A. INTRODUCTION

The COM Implementation Procedures require that departments develop compensation plan procedures as described in the outline of department responsibilities below.

B. REVIEW AND APPROVAL PROCESS

All department compensation plan procedures, and changes in department procedures, must be reviewed and approved by the Dean prior to implementation. Plan Participants must be given an opportunity to review and comment on proposed department compensation plan procedures or changes in procedures prior to implementation.

C. DEPARTMENT RESPONSIBILITIES

1. Develop Y compensation plan

   Reference Section IV.D.1. Negotiated additional compensation (“Y”)
   - Identify funding sources (fees, grants, service agreements, professional income, etc.)
   - Establish criteria including services such as administration, supervision, patient care, research, teaching, etc.
   - Faculty consultation is encouraged

2. Develop Z compensation plan

   Reference Section IV.D.2. Incentive/bonus compensation (“Z”)
   - Identify funding sources (fees, service agreements, professional income, etc.)
   - Establish criteria including services such as administration, patient care, supervision, teaching, research, etc.
   - Identify Z compensation deductions (Dean, department, PDA, overhead, division, cost of practice) and funding sources to which they will apply
   - Identify cycle for payment, e.g. in arrears, projected with reconciliation at regular intervals, current
   - Establish frequency of negotiation
   - Faculty consultation and approval process

3. Develop procedures for occasional outside professional activities

   Reference Section IV.F. Department Requirements on Occasional Outside Professional Activities, Guidelines and Procedures 3.80 and Appendix A
   - Establish limit on number of days allowed for occasional outside professional activities
   - Establish annual outside professional earnings approval threshold
   - Establish and describe expectations for good standing criteria
   - Describe prior approval process
   - Faculty must be given an opportunity to review and comment

4. Develop compensation while on leave plan

   Reference Section V.C. Paid Leave and Guidelines and Procedures 3.45
   - Determine level of decision, e.g. department as a whole, division, APU
   - Describe leave policy for each type of leave (sabbatical, childbearing, sick/disability, etc)
   - Describe components of total negotiated salary that will be paid for each type of leave
   - Describe how the Y compensation is determined
   - Describe how the Z compensation is determined
   - Faculty notification process
   - Time restrictions, if any

5. Establish department assessment rate

   Reference Section VI.C.1.d. Department Assessment
   - Faculty consultation process
   - Identify assessable funding sources
• Basis for percentage
• Document reasons for different percentages for different groups of faculty and/or different types of professional services income, if applicable
• Annual reporting to faculty and Dean

6. Establish department overhead assessment rate(s), if applicable
   Reference Section VI.C.1.e. Department Overhead
   • Determine rate and funds to be assessed
   • Supporting budget and justification are required
   • Administrative overhead rate may be different from cost of practice overhead rate
   • Document reasons for different overhead assessment rates for different groups of faculty and/or different types of professional services income, if applicable
   • Annual reporting to faculty and Dean on use of funds

7. Develop department record keeping for faculty practice activity, if applicable
   Reference Section VI.A.1. University Management, c.
   • Define “private practice”
   • Describe billing report information to be used and responsible office
   • Timing, frequency and distribution of reports
   • At what level will it be administered (department, division, APU)

8. Develop guidelines for academic enrichment budgets
   Reference Section VI.A.1. University Management, c.
   • Describe how an academic enrichment budget is funded
   • List allowable uses, reimbursable expenses and restrictions
   • Describe approval process and administrative mechanism
   • Establish timing and frequency of expense reimbursement, e.g. monthly, quarterly, at time of submission
   • Establish time limitations, e.g. balances at year end are paid as “Z” compensation

9. Develop policy for distribution of accounts receivable at the time of termination
   Reference Disposition of Accounts Receivable Guidelines
   • Identify applicable accounts receivable, e.g. define “private practice”
   • Timing and distribution
   • Method and reconciliation

10. Develop department reserve plan
    Reference Section VI.D. Contingency in Event of Inadequacy of Health Sciences Fund Accounts
    • Establish department/APU goal
    • Review process
    • Funding sources used
    • Timing of contributions to reserve
    • Potential uses of reserve
    • Develop plan for lowering salaries in event of funding shortfall

11. Departmental budget for professional fees funds (submitted in May as part of annual budget)
    Reference Section VI.E. Budgeting
    • Determine level of accountability, e.g. APU, division, department
    • Rationale used in projecting income for each payer type
    • Faculty salary detail for each component of salary and benefits, e.g. X, X', Y, Z, and benefits associated with each
    • Itemize projected assessments, department administration and overhead, including cost of practice if departmentally managed
    • Summary of other expenses
    • Narrative, including plan for solvency if deficit is projected, or use of balances including funding of reserve