I. INTRODUCTION

This document sets forth Health Sciences Compensation Plan Bylaws for the Departments of Biological Chemistry, Biomathematics, Human Genetics, Microbiology, Immunology & Molecular Genetics, Molecular & Medical Pharmacology, Neurobiology, and Physiology ("DGSOM Basic Science Departments") under the UCLA David Geffen School of Medicine ("DGSOM") Implementing Procedures, which are in accordance with the UC Health Sciences Compensation Plan (the "Plan") and the Conflict of Commitment and Outside Activities of the Health Sciences Compensation Plan participants. This document is effective July 1, 2017 and supersedes any previous Compensation Plan Bylaws in the DGSOM Basic Science Departments.

In adopting these Bylaws, the faculty and administration of the DGSOM Basic Science Departments affirm the philosophy outlined in the Plan. The Plan, the DGSOM Implementing Procedures, and these Bylaws will be used in the DGSOM Basic Science Departments to foster academic balance among the joint responsibilities of teaching, research, and other public service responsibilities. Individual levels of compensation shall be established to as to maintain this academic balance and to permit the recruitment and retention of the individuals necessary for the DGSOM Basic Science Departments to fulfill its missions at a level of excellence.

In addition to these Bylaws, faculty who are members of the Plan ("Plan participants"), as defined in Section IV. of this document, are also subject to the requirements of other University policies, including (1) the University’s Conflict of Interest code, adopted pursuant to the requirements of the Political Reform Act of 1974, which requires designated University employees to disqualify themselves from participating in University decisions in which they have a personal financial interest; and (2) the Policy on Requirements to Submit Proposals and to Receive Awards for Grants and Contracts Through the University. A Plan participant’s compensated outside activities may create an obligation for the Plan participant to disclose a financial interest before making or participating in certain University decisions. Faculty may obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation, from the Office of Campus Counsel.

II. REVIEW AND APPROVAL RESPONSIBILITY

These Bylaws are developed to be consistent with the policy framework of the Plan. Affected Plan participants in the DGSOM Basic Science Departments shall be afforded the opportunity to review, comment, and vote on any proposed revisions to the DGSOM Basic Science Departments’
Bylaws, including consultation with the DGSOM Health Sciences Compensation Plan Advisory Committee ("Advisory Committee"). All such revisions shall be reviewed by the Advisory Committee and approved by the Dean or his/her designee prior to implementation.

The Chancellor may approve individual exceptions to the membership provision of the Plan to meet special teaching, research, or service requirements. All such exception requests shall be proposed by the Chairs of the DGSOM Basic Science Departments and approved by the Dean or his/her designee prior to the Chancellor’s review. The Advisory Committee shall be provided the opportunity to review and comment on any proposed exception(s) to these Bylaws that the Dean intends to submit to the Chancellor for approval.

A. Health Sciences Compensation Plan Advisory Committee

The Health Sciences Compensation Plan Advisory Committee is a school-specific committee comprised of eight voting members, four members appointed by the Dean and four elected members, one each from Departments grouped in the following categories: 1) Basic Science; 2) Medical Specialties; 3) Surgical Specialties; and 4) Hospital Specialties. The Vice Dean for Faculty shall serve as an ex officio member.

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

For further information on the Health Sciences Compensation Plan Advisory Committee, please refer to Appendix B in the DGSOM Implementing Procedures.

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, as determined by the Chair. Examples of the reasons for loss of Good Standing include a finding of faculty misconduct or research misconduct, unsatisfactory performance in a Five-year Review, refusal or failure to participate in assigned duties, failure to meet expectations related to teaching duties, loss of licensure and/or credentials (as required), refusal or failure to complete required trainings, and failure to comply with Compensation Plan policies, procedures, and/or reporting requirements.

Good Standing Criteria shall include:

- Maintaining eligibility for on-time advancement or finding of a satisfactory performance in a Five-year Review;
• Meeting departmental expectations related to teaching and service;
• Participating in mentoring junior faculty and students;
• Timely use of departmental resources for grant application;
• Ongoing adherence to lab safety requirements of the University;
• Completing the annual certified outside professional activities report by the established deadline;
• Timely completion of required trainings and certifications; and
• Maintaining compliance with University policies and departmental practices.

Further, Plan participants are expected to be responsible for actively participating in activities that support their Department’s objectives. Plan participants are also 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.

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 of the Plan participant’s home Department shall meet with the Plan participant to discuss how to remedy the situation and review the specific consequences, as determined by the Plan including, but not limited to, initiating the formal process outlined below. The Chair and the Plan participant should strive for informal resolution as appropriate to the circumstances, but a specific timeline for resolving the conflict must be defined by the Chair. The Chair shall prepare a written document that summarizes the discussion; a copy of this document shall be given to the Plan participant.

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

The Plan participant shall be given a copy of the Chair’s written statement and have the opportunity to provide a written response to the Chair within 30 days. If the issue is resolved within the 30-day response period, the Chair shall provide the Plan participant with a written document that the matter is closed.

If the issue is not resolved within the 30-day response period, the Chair’s written statement, any supporting documentation, and the Plan participant’s response (if provided) shall be sent to the Vice Dean for Faculty for further review.

If the Vice Dean agrees with the Chair’s assessment, the Vice 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 Vice Dean’s determination shall be provided to the Plan participant and the Chair.

If the Vice Dean does not agree with the Chair’s assessment, the Vice Dean shall issue a written determination that the Plan participant remains in Good Standing. A copy of the Vice Dean’s determination shall be provided to the Plan participant and the Chair.

**Appeals Process:** If a determination is made that the Plan participant is Not in Good Standing and the Plan participant believes that the Good Standing Criteria were applied unfairly, the Plan participant may appeal to the Advisory Committee. The Advisory Committee shall review the documents, may interview the Plan participant and/or the Chair of the Plan participant’s home Department, and prepare a written assessment for the Vice Dean. The final decision will be made by the Vice 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 additional compensation (Y; see APM - 670-18-c (1));
- Loss of or reduction in incentive compensation (Z; see APM - 670-18-c (2)); and
- Requests for any academic leave will not be approved and/or requests that were previously approved will be reconsidered.

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

**D. Return to Good Standing**

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

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

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

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

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

**Appeals Process:** If the Vice 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 of the Plan participant’s home Department, and will prepare a written assessment for the Vice Dean. The final decision will be made by the Vice Dean. Plan participants who are Senate members may pursue their grievance rights before the Privilege and Tenure Committee under Senate Bylaw 335. Plan participants who are Non-Senate faculty are entitled to a Step III hearing under APM - 140.

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

Membership in the Plan is a term and condition of employment. All new and continuing Plan participants will receive a copy of the University of California Health Sciences Compensation Plan, the Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants, the DGSOM Implementing Procedures, and the DGSOM Basic Science Departments’ Bylaws, as well as any related documents or policies.

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

Faculty members appointed in DGSOM Basic Science Departments shall be Plan participants if they hold University-funded appointments at greater than 50 percent of full-time in the following professorial series: Professor, Professor-in-Residence, and Adjunct Professor.

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

A member of the faculty who was a Plan participant at the time of his/her retirement may be recalled as a Plan participant in accordance with APM - 205. All recalled faculty are limited to a maximum total monthly effort of 43 percent. Retired faculty members who are recalled at a salary rate greater than Base Salary (X + X'), plus Y and/or Z, as defined in Section V.C. and D. 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.

Plan participants remain members of the Plan while on vacation and other paid leaves, even if salary is reduced to Base Salary (X + X'). While on paid leave, they are bound by rules of the Plan, the DGSOM Implementing Procedures and these Bylaws, including but not limited to policies related to income due the Plan.

V. COMPENSATION

These Bylaws shall detail:

- The Base Salary scale(s);
- The manner in which additional compensation is negotiated;
- The methodology for calculating incentive compensation and the frequency of payments;
- The DGSOM Basic Science Departments’ requirements on occasional outside professional activities, including Good Standing criteria;
- The DGSOM Basic Science Departments’ policy on collecting and distributing all income paid into the Plan; and
- The DGSOM Basic Science Departments’ policies regarding paid and unpaid leaves of absence and sabbaticals.

Prior to implementation, affected Plan participants shall be afforded the opportunity to review, comment, and vote on proposed modifications to the DGSOM Basic Science Departments’ Compensation Plan Bylaws. Revisions must be reviewed and approved by the Dean or his/her designee and may only be altered to take effect on July 1 of a fiscal year. DGSOM Basic Science Departments’ Bylaws may be more, but not less, restrictive than the Health Sciences Compensation Plan and must be consistent with the DGSOM Implementing Procedures.

Individual salaries shall be negotiated annually between each Plan participant and his/her Chair. Additional compensation shall be paid in accordance with the applicable University and DGSOM Basic Science Departments’ Bylaws during sabbatical leave, vacation leave, extended illness leave, or other types of paid leave.
By July 1 of each fiscal year, each Plan participant shall receive in writing from his/her Chair a statement of proposed compensation for the forthcoming period July 1–June 30. The amount of UCRP-covered salary (X + X'), HSCP scale assignment, additional compensation, and payment schedule for incentive compensation must be detailed in this statement.

Payments for outstanding accounts receivables will be paid through the University of California payroll system. If at any time a faculty member leaves the university any undistributed outside professional income that might reside in departmental Compensation Plan accounts at the time the faculty member leaves the University will be retained by the Department to be used in support of appropriate departmental activities as approved and directed by the Chair.

A. Total Compensation

Plan participants shall receive Base Salary, as described below and in APM - 670-18 b., be eligible for optional University additional compensation, as described below, and be permitted to retain other miscellaneous income as described below in Section VI. and in APM - 671.

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

B. General Principles

The Departments expect faculty to generate funds sufficient to cover their salaries and benefits. Opportunities for generating funds include sponsored project funding, specific School commitments (including SOM FTE), and other legitimate sources (including endowment and gift income).

Generally, off-scale salaries are not permitted. A salary for an appointee at a certain rank and step is designated as off-scale if the salary is not associated with the given rank and step in the published salary scale for the relevant title series. No State funds shall be used for compensation above the Scale 0 Base Salary equivalent to the Fiscal Year salary scales or for any optional University additional compensation as described below.

C. 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, 0 through 9, 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’).

APU scale assignments in the DGSOM Basic Science Departments are as follows:

**APU 1/Scale 3:** This APU includes those Plan participants who spend the majority of their effort engaged in sustained extramural funded research.

**APU 2/Scale 3:** This APU includes newly appointed Plan participants who have start-up funds to support their salaries for a limited period of time.

**APU 3/Scale 3:** This APU includes those Plan participants who are predominantly engaged in sustained and productive efforts in professional school and/or graduate teaching.¹

**APU 4/Scale 0:** This APU includes those Plan participants who have not had sustained extramural funded research support in the last three years and are not predominantly engaged in professional school and/or departmental teaching activities.

When a Plan participant in APU 1 is not able to fulfill his/her research responsibilities due to a loss of funding and the Department is supporting his/her Base Salary (X, X’) from departmental resources, the Chair has the authority to increase the Plan participant’s other scholarly responsibilities.

After a Plan participant in the APUs 1-3 has not been able to fulfill the responsibilities of his/her designated APU for three consecutive years, the Plan participant will be transferred to APU 4. No individual Plan participant may be moved from one APU to another without significant change in responsibilities or a change in Department; however, Plan participants may volunteer to move to APU 4. Chairs shall obtain written approval from the Dean or his/her designee prior to moving any Plan participant from one APU to another.

**D. Optional University Additional Compensation (Y and Z)**

Supplementary to the Base Salary, Plan participants may receive optional additional compensation, in accordance with funding source restrictions, as follows:

1. Negotiated Additional Compensation (“Y”)

¹ Departments may append to these Bylaws their teaching requirements for Plan participants to remain in APU 3.
Y compensation shall be negotiated with the Chair on an annual basis. This optional component of salary is beyond the Fiscal Year Base Salary (X) and Health Sciences Scale Differential (X’) and is never covered compensation under UCRP, but may be eligible for optional disability and life insurance programs, where applicable. The Y salary component is not an entitlement, but depends on productivity as outlined under Subsection a. below.

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

a. Y is dependent on the Plan participant’s ability to maintain a continuing and sustainable stream of funding for the year from:
   i. Sponsored project revenue;
   ii. Endowment income;
   iii. Gift revenue;
   iv. Sales and services revenue from recharge activities;
   v. Other\(^2\); and
   vi. SOM State FTE.

And may be based on:
   i. Annual academic performance;
   ii. Teaching efforts and evaluations;
   iii. Good citizenship such as leadership qualities, service excellence, attendance at faculty meetings, and respect for/cooperation with staff, students and other faculty.

b. If a Plan participant loses funds supporting the Y, the Department guarantees to fund Y through the end of the fiscal year. If, the Plan participant is not able to demonstrate a restoration of sustainable funding sources in the fiscal year following the year in which he/she lost funding, the Plan participant’s Y will be adjusted down accordingly.

2. Additional Compensation (“Z”)

Plan participants in the DGSOM Basic Science Departments can earn incentive compensation, referred to as Z, from income deposited to the Plan from compensated outside professional activities as described in Section VI. of this document. Z compensation is not covered compensation for retirement calculation under UCRP.

Z compensation is drawn from income accumulated in the Plan in excess of financial requirements. To meet financial requirements, a Plan participant must:

\(^2\) Refers to faculty reserves.
• Be in Good Standing, as defined in Section III. of these Bylaws;
• Maintain a positive compensation plan account balance;
• Maintain solvent X and Y salary sources; and
• Maintain a three-month reserve in the compensation plan account that is sufficient to cover departmental tax, as applicable, salary and benefits funded from the compensation plan, and other regularly occurring expenses.

E. Compensation Expense Distribution Principles and Management of Funds

1. Compensation expenses for the X, X’ and Y components shall be distributed across the available funding sources commensurate to effort and in compliance with relevant policies and regulations. For members of the Health Sciences Compensation Plan of the DGSOM Basic Sciences Departments this generally means that:

   a. Salary distribution on sponsored projects shall be commensurate to effort. Voluntary cost sharing may only be allowed under the extra-ordinary circumstance that a Plan participant receives sufficient gift or endowment income to justify voluntary cost sharing. In all cases, voluntary cost sharing arrangements require advance approval by the Chair.

   b. In general, a Plan participant’s compensation support will be funded from the available revenue streams in the following order:

      i. Sponsored project revenue;
      ii. Endowment and/or or gift income;
      iii. Sales and services revenue from recharge activities;
      iv. Faculty discretionary funds;
      v. SOM State FTE; and
      vi. Other.

   c. In general, the above salary-cap portion from any sponsor of a Plan participant’s compensation will be funded from non-federal funding sources in the following order:

      i. Endowment and/or gift income;
      ii. Sales and services revenue;
      iii. Other; and
      iv. SOM State FTE.

When a Plan participant does not generate sufficient funds to cover the over the NIH-cap portion of her/his compensation, the Department will adjust the Y component of his/her salary downward as needed. Adjustments downward will be implemented effective July 1. If the over the NIH-cap portion of a Plan participant’s compensation is part of X or X’ and the faculty member does not have sufficient funds to cover this portion of his/her compensation, the
Department will cover the expense from departmental funds. In that instance, the Chair has the authority to increase the Plan participant’s teaching, public service, and/or other scholarly duties.

2. Management of Funds

a. Faculty members are responsible for fiscally responsible management of their grants, contracts, and other academic accounts.

i. Faculty members with recurring or unresolved overdrafts, at the Department’s discretion, may be put into “receivership”, whereby the faculty member will no longer have sign-off authority on any account, and all expenditures must be approved by the Department.

ii. The Department will use other appropriate funding sources generated by the faculty member to offset any deficits, due to fiscal mismanagement of the faculty member.

3. Grants and Contracts

The policy on the requirement to submit proposals and to receive awards for grant and contracts through the University was issued by the President on December 15, 1994 and applies to all Plan participants. 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. Plan participants dually appointed at the VA may submit proposals and receive grants and contracts though the VA.

F. Distribution of Income Deposited to the Plan

Income deposited to the Plan in excess of financial requirements, and not allocated to an Academic Enrichment Account, is paid as incentive compensation or Z.

Income deposited to the Plan in excess of financial requirements, may be allocated to an Academic Enrichment Account by Plan participants in Departments who operate an AE Account. To the extent that he/she wishes to participate, by May 31 of each fiscal year, each Plan participant shall discuss with his/her Chair and, with the Chair’s written approval, shall select in writing one of the following options for income accumulated in the plan in excess of financial requirements that will remain in effect for the forthcoming year (July 1–June 30). Changes are not permitted under any circumstances until July 1 of the following year. After the Plan participant selects one of the following options, the Chair shall review his/her selection. If approved, the Chair shall issue written approval of the Plan participant’s selection.

The options are:
Option A: Z Payment
Income is paid as a Z payment, after deduction of the appropriate assessments as described in Section VI.F. Z payments are paid on a quarterly basis following the close of each quarter (September 30, December 31, March 31, and June 30). Z payments are drawn from income accumulated in the Plan in excess of financial requirements. To meet eligibility requirements, a faculty member must meet the financial obligations, including:

- Maintain solvent X and Y salary sources, as described in Section V.E. of this document;
- Cover the appropriate Dean’s and Department assessments on income from outside professional activities.

A Z payment may be paid earlier in the quarter if the Plan participant retires or separates from University employment or upon approval of the Chair. In special circumstances, the Department may retain outside earnings longer than 60 days in order to ensure that all financial obligations have been met. **Option A is the default option and it will be implemented each year for faculty members who do not request in writing an option.**

Option B: Academic Enrichment Account
Income is allocated to an Academic Enrichment Account and is never eligible to be taken as a Z payment or as salary by the faculty member. Unexpended balances remain the property of the University when the faculty member retires or separates from University employment.

Option C: Designated Academic Enrichment Account and Z Payment
A Plan participant may submit a request to his/her Chair to designate a specific amount of income for the forthcoming period July 1–June 30 that is to be allocated to an Academic Enrichment Account and is never eligible to be taken as a Z payment or as salary by the Plan participant. If approved, the amount designated to be allocated to an academic enrichment account must be discussed with and approved by the Chair. Unexpended balances in the Academic Enrichment Account remain the property of the University when the Plan participant retires or separates from University employment. Additional income beyond the specific amount designated by the Plan participant that is to be allocated as an Academic Enrichment Account is paid as a Z payment on a quarterly basis following the close of each quarter (September 30, December 31, March 31, and June 30) and is subject to the same conditions as described under **Option A.**

Academic Enrichment Accounts are established to support the academic activities of the faculty 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 faculty member, 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:
1. The Academic Enrichment Account may be funded from a Plan participant’s income from outside professional activities net of the appropriate assessments.

2. On an annual basis, a faculty member may request that funds be allocated to an Academic Enrichment Account for the forthcoming academic year July 1–June 30 and such a request must always occur in writing prior to May 31st of the year preceding the academic year in which the income is earned.

3. The Chair or their designee reviews and approves the allocation request.

4. Disposition of the funds in an Academic Enrichment Account is under the auspices of the Department. The Chancellor or Chancellor’s designee, through the Chair, has final authority over the use and distribution of funds held in an Academic Enrichment Account.

5. Funds that have been allocated to an Academic Enrichment Account can never be converted to an incentive payment or salary support for the Plan participant.

6. The Department keeps detailed records that are made available for audit and other appropriate reviews that support the allowable nature of the reimbursable academic professional expenses that are paid from the Academic Enrichment Account. Faculty members must submit all required supporting documentation for reimbursement consistent with the University’s accounting guidelines. Unspent travel advances or any other disallowed amounts charged to the Academic Enrichment Account must be repaid by the faculty member consistent with University accounting guidelines.

7. An Academic Enrichment Account can maintain a positive balance at the end of an academic year that may be carried forward to the next academic year, at the discretion of the Chair. Disposition of year-end positive balance is communicated annually to the faculty at the time requests for allocation to an Academic Enrichment Account 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. All incentive compensation, including payments for outstanding account receivables, shall be paid through the University of California’s payroll system.

DGSOM Basic Science Departments administer Academic Enrichment Accounts as follows:

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VI. OTHER INCOME THAT MAY BE RETAINED

Outside professional activities, both compensated and uncompensated, may be undertaken by Plan participants. However, such activities must not conflict with a Plan participant’s primary professional obligations to the University as defined by the Plan participant’s faculty appointment. Any external activity with the potential to reduce the time and attention a Plan participant can devote to University responsibilities, and thus negatively impact on his/her performance of assigned duties, constitutes a “conflict of commitment.”

Plan participants in the DGSOM Basic Science Departments may devote up to 48 days annually to compensated and uncompensated outside professional activities, consistent with the time limits established for outside professional activities (APM - 671-8-b.), i.e., time threshold. Departments may set more restrictive limits than the maximum of 48 days; however, such limits shall not be less than 21 days of compensated and uncompensated outside professional activity. Affected Plan participants shall be provided an opportunity to review and comment on any proposed time threshold change for the conduct of outside professional activity.

Plan participants in the DGSOM Basic Science Departments may retain income accruing from certain categories of outside professional activities, not to exceed the annual outside professional activities earning threshold of $40,000 or 40% of their Fiscal Year Scale 0 Base Salary (X), whichever is greater, for a Plan participant’s rank and step. A Plan participant who has satisfied the Good Standing Criteria established in accordance with APM - 670-10, who has not exceeded the limit on the number of days devoted to compensated and uncompensated outside activities established in these Bylaws, and whose annual earnings from all outside professional activities will not exceed the annual outside professional activities earnings approval threshold, is permitted to engage in outside professional activities in accordance with all applicable University policies.

Income earned above either the time and/or earnings thresholds must be deposited to the Plan. This includes income earned during normal service periods and during periods of leave with pay, inclusive of vacation, evenings, and/or weekends. A day is defined as eight (8) hours, with minimum reporting in quarter hour increments.

Outside professional activities are grouped into categories according to their potential to raise conflict of commitment issues:

A. Category I Activities

- Teaching, research, or administration of a grant at an educational institution, trust,
organization, government agency, foundation, or other entity outside the University;

- Employment outside of the University;
- Assuming a founding/co-founding role of a company;
- Assuming an executive/managerial role; and
- Any other activity that possesses a greater potential for a conflict of commitment.

Category I activities require prior approval by the Chancellor and are subject to disclosure in annual reporting. Category I activities count toward the Plan participant’s annual time allotment of 48 days for compensated and uncompensated outside professional activity, and earned income counts toward the annual earnings approval threshold.

Plan participants are required to seek prior approval for Category I activities that are the basis for an approved leave without pay. Prior approval is not required for extension of leave without pay.

B. Category II Activities

- Additional University-compensated teaching, including teaching for University Extension courses and programs (See APM - 662, Additional Compensation: Additional Teaching), other continuing health education programs administered by the University, and self-supporting UC degree programs outside the Plan participant’s teaching load;
- 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; and

• Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories.

Category II activities are shorter term and possess less potential for a conflict of commitment. In general, they do not require advance approval, but are subject to disclosure in annual reporting. All Category II activities count toward the Plan participant’s annual time allotment of 48 days for the conduct of compensated and uncompensated outside professional activity, and earned income counts toward the earnings approval threshold.

C. Category III Activities

• Serving on government or professional panels or committees;

• Serving as an officer or board member of a professional or scholarly society;

• Reviewing manuscripts; acting in an editorial capacity;

• Attending and presenting talks at university/academic colloquia and conferences;

• Developing scholarly or creative works.

Category III activities are considered to be within the course and scope of University employment, accepted as a component of a Plan participant’s scholarly and creative work, unlikely to raise conflict of commitment issues.

Category III activities do not require prior approval and are not subject to disclosure in annual reporting. They do not count toward the Plan participant’s time allotment as specified in these Bylaws for compensated and uncompensated outside professional activity, and earned income is retained by the Plan participant and does not count toward the annual earnings approval threshold. Category III activities are to be managed so that they do not interfere with a Plan participant’s obligations to the University.

D. Other Activities

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

• Royalties, defined as shares or proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies. Industry-supported payments for authorship, whether or not as part of a consulting agreement with a company or similar agency, are not considered to be royalties;
retention/non-retention of such payments is subject to the time and/or earnings approval threshold for outside professional activities.

- Honoraria, defined as payments by academic or scientific 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. Industry-supported payments for lectures and/or presentations, whether or not as part of a consulting agreement with a company or similar agency, are not considered to be honoraria; retention/non-retention of such payments is subject to the time and/or earnings approval threshold for outside professional activities.

- University honoraria, defined as payments for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy.

- Administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal academic responsibilities.

- Income from a profession or activity unrelated to training and experience that is the individual’s qualification for University appointment, as determined by the Chair in consultation with the Dean.

Income generated from these activities may be retained by Plan participants and does not count toward the earnings approval threshold. Time related to these activities does not count toward the time allotment established in Department Bylaws.

E. Non-Cash Income

Professional income governed by the Plan includes not only cash, but non-cash income. Plan participants are required to disclose non-cash income received in exchange for professional services within 30 days of receipt. Following is more specific guidance with respect to stock, stock options and founder’s stock.

Stock received in lieu of compensation for outside professional activities must be disclosed to the Chair and to the Dean’s Office within 30 days of the date of receipt, at which time it will be valued. If the stock is given to the faculty member at no cost, dollars equal to the stock’s full value on the date of receipt are 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 valued price on the date of receipt, the difference between the purchase price and the value of the stock on the date of receipt is due the Plan. Following a determination of the value of the stock, the faculty member will be notified of the nature of any Plan obligations, based on the above methodology. Faculty who neglect to disclose the stock at the time 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 faculty member believes that any dollars are due the Plan.

**Stock Options** received in lieu of compensation for outside professional activities also must be disclosed to the Chair and the Dean's Office within 30 days of the date the stock option agreement is signed. The Dean's Office will obtain a valuation of the stock as of the date of the agreement. If the option offer price is equal to or greater than the stock's valuation/market price on the date the agreement is signed, no money is owed the Plan. If the option price is below the stock's valuation/market 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 a determination of the value of the stock, the faculty member will be notified of the nature of any Plan obligations, based on the above methodology. Faculty who neglect to disclose this information within 30 days of signing such stock option agreements will owe the Plan the difference between the offered option price at the time the agreement was signed and the value of the stock at the time it is disclosed. Disclosure of stock options is required regardless of 1) the stock's potential valuation, 2) whether the faculty member intends to exercise the options, and 3) whether the faculty member believes that any dollars are due the Plan.

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

**F. Assessment of Professional Fee Income**

A Dean’s assessment, at a rate annually recommended by the Dean, may be applied against income deposited to the Plan. Currently, there is no Dean’s tax on basic scientists’ outside professional income deposited to the Plan.

Departmental taxes on income deposited to the Plan are as follows:

<table>
<thead>
<tr>
<th>DEPARTMENT TAX</th>
<th>INCOME DEPOSITED TO COMPENSATION PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>$0-$20,000</td>
</tr>
<tr>
<td>15%</td>
<td>&gt;$20,000</td>
</tr>
</tbody>
</table>

**G. Reporting of Outside Professional Activities:**

Each Plan participant shall be responsible for maintaining a running total of his or her time devoted to and annual earnings derived from all outside professional activities whether they
exceed the time or earnings threshold and whether the funds are due the Plan. If a Plan participant wishes to engage in an activity that might reasonably be expected to cause his or her time and/or total annual earnings from outside professional activities to exceed the annual approval threshold, then the Plan participant must request prior written approval to engage in the activity. To request approval, the Plan participant is required to provide to his/her Chair, in writing, relevant details about the proposed engagement or schedule of engagements, the nature of the services to be provided, the person or entity(ies) who will receive and/or pay for the service, the anticipated period of service and/or days to be devoted to the activity, the total expected income from the activity, and the amount by which the participant’s total annual earnings from outside professional activities are expected to exceed the threshold. After a Plan participant has received approval to engage in an activity that may cause his/her time allotment and/or annual earnings from outside professional activities to exceed the approval threshold, he/she must request the Chair’s approval for any subsequent engagement(s). If such engagements are approved, they shall be undertaken with all related income accruing to the Plan. Chairs shall forward their own written requests to exceed the time and/or earnings approval threshold for outside professional activities to the Dean for approval.

Plan participant requests to retain in excess of the maximum annual outside professional earnings approval threshold of $40,000 or 40 percent of fiscal-year base salary are subject to Chancellor’s approval. Chairs shall forward all written requests to exceed the retention earnings threshold to the Dean.

Plan participants shall immediately notify their Chair, or Dean in the case of a Department Chair, if they inadvertently exceed the time limits or earnings threshold or if any of the information they provided in an approval request is inaccurate or has changed since the initial notification. For example, a participant should immediately notify his/her Chair if the earnings estimate from an outside professional activity was understated. Plan participants are subject to corrective action and disciplinary measures as outlined in APM - 671-26-b for violation, neglect, or manipulation of Plan requirements.

Plan participants are required to submit to their Chair an annual report of their outside professional activities, compensated and uncompensated, via the on-line Outside Activity Tracking System (OATS). A certified annual report is required even if the Plan participant did not engage in any outside professional activities during the reporting period. Completion of the annual report is due no later than September 30 each year for the prior fiscal year for continuing Plan participants or as part of the off-boarding process for those separating from the University.

Plan participants are not required to seek prior approval to exceed the time, earnings, and/or earnings retention thresholds for Category I and Category II activities performed during an approved leave without pay.

H. Limitations on Use of University Resources
The use of University staff, laboratories, facilities, or other University resources in connection with outside professional activities is subject to limitations. When Plan participants retain income from professional consulting for for-profit entities or expert witness activities, the costs associated with the consulting or witness activities are to be borne by the third party or the faculty member, not by the University (Faculty Code of Conduct, APM - 015, Part II.C.).

Acceptable use of University resources is defined as follows:

- Use of office telephones or faxes for incoming or outgoing communications (although long-distance charges should not be borne by the University and should be reimbursed to the University by the Plan participant);
- Use of departmental office for interviews or other similar activities; and
- Use of University-provided computer (though not departmental IT support personnel).

The University’s liability coverage generally does not extend to Plan participants’ outside professional activities.

I. 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 DGSOM Implementing Procedures, and these Department Bylaws on outside professional activities. Situations where Plan participants will be considered out of compliance include, but are not limited to:

- Failure to disclose and deposit income due to the Plan, as required by the DGSOM Implementing Procedures and these Department Bylaws;
- Failure to accurately disclose and describe the nature and scope of outside professional activities, as required by the DGSOM Implementing Procedures and these Department Bylaws;
- Failure to obtain prior written approval for all Category I activities; and
- Failure to comply with time and earnings thresholds requirements, as required by the DGSOM Implementing Procedures and these Department Bylaws.

Corrective action may include the discontinuation of certain privileges available only to Plan

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3 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.
participants, in particular the opportunity to earn and receive compensation above the academic year salary scale through the Plan because of noncompliance. Corrective actions may include:

a. Discontinuation of incentive compensation or other bonus compensation (Z) until the Plan participant complies with the Plan provisions and the provisions of the DGSOM Implementing Procedures; and/or

b. Additional compensation (Y) may be set with consideration of the Plan participant’s prior performance, including compliance with these Bylaws on outside professional activities.

Whenever reductions in compensation are the result of corrective action or discipline, the Chair shall notify the Plan participant in writing.\(^4\) Corrective action does not preclude sanctions or disciplinary measures in accordance with the Faculty Code of Conduct and Academic Senate Bylaws. Violations by Plan participants of either the time 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. A Plan participant who is an Academic Senate member and who is subject to corrective action has available to him/her a grievance process through the Privilege and Tenure Committee, as provided by Academic Senate Bylaw 335. Non-Academic Senate Plan participants may grieve through the provisions set forth in APM - 140.

J. Complaints and Appeals

If a Plan participant has a complaint about an issue related to outside professional activities, he/she 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, he/she should file a formal complaint with the Vice Dean for Faculty. 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 Committee. The Committee shall issue a formal written recommendation for resolution of the complaint to the Vice Dean. The Vice Dean shall review the Committee’s recommendation and make a final decision. 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.

VII. PAID LEAVES

Plan participants are eligible for leaves as defined in APM - 710 through 760. During an approved

\(^4\) Reductions in compensation are not always the result of corrective action and may occur for other reasons, such as insufficiency of current year income or contingency reserves. Whenever there are reductions in compensation, the Chair shall provide the Plan participant with written notice.
paid leave, the use of restricted funds to support salary and benefits must be approved by the relevant funding agency.

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 salary rate comprised of $X + X' + Y$ compensation at the time of separation or transfer.

A. **Sabbatical Leave**

Sabbatical leaves are granted to Ladder faculty, in accordance with regulations established by the President and detailed in APM - 740, and enable recipients to be engaged in intensive programs of research and/or study. Plan participants eligible for Sabbatical shall be granted such leave at a minimum of their Health Sciences Scale APU Base Salary rate ($X + X'$). Continuance of $Y$ compensation is contingent upon available funds of the faculty member requesting the leave.

B. **Professional Development Leave**

Plan participants in non-ladder professorial titles may request paid leave for professional development in lieu of sabbatical to engage in intensive programs of research and/or study. Plan participants taking Professional Development leave shall be granted such leave at a minimum of their Health Sciences Scale Base Salary rate ($X + X'$). Continuance of $Y$ compensation is contingent upon available funds of the faculty member requesting the leave.

C. **Childbearing and Childrearing Leave**

Childbearing and Childrearing leave shall be consistent with policy under APM - 760. Plan participants on approved Childbearing leave shall be granted paid leave at a minimum of their Health Sciences Scale Base Salary rate ($X + X'$) for up to six (6) weeks as permitted in policy under APM - 760-25-b. Continuance of $Y$ compensation is contingent upon available funds of the faculty member requesting the leave.

D. **Extended Illness Leave**

Extended illness is defined as a health condition resulting in absence for more than two weeks. Plan participants with less than 10 years of University of California service who are appointed full-time to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury or disability, shall be granted paid medical leave at a minimum $X + X'$ for up to six (6) weeks of consecutive or intermittent leave annually. Plan participants with 10 or more years of University of California service who are appointed full-time to at least a twelve-month term who are unable to work for reasons of extended personal illness, injury or disability, shall be granted paid medical leave at a minimum $X + X'$ for up to twelve (12) weeks of consecutive or intermittent leave annually. Continuance of $Y$ compensation is contingent upon available funds of the faculty member requesting the leave.
Total paid medical leave for Plan participants for extended illness shall not exceed the maximum time period allowable as determined by years of service under APM - 710-11-a. and -b.:

a. Eligible faculty members with less than 10 years of University of California service in a title listed in APM - 110-15 that does not accrue sick leave shall be granted a maximum of two quarters (or one semester) for academic year appointees, or six months for fiscal year appointees, of consecutive or intermittent paid medical leave within a ten-year period for personal illness, injury, or disability.

b. Eligible faculty members with 10 or more years of University of California service in a title listed in APM - 110-15 that does not accrue sick leave shall be granted a maximum of 3 quarters (or 2 semesters) for academic-year appointees, or twelve months, for fiscal-year appointees, of consecutive or intermittent paid medical leave within each subsequent ten-year period for a personal illness, injury, or disability.

**VIII. MONITORING AND ENFORCEMENT**

The monitoring of compliance with the Plan is the responsibility of the Chair by review of information provided by the Plan participant in annual reports on outside professional activities. Monitoring the compliance of Chairs is the responsibility of the Dean. If the Chair has concerns about a Compensation Plan participant meeting the established standards of the Plan, the matter may be referred to the Dean. The University reserves the right to take corrective action and disciplinary measures against any Plan participant who fails to comply with the DGSOM Implementing Procedures and these Bylaws.