining 100% effort at the level of X+X”, the Department will establish a bank with a balance that is equivalent to one year of X+X’ at the faculty member’s current rank-step and make the funds available to the faculty member .
- The value of the “bank” is established during the first year of use and inflates annually, in accord with UC systemwide range adjustments (i.e., changes to UC salary scales), assuming the balance is not exhausted during the first year.
- The In Residence faculty member may access the funds in the bank over one year, consecutive years or non-consecutive years.
- Once the bank funds are exhausted and budget projections indicate that the funds will be fully depleted within one year, the Notification of

Terminal Year Appointment is given and the indefinite In Residence appointment will be converted to a terminal year appointment with a specified end date.

- At the time the Notification of Terminal Year Appointment is given, the department remains obligated to provide 12 months' salary support at X+X', as needed to maintain 100% effort.

Compensation

A. Total Compensation

Plan Participants shall receive Base Salary, as described below and in APM 670-19, be eligible for optional University additional compensation, as described below, and be permitted to retain other miscellaneous income, as described below and in APM 670-19.

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

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

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

Base salary is the approved rate on one of the Health Sciences Compensation Plan Salary Scales associated with a Plan Participant's academic rank, step and assigned APU. Base salary shall equal at least the approved rate on the Fiscal Year Salary Scale (HSCP Scale 0) for the Plan Participant's rank and step (X).

Base salary is covered under the University of California Retirement Plan (UCRP) up to the amount permissible under Internal Revenue Code provisions and in accordance with UCRP policy and provisions. Plan Participants' APU scale assignments shall be approved by the Dean or his/her designee and assignments may be changed in accordance with guidelines issued by the Chancellor. The differential between X (Scale 0) and a Plan Participant's rank and step on the HSCP Salary Scale assigned to the Plan Participant's APU is designated X-prime (X').

Effective July 1, 2020, whenever there is an adjustment to the HSCP scales that becomes effective mid-year (any time between 7/1 - 6/30, generally in October),

X' will increase, as stipulated by the range adjustment, and the Y salary component will be simultaneously adjusted, such that there is no change to fixed compensation ($X' + Y$) for the remainder of the fiscal year.

Effective with the implementation of these Guidelines, all Plan Participants in the Department of Medicine are on Scale 4 of the Health Sciences Scale except for one unit that was permitted to remain at their historically higher scale when they joined the Department's full-time faculty.

1) For the purpose of determining the Health Sciences Base Salary Rate, each department shall establish at least one APU. An APU shall be comprised of Plan Participants who have similar clinical, teaching, and/or research/scholarly responsibilities. The Chair shall assign each Plan Participant to an APU based upon his/her clinical, teaching and/or research responsibilities. Each APU shall be assigned to an HSCP Salary Scale, according to the School's Implementing Procedures and these Implementing Guidelines.

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

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

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

C. Optional University Additional Compensation

The Chair may provide for the payment of additional compensation, negotiated on an annual basis, to Plan Participants. This optional “Y” salary component is beyond the Fiscal Year base Salary (X) and Health Sciences Scale Differential (X’) and is never covered compensation under the University of California Retirement Plan (UCRP). Prior to implementing or revising these Guidelines, affected Plan Participants and the Advisory Committee shall be afforded the opportunity to review and comment on the proposed Guidelines.

Additional compensation may be paid, in accordance with fund source restrictions, as follows:

1) Negotiated additional compensation (“Y”)

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

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

The Department of Medicine uses several methods for setting Y; the methods are consistently used within a site and/or subspecialty: a) salary scales set by site and/or subspecialty by rank and step, b) availability of a reliable stream of individual or departmental funds, c) quality/scope/volume of work at the department, school or campus level, and d) adjustments to maintain equity for faculty performing similar work or roles. All salaries are approved annually by the Chair

2) Administrative Stipends

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

The department must consult with the Dean’s Office if they are proposing payment of such a stipend as part of the Plan Participant’s covered compensation because such stipend payments are generally reserved for Chairs and Directors in recognition of their significant administrative leadership responsibilities.

3) Incentive compensation (“Z”)

Plan Participants may receive incentive compensation, referred to as a Z payment, beyond the base and negotiated compensation, upon approval by the Chair. Incentive compensation is not considered covered compensation for UCRP. The Chair may earn incentive compensation upon approval of the Dean or his/her designee.

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

- Be in Good Standing, as defined in Section III of these Implementing Guidelines; and
- Maintain a positive Compensation Plan account balance; and
- Maintain solvent X and Y salary sources; and
- Maintain a three-month reserve in the Compensation Plan account that is sufficient to cover the department tax, if applicable, salary and benefits funded from the Compensation Plan, and other regularly occurring expenses.

In addition, the Plan Participant or his/her home division must be able to demonstrate availability of funds sufficient to cover department tax, as applicable, salary and benefits funded from the compensation plan, and other regularly occurring expenses, in order for incentives to be paid.

The Department has implemented an incentive plan as outlined below:

1. The department incentive will be equal to 80% of the surplus reported on individual income and expense statements up to an annual maximum, which is currently \$100,000 and which may be changed on an annual basis. The other 20% and any additional surplus will remain in the faculty member's division. The maximum amount will be reviewed annually by the Department's compensation plan advisory committee.
2. When calculating individual income and expense statements, shared divisional expenses should be deducted at the division level, before allocating revenue to individual faculty.
3. Faculty who do not typically generate clinical revenues in excess of their funding requirements can meet the criteria for a departmental supplement of up to \$100,000 per year by virtue of salary support on grants and/or by using discretionary funds. As described for the departmental bonus, faculty must contribute the 20% matching funds to their division from permissible sources.
4. The following programs have specific incentive methodologies that vary from the department incentive calculation described above:
 - Electrophysiology Section, Division of Cardiology (Parnassus/Mt. Zion)

- Division of General Internal Medicine (Parnassus/Mt. Zion)
 - Division of Geriatrics
 - Division of Hospital Medicine (Parnassus/Mt. Zion)
 - Kidney Transplant Unit (Parnassus/Mt. Zion)
 - Division of Nephrology (Parnassus/Mt. Zion)
 - Division of Pulmonary, Critical Care, Allergy and Sleep Medicine (Parnassus/Mt. Zion)
 - Medical Services at San Francisco General Hospital
 - Medical Services at San Francisco Veterans Administration Medical Center
5. With prior approval from the Chair, divisions may opt to use a work-RVU-based incentive methodology as an alternative to the department incentive calculation described above.
 6. Divisions must communicate incentive methodology, metrics, and targets to Plan Participants and receive approval by Chair, both to occur before June 30 of previous fiscal year. Mid-year changes are allowed under very limited circumstances and require input/discussion from the Plan Participants in the Division.
 7. Divisions are encouraged to include group goals as part of incentive calculation.
 8. Plan participants should be provided with reports at least 2x/year that provides data on progress relative to incentive metrics.

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

By May 31st of each year, each Plan Participant shall submit a written document to the Chair that specifies her/his preferences for allocating income within the Plan and obtain the Chair's written approval. The Chair shall submit a written request to the Dean or her/his designee to allocate funds for the upcoming fiscal year; the request will be reviewed by the Dean or her/his designee and, if approved, the Dean's office will issue a written approval to the Chair.

One of the following options for income accumulated in the Plan in excess of financial requirements that will remain in effect for the forthcoming fiscal year (July 1 - June 30) must be selected by the Plan Participant. Changes are not permitted under any circumstance until the following fiscal year.

The options are:

Option A: Z Payment

Income is paid as a “Z” payment on a periodic basis according to the Department schedule. A “Z” payment may be paid earlier than scheduled if the Plan Participant retires or separates from University employment or upon approval of the Chair. **This is the default option and it will be implemented each year for Plan Participants who do not request another option in writing by May 31st of the preceding fiscal year.**

Option B: Academic Enrichment Account

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

- The Academic Enrichment Account may be allocated from a portion of a Plan Participant’s outside professional activity income due to the Compensation Plan; or
- On an annual basis, if allowed by his/her department Implementing Guidelines, a Plan Participant may request that funds be allocated to an Academic Enrichment Account for the forthcoming fiscal year (July 1 through June 30) and such a request **must always occur in writing no later than May 31st of the fiscal year prior to the fiscal year in which the income will be earned.**
- The Chair or his/her designee reviews the Plan Participant’s allocation request and, if approved, gives written approval to the Plan Participant. Chairs may submit a written request to the Dean to allocate funds for the upcoming fiscal year to an Academic Enrichment Account. The request shall be reviewed by the Dean or his/her designee and, if approved, the approval shall be in writing.

Disposition of the funds in an Academic Enrichment Account is under the auspices of the department. UCSF, through the Chair, has final authority over the use and distribution of funds held in an Academic Enrichment Account.

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

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

For Plan Participants who are eligible for Incentive Compensation, incentives earned from clinical activities and undistributed consulting income originated by Plan Participants prior to his or her separation from the Department will be paid out to the faculty member after appropriate School and Department taxes have been deducted. These payments will occur via the UC payroll system and will be net of the faculty member's salary, fringe benefits, and other expenses.

D. Department/Unit Requirements on Outside Professional Activities

General Principles

Outside Professional Activities, whether compensated or uncompensated, and regardless of financial interest, are activities within a Plan Participant's area of professional, academic expertise and that advance or communicate that expertise through interaction with industry, the community or the public. Outside additional teaching, as described in APM - 671-10-a-(2)-(a), is included in this definition. Outside professional activities must not interfere with a Plan Participant's professional obligation to the University.

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

All clinical and/or patient care activities must be provided within the University setting or as part of an approved affiliation Agreement or Professional Service Agreement. All clinical income and income derived from patient care activities is due to the Plan. Plan Participants are never allowed to retain income from clinical or patient care activities. All income earned while on paid or unpaid leaves of absence (e.g., vacation, holidays, or weekends) is due the Plan. Income due the Plan must be deposited into the revenue account of the appropriate department/unit compensation plan fund. The types of professional income that are subject to these requirements, as set forth in the Regents' Plan, includes both cash and non-cash compensation (e.g., stock or stock options).

Mechanisms for Addressing Potential Conflicts of Commitment

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

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

Plan Participants are responsible for:

(1) Reading and actively complying with these Guidelines. Plan Participants are expected to consult these Guidelines and to obtain prior clarification and/or approval from their Chair and/or Vice Chair. Questions related to outside

professional activities can be directed to their Chair, Vice Chair or Associate Chair for Finance and Administration.

(2) Maintaining Good Standing in accordance with the Implementing Procedures and these Guidelines;

(3) Obtaining prior written approval for engagement in Category I activities;

(4) Maintaining a running total of annual earnings from, and time spent on, all outside professional activities;

(5) Depositing all income that exceeds the earnings approval threshold into the Plan, with the exception of income earned from Category III activities and certain other activities listed in APM - 671-10-b;

(6) Obtaining prior written approval to engage in outside professional activities that may result in exceeding the total annual time and/or earnings approval thresholds;

(7) Submitting annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Chair . The Chair shall submit his/her annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Dean or her/his designee;

(8) Attesting to adherence with the requirements of the policy in the annual report;

(9) Disclosing any current or prospective outside professional activity to the Chair if there is any conflict of commitment; and

(10) Obtaining prior approval from the Chair before involving a student in an outside professional activity (see APM - 671-8-f).

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

1. The limit on the amount of time that may be devoted to outside professional activities ("Time Threshold"):

The maximum amount of time allowed must not exceed the time limit established for compensated outside professional activities in Academic Personnel Policy 671 (currently 384 hours or 48 days), and shall not be less than 168 hours or 21 days).

In the Department of Medicine, the limit is 384 hours or 48 days. Plan Participants in the Department of Medicine are permitted to retain up to 48 days of outside income, as described in Number 3 below.

Plan Participants who wish to exceed the time or earnings threshold for outside professional activities stipulated in these Implementing Guidelines must receive advance written approval from the Chair and the Dean or his/her designee. The Chair must request advance written approval from the Dean or his/her designee.

All income from activities in excess of the time threshold is due the Plan, even if the earnings threshold has not been reached.

2. The limit of the amount of earnings from outside professional activities that a Plan Participant may retain (“Earnings Threshold”):

Effective with the issuance of these Guidelines, the maximum annual outside professional earnings threshold is \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater. This includes cash and non-cash compensation (see Section V.E).

All income from activities that exceed the earnings threshold is due the Plan, even if the time threshold has not been reached.

In the Department of Medicine, the annual outside professional earnings threshold is \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater.

As set forth in Section III of these Implementing Guidelines, Plan Participants must satisfy the Good Standing criteria in order to be allowed to earn and/or retain income from outside professional activities. A Plan Participant who has satisfied the Good Standing criteria set forth in these Implementing Guidelines who has not exceeded the department’s time threshold for outside professional activities, and whose annual earnings from all outside professional activities is estimated to be less than the income approval threshold, is allowed to engage in outside professional activities (other than clinical/patient care) without having to request prior approval from the Chair unless required by other Academic policies, e.g. APM 671 for Category I activities.

3. Retention/Non-retention of Income

Certain categories of income that accrue from occasional service, as described below, may be retained by Plan Participants. The Chair and/or Dean or his/her designee shall monitor the frequency of individual activity in these areas.

In the Department of Medicine, Plan Participants may retain income from Category I and II outside activities up to the annual earnings threshold of \$40,000 or 40% of the Plan Participant's academic year base salary scale (Scale 0), whichever is greater. Plan Participants may also retain income up to the annual time threshold of 48 days (384 hours). All income resulting from outside activities that exceed the time or earnings threshold is due the plan.

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

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

4. Categories of Outside Professional Activity

A conflict of commitment occurs when a Plan Participant's outside activities interfere with his/her professional obligations to the University. Outside professional activities are categorized based on the extent to which a conflict of commitment is likely to arise. When an activity could fall under more than one

category, it should be assigned to the category which requires more stringent reporting and prior approval.

Category I

Category I activities are most likely to create a conflict of commitment because: 1) they are activities related to the training and expertise which are the individual's qualification for University appointment, but performed for a third party, and/or 2) they require significant professional commitment.

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

Category I activities include, but are not limited to:

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

Category II

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

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

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

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

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

Category III

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

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

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

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

5. Other Income That May be Retained by Plan Participants

Income from the following activities may be retained by Plan Participants and does not count toward the earnings threshold. Time devoted to the following activities does not count toward the time threshold:

- Prizes, defined as gifts in recognition of personal achievements and not for services rendered;
- Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
- Honoraria, defined as payments by agencies outside the University for occasional lectures and similar public appearances beyond normal academic responsibilities to the University of California and which are not in return for other services, whether given directly or indirectly;

- University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus, as permitted by Academic Personnel Policy (See APM 666, Additional Compensation: Honoraria) and applicable UCSF policies;
- Administrative stipends; and
- Income from a profession unrelated to the training and experience which is the Plan Participant’s qualification for University appointment, as determined by the Chair, in consultation with the Dean or his/her designee.

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

The following table lists the different types of outside professional activities, whether the income from those activities should be retained by Plan Participants or is due to the Plan, and whether it is subject to the 48-day limit on outside professional activities.

| Category I and II Activities (Category I activities require prior approval by the Chair, Vice Dean for SOM AA, and the Chancellor. Category 1 and 2 activities must be disclosed in annual reporting and counted in the 48-day annual OPA limit) | | |
|--|---|---|
| | Outside income per fiscal year ≤ \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater | Outside income per fiscal year > \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater |
| ≤ 48 days | Advance approval needed for category one activity only; income retained by Plan Participant (not deposited to DOM comp plan) | Must request advance approval to perform work; must deposit outside earnings above \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater, to DOM comp plan |
| >48 days | Must request advance approval for category I activity; must deposit outside earnings above \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater, to DOM comp plan. Requests to exceed the earnings or annual time threshold of 48 days require advance | Must request advance approval to perform work; must deposit outside earnings above \$40,000 or 40% of the Plan Participant’s academic year base salary scale (Scale 0), whichever is greater, to DOM comp plan. Requests to exceed the annual time threshold of 48 days require advance approval from the Chair and Vice Dean for SOM AA. |

| | | |
|---|---|--|
| | approval from the Chair and Vice Dean for SOM AA. | |
| Category III Activities (are not required to be disclosed in annual reporting and do not count in 48-day limit) | | |

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

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

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

A Plan Participant who receives **stock options** in lieu of compensation for outside professional activities must disclose this fact to the Chair and the Dean's Office within 30 days of the date the stock option agreement is signed. The Dean's Office shall obtain a valuation of the stock options as of the date of the agreement. If the option offer price is equal to or greater than the stock's valuation/market price on the date the agreement is signed, no money is owed the Plan. If the option price is below its valued price on the date the agreement is

signed, the difference between the option price and the value of the stock is due the Plan. Following determination of the value of the stock, the Plan Participant shall be notified of the nature of any Plan obligations, based on the above methodology.

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

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

F. Exception Requests

To request approval to exceed the Earnings Threshold of \$40,000 or 40% of the Plan Participant's academic year base salary (scale 0), a Plan Participant must complete and submit the Earnings Threshold Exception Request form to his/her division chief, the Chair and the SOM Vice Dean for Academic Affairs. Division chiefs who request approval to exceed the threshold must submit their requests to their vice chairs. The chief (or vice chair) will verify that the Plan Participant is in good standing, and that issues around potential conflict of interest and/or conflict of commitment area resolved. The Chair will review requests approved by the chief. The Plan Participant must submit requests at least 30 days prior to the expected start date of the activity that will cause them to exceed the threshold.

Advance, written approval is required in the following instances:

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

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

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

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

If a Plan Participant wishes to engage in an outside professional activity that might reasonably be expected to exceed the earnings threshold, s/he must request written approval to engage in the activity. To request approval, the Plan Participant is required to submit a written request in advance of the activity to the Chair. The Chair shall submit a written request to the Dean or his/her designee. The request to exceed the earnings threshold must include relevant details about the proposed activity, including the nature of the services to be provided, the person or entity who will pay for the services¹, the anticipated period of service and/or hours to be devoted to the activity, the total expected earnings from the activity, and the amount by which the Plan Participant's total annual earnings from outside activities are expected to exceed the earnings threshold. The Chair shall forward to the Dean or his/her designee any request which requires review by the Dean and/or Chancellor, in accordance with these Implementing Guidelines and APM 670/671. If a request is not approved, the Chair shall advise the Plan Participant whether: 1) the activity may be undertaken, but with all related earnings accruing to the department, in accordance with these Implementing Guidelines and established accounting practices; or 2) the activity may not be undertaken. If a Plan Participant has received approval to engage in an activity that is reasonably expected to cause

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

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

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

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

The use of University staff, laboratories, facilities, or other University resources in connection with outside professional activities is subject to limitations. If the department's Implementing Guidelines permit Plan Participants to retain income from professional consulting for for-profit entities or expert witness activities, the costs associated with the consulting or witness activities are to be borne by the third party or the Plan Participant, not by the University (Faculty Code of Conduct, Part II. C, and APM- 015, Section II).

The University's liability and workers compensation coverage does not extend to any activity that is outside of the course and scope of the Plan Participant's University employment. Some outside professional activities, particularly certain consulting and expert witness testimony, would generally be considered outside the Plan Participant's course and scope of University employment, depending on

the facts and circumstances of any given case. Questions about University liability coverage or exposure in connection with a specified activity should be discussed with the Office of Risk Services at the Office of the President.

A reasonable amount of University resources may be used in support of activities to governmental agencies, non-profit health-or education-related organizations, continuing health education programs administered by the University, and/or University Extension, even if the individual Plan Participant retains the income from these activities.

Reasonable use of University resources includes use of office telephones or faxes for incoming or outgoing communications (although long-distance charges should not be borne by the University); use of departmental office space for interviews or other similar activities; use of University-provided computers (though not departmental computer support personnel); minimal use of administrative personnel to arrange meetings, prepare materials, schedule travel, etc. when these activities relate to the outside professional activities of a faculty member. Questions about appropriate use should be directed to the Plan Participant's division chief; if the Plan Participant is a chief, questions should be directed to the Chair.

H. Involvement of Students in Outside Professional Activities

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

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

If the Plan Participant has, or expects to have, academic responsibility (instructional, evaluative, or supervisory) for the student, the Plan Participant must obtain prior written approval from the Chair before involving a student in an outside professional activity, regardless of whether the Plan Participant is compensated or has a financial interest in the activity. Involvement of students means any substantive activity in which the student participates, whether the student is compensated or uncompensated. The involvement of a student in the

outside professional activity of a Plan Participant must never affect, positively or negatively, the Plan Participant's evaluation of the student's performance in any other context.

I. Records and Reporting of Outside Professional Activities

Plan Participants are responsible for maintaining updated records and a cumulative total of their annual earnings and the time devoted to all outside professional activities, whether or not they believe they will exceed the time or earnings threshold and whether or not the funds are due the Plan.

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

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

J. Non-Compliance

1. Monitoring and Enforcement

The Chair has the primary responsibility for monitoring and enforcing the requirements of these Guidelines. The primary means of monitoring compliance shall be the Chair's review of the information the Plan Participants provide in their annual report on outside professional activities. If the Chair has concerns about whether a Plan Participant is meeting the established standards, the matter should be referred to the Dean's Office. The responsibility for oversight of the outside professional activities of the Chairs resides with the Dean and may be delegated to the Vice Dean for Academic Affairs.

2. Corrective Action and Disciplinary Measures

The University reserves the right to impose administrative remedies and/or to take corrective action and disciplinary measures against any Plan Participant who fails to comply with the Plan, the School's Implementing Procedures, and/or these Implementing Guidelines on outside professional activities.

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

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

Corrective action may include the discontinuation of certain privileges available only to Plan Participants, including, but not limited to, the opportunity to earn and receive compensation above the academic year salary scale through the Plan.

Corrective actions may include:

- (a) Discontinuation of Incentive Compensation or other bonus compensation (the "Z") until the Plan Participant complies with the Regents' Plan provisions and the provisions of these Guidelines; and/or
- (b) Additional Compensation (the "Y") may be set with consideration of the Plan Participant's prior performance, including compliance with the requirements on outside professional activities, as defined in these Guidelines.

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

University resources and/or retention of funds belonging to the University. Such violations are subject to discipline in accordance with the Faculty Code of Conduct and/or APM 150.

While reductions in compensation may be related to corrective action, such reductions may occur for other reasons, such as insufficiency of current year income or contingency reserves. Whenever there are planned reductions in compensation for a Plan Participant, the Chair shall provide the Plan Participant with written notice.

A reasonable amount of University resources may be used in support of activities to governmental agencies, non-profit health- or education-related organizations, continuing health education programs administered by the University, and/or University Extension, even if the income from these activities is retained by the individual Plan Participant.

3. Complaints and Appeals

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

4. Grievance Rights

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

K. Conflict of Interest Code

A Plan Participant's compensated and/or uncompensated outside activities may create an obligation for him/her to disclose a financial interest before making decisions or participating in certain activities. The University's Conflict of

Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974, requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest. Additional information about these requirements is available through the campus Office of Legal Affairs.

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

Benefits

M. Benefits Overview

1. Base Salary-Related Benefits

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

2. Optional Benefits on Additional Compensation

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

3. Paid Leave

A Plan Participant who is eligible for sabbatical leave, leave with salary, or extended illness leave shall be granted such leave and will be paid at a rate that

is at least the Plan Participant's Health Sciences Scales Base Salary rate ($X + X'$), as set forth in these Implementing Guidelines and detailed in the annual statement of proposed compensation. A Plan Participant who leaves University service or transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the Plan Participant's total negotiated salary rate at the time of separation.

With the exception of the two provisions below, or where explicitly stated in policy, Plan Participants are eligible for leaves as defined in APM - 710 - 760.

a) Extended Illness Leave

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

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

Faculty who can perform part of their usual duties or other duties assigned by the Department 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 Department's expense, the Department of Medicine will provide salary continuance during periods of extended illness or disability as follows:

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

Plan Participants with 3+ years of service: Plan Participants who are unable to work for health reasons and who have more than three years of service at the time of illness/disability will receive full salary ($X+Y$) for 180 calendar days. A maximum of 180 calendar days of full salary ($X+Y$) continuation will be provided to a Plan member during a period of six fiscal years. Plan Participants who have used any months will regain 30 days per subsequent year or fraction thereof until 180 calendar days have been re-accumulated.

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

Plan Participants who are unable to return to work after using their extended illness/disability leave will no longer be paid by the Department. However, the Plan Participant may be covered by employee and/or employer-paid plans, in which s/he had previously enrolled via the University or an outside source.

Plan Participants are strongly encouraged to review their individual insurance needs for extended illness/disability leave and to consult current extended illness/disability policy documents for complete information about the University plan and the coverage they provide. Plan Participants are encouraged to apply for supplemental disability insurance with a 30 day waiting period.

b) Pay for Family Care and Bonding:

Pay for Family Care and Bonding (PFCB) is a wage replacement program offered by the University of California. Effective July 1, 2021, faculty may be eligible for 70% of their $X + X'$ earnings ($X+X'$) for specific types of Family and Medical Leaves (FML). The PFCB is available for up to 8 work weeks per calendar year. To determine the interaction between the PFCB and compensation plan benefits, the Academic Shared Services team should be consulted.

c) Childbearing Leave

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

Paid childbearing leave will be allocated in one 12-week block (84 consecutive calendar days). At the direction of the Plan Participant's health care provider, the childbearing leave may be allocated in intermittent periods, consistent with the provider's medical recommendations and the Plan Participant's eligibility for Family and Medical Leave (FML). If the Plan Participant cannot return after 12

weeks of childbearing leave and qualifies for additional leave on the basis of medical need, the period of childbearing leave may be followed by extended illness leave, and, if necessary, any disability benefits which may apply.

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

d) Paid Childrearing Leave

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

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

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

e) Parental Leave *Without Pay*

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

f) Other Paid Leave

Paid leave at full salary ($X+ X'+Y$) will be granted when a Plan Participant is unable to work because s/he must care for a spouse, domestic partner, child or parent who is ill. Paid leave under such circumstances shall be paid at full salary

for a maximum of five days per Plan Participant per year. If eligible for family and medical leave in accordance with APM 715, the five-day paid leave will run concurrently with the family and medical leave.

g) Bereavement Leave

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

h) Vacation Leave

Per APM 730, academic personnel, including Plan Participants, who are appointed on a fiscal-year basis accrue vacation at the rate of two working days per month for full-time service.

Vacation leave is subject to the following provisions:

- Regularly scheduled days off and University administrative holidays shall not be charged against vacation time.
- Periods of academic recess are not regarded as vacation (See APM - 720-4)
- Vacation shall not accrue during a leave of absence without salary.
- Vacation credit may accumulate to a maximum of 384 hours for full-time employees. The maximum accumulation for appointees working half-time or over is the same maximum number of hours as that of full-time employees.

Accrued vacation shall be used at a time or times in keeping with the program of work being conducted by the Plan Participant and approved by the supervisor, chair or his/her designee. If a Plan Participant is given written notice from the Chair, s/he will be required to use vacation accrued after the notice date and before the expiration of her/his University appointment or the expiration of the funding source(s) of her/his appointment.

A Plan Participant may not anticipate vacation, i.e., vacation is limited to the allowance that has been accrued by the date set for the Plan Participant's vacation except when authorized by the Chancellor for use during holiday closures.

Accrued vacation may be used for medical leave purposes (see APM -710, 715, and 760).

Records of vacation leave used shall only be recorded in one-day increments or in increments not less than that portion of a day during which a Plan Participant with less than a full-time appointment is normally scheduled to work.

A Plan Participant who leaves University service shall be paid for accrued vacation at his/her pay rate at the time of separation. A Plan Participant who transfers from a vacation-accruing title to a non-accruing title shall be paid for accrued vacation at the time of the transfer.

The department is required to maintain vacation use records of Plan Participants who accrue vacation leave. Unless specifically exempt from the HBS Timekeeping System, each Plan Participant must log into the HBS system on a monthly basis to certify her/his vacation time. Even if no leave is taken, each Plan Participant must log into the HBS system to indicate that no leave was used.

i) Sabbatical Leave

Sabbatical Leaves are a privilege accorded to eligible Ladder Rank Plan Participants 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 Plan Participant's rate of covered compensation. Additional compensation may be granted from the same or similar sources as those providing negotiated compensation prior to the period of leave (i.e., Plan Participants may not accept salary directly from another institution while on sabbatical), but any salary above covered compensation shall be limited by the availability of extramural, clinical or other discretionary funds. Total salary during sabbatical leave from all sources may not exceed the Plan Participant's total salary prior to the leave. Plan Participants remain members of the Compensation Plan and subject to all of its requirements while on sabbatical leave, including, but not limited to, those pertaining to outside professional activity and income, intellectual property, and conflict of commitment.

The maximum period for a professional development leave is 12 months. The time allowed depends on the amount of accrued leave credit, as well as the goals and academic plans for the sabbatical. Fiscal-year appointees accrue four quarters of sabbatical leave credit per calendar year, excluding periods of leave of absence without salary. The maximum number of credits which may be accrued is forty quarters or ten years. The smallest unit of leave one can take is one quarter or up to three months.

Sabbatical Leave Credit for Fiscal-Year Appointees on the Quarter System as found in the APM 740-Chart II:

Sabbatical Leave Per Quarter

| Qualifying service | 1 Quarter | 2 Quarters | 3 Quarters | 4 Quarters |
|--------------------|----------------|----------------|----------------|----------------|
| 6 quarters | 0.67 Salary* | | | |
| 9 quarters | Regular Salary | | | |
| 12 quarters | | 0.67 Salary* | | |
| 15 quarters | | 0.83 Salary | | |
| 18 quarters | | Regular Salary | | |
| | | or | 0.67 Salary* | |
| 21 quarters | | | 0.78 Salary | |
| 24 quarters | | | 0.89 Salary or | 0.67 Salary* |
| 27 quarters | | | Regular Salary | |
| | | | or | 0.75 Salary |
| 30 quarters | | | | 0.83 Salary |
| 33 quarters | | | | 0.92 Salary |
| 36 quarters | | | | Regular Salary |

* Or regular salary if leave is taken in residence.

j) Professional Development Leave

Plan Participants who are not eligible for sabbatical leave may apply for professional development leave. When it is financially feasible, the department may but is not required to approve professional development leaves for Plan Participants, applying roughly the same eligibility and salary rules that apply to sabbaticals. Such leaves will generally not be approved for more than six months' duration. During an approved professional development leave, the salary rate will at a minimum be equal to the Plan Participant's rate of covered compensation. Additional compensation may be granted from the same or similar sources as those providing negotiated compensation prior to the period of leave (i.e., faculty may not accept salary directly from another institution while on leave), but any salary above covered compensation shall be limited by the availability of extramural, clinical or other discretionary funds. Plan Participants remain members of the Compensation Plan and subject to all of its requirements while on professional development leave, including, but not limited to, those pertaining to outside professional activity and income, intellectual property, and conflict of commitment.

The maximum period for a professional development leave is 12 months. The time allowed depends on the amount of accrued leave credit, as well as the goals and academic plans for the sabbatical. Fiscal-year appointees accrue four quarters of sabbatical leave credit per calendar year, excluding periods of leave of absence without salary. The maximum number of credits which may be

accrued is forty quarters or ten years. The smallest unit of leave one can take is one quarter or up to three months. Please see the table above in Sabbatical Leave Credit for Fiscal-Year Appointees on the Quarter System (above) for the calculations.

k) Other Leaves with Pay

In accordance with the Academic Personnel Manual, leaves of absence with pay may occasionally 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.

k) 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, Vice Dean for Academic Affairs, and Vice Provost for Academic Affairs. In general, such leaves may not exceed one year.

During such periods of leave, Plan Participants may not engage in compensated outside professional activities, and they shall remain members of the Compensation Plan and subject to all of its requirements included but not limited to those pertaining to outside professional activity and income, intellectual property and conflict of commitment.

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

l) Active Service Modified Duties (ASMD)

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

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

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

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

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

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

VI. ACCOUNTING AND BUDGETING METHODS

A. Management and Reporting of Income and Expenses

All professional services income generated by Plan Participants shall be accounted for and reported as revenue of the University; the only exception to this requirement shall be income which the Plan Participant is allowed to retain, in accordance with these Implementing Guidelines.

All income owed the University must be deposited in accordance with University cash/check handling policies and procedures and recorded in the appropriate revenue account and a fund within the UCOP fund group 409140. For payments made directly to the individual Plan Participant and owed to the Plan, the check should be endorsed payable to the University and deposited in the same fund. A receipt for each such deposit should be provided to the Plan Participant.

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

In accordance with the Plan, all professional fee billing and collection activities shall be conducted by a University billing group or by an external vendor which has been approved by which has been approved by the Vice Chancellor for Health Affairs and the UCSF Health Executive Director for Patient Financial Services..

B. Assessment of Professional Fee Income

Assessments will be collected monthly. All department/unit guidelines must detail the disposition of outside professional income due the Plan, including the methodology for calculating any departmental/unit assessments.

A rate annually recommended by the Dean and approved by the Chancellor for each Department shall be applied against gross professional fee collections. The Department of Medicine's Dean's tax, which is subject to change annually, currently is 3.7% at Parnassus/Mt Zion and 3% at ZSFG.

1) Patient Care Taxes

Information on departmental tax rates on patient care income will be available to each faculty member at the beginning of the fiscal year.

2) Outside Professional Income

The sum of the Department's and Dean's tax will be 20% of the deposited income. Currently, with the Dean's tax at ~4%, the Department tax will be approximately ~16%. If the Dean's tax changes, the Department tax will adjust accordingly so that the combined tax will total 20%.

C. Budgeting and Accounting

All the funds and transactions associated with the Plan will be accounted for in accordance with the applicable sections of the University accounting manuals. The department shall develop and submit to the Dean an all funds consolidated budget/forecast at regular intervals as determined by the Dean's Office. Except where accumulated surpluses are being used to support an extensive growth phase, it is expected that revenue will always be adequate to support anticipated expenses. Departments/Units should clearly indicate the funding mechanism for all benefits provided under the provisions of the Plan.

Current Year expenditures shall be budgeted for and funded in the following order of priority:

- 1) Clinical practice operating expenses, defined as costs incurred by the department/unit for all related operating activities, including administrative overhead.
- 2) To the extent that funds remain after expenditures for clinical practice costs indicated in 1) above, compensation may be paid to eligible participants in the Plan. Base salary and related benefits, including any required contribution on behalf of UCRP-covered compensation, shall be funded before additional compensation.
- 3) To the extent that funds remain after the foregoing expenditures, benefits approved in accordance with the Regents' Plan may be paid. The department shall maintain a Reserve for Contingencies. These reserves will be used for such academic purposes as funding necessary renovation projects, recruitment expenses, or unfunded research expenses, and as a security for emergencies. In the event that the department has accumulated a surplus beyond that required to cover contingencies, it is expected that these funds will be used to enhance the department's academic program or to develop new programs as recommended

by the Chair and approved by the Dean. Fund balances will be monitored quarterly by the Dean or his/her designee.

University of California
Department of Medicine
 Implementation Guideline for the Health Sciences Compensation Plan
APPENDIX

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I. SPECIFIC DEPARTMENTAL COMMITMENTS FOR THE VARIOUS ACADEMIC SERIES

1. Ladder Rank (FTE)

Faculty members appointed in the ladder rank (FTE) series have continuous funding from the University of California State 19900 budget. Permanent and temporary budget reductions have resulted in funding for each faculty FTE at approximately 55%. This percentage is reviewed annually and is subject to change based on increases or reductions in state budget allocations. The Department credits each ladder rank faculty member with approximately 55%, or the revised percentage, unless the faculty member chooses voluntarily to use these funds for purposes other than their salary. Faculty in the ladder rank series

must hold 100% appointments except for personal health reasons or, following review and approval by the chair, vice dean and vice chancellor, because of family responsibilities.

2. In-Residence

In accord with the Report of UCSF In-Residence Task Force, faculty in the In-Residence series at the Associate and Full Professor ranks may have appointments with no specific ending date. Their appointments are contingent upon continuation of funding and may be converted to one with an ending date as a result of budgetary reasons, programmatic reasons, and/or lack of work. UCSF will support appointments with indefinite end dates for In-Residence faculty at the Associate Professor and full Professor ranks, provided that at the time of appointment, there is an explicit understanding that the individual's salary support does not involve departmental or divisional support, unless explicitly committed in a formal letter of agreement from the Department Chair or Dean.

The Department follows the UCSF In-Residence guideline for one year of support for Associate and full Professors. Effective 7/1/10, the year of support is calculated as a bank of support equal to one year of base salary (X at scale) plus fringe. The value of the bank is established in the first year of use, however, any remaining bank balance will inflate annually in accord with any COLA or merit increments and is available for use in future years. Any prior expenditures from the bank can be replenished in future years by the faculty member.

Faculty in the In-Residence series must hold 100% appointments except for personal health reasons or, following review and approval by the chair, vice dean and vice chancellor, because of family responsibilities. When continued appointment in the In-Residence series is not possible, conversion to an appointment in a non-Senate series is at the discretion of the Department.

3. Clinical "X"

Appointments in the Clinical X (e.g., Clinical Professor of Medicine) series are year-to-year appointments. By University policy, no prior notice of termination is required if an appointment is scheduled to lapse at the end of an academic year. However, the Department of Medicine will follow the guidelines below for terminating a position (if funding sources permit):

- Less than 2 years of service: may be given a minimum of **6 months'** notice
- Greater than 2 years of service: may be given a minimum of **1 year** notice

Notice may be in the form of termination or reduction in salary to the level supported by the faculty member.

Faculty in the Clinical X series must hold 100% appointments except for personal health reasons or, following review and approval by the chair, vice dean and vice chancellor, because of family responsibilities. When continued appointment in the Clinical X series is not possible, conversion to a non-Senate series is at the discretion of the Department.

4. Clinical

Appointments in the Clinical series are year-to-year appointments. By University policy, no prior notice of termination is required if an appointment is scheduled to lapse at the end of an academic year. However, the Department of Medicine will follow the guidelines below for terminating a position (if funding sources permit):

- Less than 2 years of service: may be given a minimum of 60 days' notice
- Greater than 2 years of service: may be given a minimum of 90 days' notice

The form of notice may be termination or reduction in salary to the level supported by the faculty member. Conversion to part-time status will be at the discretion of the Department.

5. Adjunct

Appointments in the Adjunct series are year to year appointments. By University policy, no prior notice of termination is required if an appointment is scheduled to lapse at the end of an academic year. However, the Department of Medicine will follow the guidelines below for terminating a position (if funding sources permit):

- Less than 2 years of service: may be given a minimum of 60 days' notice
- Greater than 2 years of service: may be given a minimum of 90 days' notice

The form of notice may be termination or reduction in salary to the level suggested by the faculty member. Conversion to part-time status will be at the discretion of the Department.

II. ADDITIONAL INFORMATION ON FACULTY LEAVE PLANS

1. Illness/Disability Leave

After a faculty member's illness/disability leave has been exhausted (see Section C.1.e., Illness/Disability Leave in Department of Medicine Implementation Guidelines), the faculty member will need to rely upon employee-paid short-term University disability benefits and/or on personally funded private disability insurance. The University's current plan is detailed below. The terms of these benefits are subject to change and are not within the control of the Department of Medicine.

Disability Plan on " X ": The University-paid disability plan pays short-term benefits up to 55% of X (maximum is \$800/month) for up to six months, after the waiting period has been met. For more specific information, please see http://atyourservice.ucop.edu/employees/health_welfare/index.html.

Disability Plan on " Y ": After a one-year waiting period, long term disability (beyond one year) is a University paid benefit for the " Y " portion of a faculty member's salary if certain conditions have been met. For more specific information, please see <http://ucsfhr.ucsf.edu/index.php/benefits/article/health-sciences-compensation-plan/>.

You are encouraged to review your personal benefits coverage. Additional details on these plans are available from the Department's Academic Affairs Manager or at the websites listed above.

III. COMPLIANCE WITH THE PROVISION, DOCUMENTATION, AND BILLING OF CLINICAL SERVICES AND WITH THE RESPONSIBLE MANAGEMENT OF RESEARCH AND ACADEMIC ACCOUNTS

I. Documentation and Billing of Clinical Services

Faculty members who participate in clinical activities under the auspices of the Department of Medicine at the University of California, San Francisco (UCSF) School of Medicine, must abide by all rules and regulations of the medical staff of the affiliated hospitals at which they are credentialed.

A. Provision of care

1. In performing all clinical activities faculty members will exercise the clinical skills, judgment, and professionalism expected of physicians at a leading medical school and hospitals.
2. Recognizing that timeliness is critical to the provision of medical services, faculty members are required to respond and provide requested clinical services (both in the inpatient and outpatient services) in a prompt and timely manner.

B. Documentation of care

1. Faculty members have a legal and professional responsibility to document promptly all clinical services performed: inpatient notes will be completed within 24 hours and outpatient notes within 72 hours of the provision of services.
2. Clinical notes should be clear and comprehensive, thereby facilitating the patient's care and subsequent care by other physicians. ⁽²⁾
3. Clinical notes will be written, dictated and transcribed, or typed consistent with the templates or procedures required by a faculty member's Division and Department. If patient care notes are in an electronic format or are transcribed, the faculty member will, within 48 hours, review the notes, confirm their accuracy, and provide an appropriate electronic signature.

C. Billing for clinical services

1. The faculty member must ensure that his/her written documentation supports the level of service provided.
2. Since clinical notes are the basis for all billing, the faculty member is responsible for configuring and formatting (in terms of both clarity and content) the note to expedite the billing process.
3. The generation of billing codes will be done either by professional coders or by the faculty member, as per Division and Department policy.
4. The faculty member will abide by all policies regarding discounts and charity care as determined by the UCSF Medical Group or the appropriate practice group at the affiliated hospital(s).

5. The Chief of the Medical Service at each of the UC-affiliated hospitals may suspend the clinical activities of any faculty member who has violated the rules and regulations of the Department of Medicine. ⁽¹⁾
6. For those clinicians who fail to meet the documentation requirements, three progressive steps will be taken:
 - The first letter from the Department of Medicine Director of Clinical Operations and Revenue Management will inform the faculty member of the noncompliance with policy and recommend immediate action to correct the problem (the clinician's division chief will be notified of the problem);
 - If the problem is not corrected within the required time frame proposed in the initial letter, a second letter from the clinician's division chief will be sent to the clinician;
 - If the problem persists, the clinician will receive a third and final letter from the Chair. For clinicians practicing at Parnassus/Mt. Zion, this letter will be copied to the UCSF Medical Staff Office.
7. If the faculty member is not in compliance with the UCSF Department of Medicine's Health Sciences Compensation Plan (attached) or the above regulations, any projected direct loss of revenue may, at the discretion of the Department as guided by its Compensation Plan Advisory Committee, be used in calculating bonus eligibility and future salary.
8. Since the above clinical responsibilities are aspects of professional competency, the faculty member recognizes that failure to meet these obligations will influence decisions regarding academic advancement, reappointment, and all other academic decisions under review by the Department of Medicine's Executive Promotions Committee.
9. The faculty member recognizes that if issues related to clinical performance, documentation, or billing compliance are brought to the Compensation Plan Advisory Committee or the Executive Promotions Committee, the faculty member will have the right to submit written materials and/or appear in person before a decision is rendered by these committees.

II. Research and Academic Accounts

Faculty members are responsible for managing their grants, contracts, and other academic accounts.

Overdrafts and deficits

Any deficit incurred by any grant, contract, or other academic account are the responsibility of the faculty member.

Compliance and oversight

1. Faculty members who have recurrent issues or unresolved deficits, at the Department's discretion, may be
 - a. put into "receivership," whereby the faculty member will no longer have sign-off authority on any account, and any and all expenditures must be approved by the Department, and/or
 - b. prohibited from submitting new grants or contracts or accepting new funds.

2. The Department can and will use other funds generated by or in any accounts held by the faculty member to offset any deficits at the discretion of the Department.

If you have any questions regarding this document or its requirements and regulations, please contact your Division Chief. It is expected by the Department that all faculty members will comply with these requirements and regulations or be subject to the penalties and disciplinary actions associated with violations of the provision, documentation, and billing of clinical services. Such actions may include, but are not limited to, adjustment of future salary, forfeiture of leadership roles with the department, delayed or foregone promotions because of unprofessional behavior, and non-renewal of appointment.

References

1. UCSF Medical Staff Bylaws, Rules and Regulations; Section 2.I.B.3(d)(i)
2. UCSF Compliance Manual; Section I.R

IV. CLARIFICATION OF LOSS OF GOOD STANDING

I. Background

The Department of Medicine compensation plan describes the concept of "Good Standing." It establishes criteria for situations which can trigger loss of good standing and lists potential consequences for loss of good standing. It also describes an Administrative Review Process to resolve situations where a Plan Participant disagrees with a determination of loss of good standing and/or disagrees with whether good standing has been restored. The process outlines the roles of the Department Chair, Dean, and SOM Compensation Plan Advisory Committee in adjudicating disputes.

It is recognized that the criteria that trigger loss of good standing are somewhat ambiguous. When a concern about a Plan Participant is identified, determining the appropriateness of the consequences and corrective action requires review of the seriousness of the issue, the strength of the evidence, and existence of prior issues. That said, this document is intended to clarify, to the extent possible, the circumstances that would trigger loss of good standing, per recommendations made by the SOM Compensation Plan Advisory Committee.

2. Principles

Several key principles were recommended by the DOM Committee:

- Loss of good standing results from a serious concern about a Plan Participant.
 - o It leads to loss of privileges that are provided in the compensation plan, including reduction in compensation and restrictions on outside professional activities. Loss of good standing should be considered a “last step” once other options or corrective actions have been exhausted.
 - o Consequences for Plan Participants should be similar to those for staff and trainees.
- The formality of process used to identify the problem and to determine the severity of consequence should be proportional to the seriousness of the problem. For example, malfeasance should have more severe consequences than low productivity or failure to complete encounter forms.
- Chronic or repeat offenses by a Plan Participant, or failure of the Plan Participant to take corrective action, should result in escalating consequences.
- DOM should be clear in communicating expectations to the Plan Participant.
- Loss of good standing is not the same as loss of faculty appointment, though loss of good standing could be a precursor to losing one’s appointment.

3. Departmental Administrative Review Process

The DOM compensation plan outlines an Administrative Review process when there is disagreement between a Plan Participant and the Department Chair related to the determination of Good Standing of that Plan Participant. The following section describes the review process for concerns about fulfillment of

faculty duties and/or faculty conduct within the Department of Medicine for issues as identified as “minor” or mid-level” (as described above).

The division chief holds primary responsibility for communicating concerns about fulfillment of faculty duties and/or faculty conduct to the Plan Participant and determining consequences. The division chief and Plan Participant should strive for informal resolution as appropriate to the circumstances, with a specific timeline for resolving the conflict defined by the division chief. The chief shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan Participant. When there is a dispute about the appropriateness of the consequences, the Plan Participant may contact the Department Chair for resolution. The Department Chair will determine whether the issue should be brought for review by the DOM Compensation Plan Advisory Committee.