IMPLEMENTING THE GUIDELINES ON OCCASIONAL OUTSIDE PROFESSIONAL ACTIVITIES

Reference UCI COM Implementation Procedures Section IV.F. and Appendix A

A. GENERAL GUIDELINES

All departments must develop written procedures for implementing the Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants. The Template for Department Procedures, Appendix A, should be used in developing department procedures. These procedures are intended to be included as part of the department compensation plan procedures. (Reference Guidelines and Procedures 3.80) Plan participants must be given an opportunity to review and comment prior to implementation or revision of department procedures. All department compensation plan procedures must be reviewed and approved by the Dean prior to implementation.

B. GOOD STANDING CRITERIA

A Plan participant must be in good standing in order to engage in occasional outside professional activities. The following good standing criteria have been established for the School of Medicine. Department compensation plan procedures may include additional criteria.

- Requirements for clinical coverage
- Teaching obligations
- Participation in department activities
- Compliance with the compensation plan

Department plans must describe the minimum expectations for meeting the criteria.

A Plan participant not in good standing must obtain prior approval in writing from the Chair, and approval by the Dean, to engage in any unassigned professional activities. If the Plan participant receives approval to engage in the activity, the income accruing from the activity must be deposited in a compensation plan account.

A faculty member found to be not in good standing must be notified in writing by the Chair of the reasons for that determination. The Dean must be advised when a Plan participant has been found to be not in good standing. The Dean will advise the Chair if a Plan participant has been found to be not in compliance with the compensation plan, resulting in a loss of “good standing.”

C. TIME LIMITS ON OUTSIDE PROFESSIONAL ACTIVITY

Plan participants in good standing may engage in occasional outside professional activity (other than patient care) up to a maximum of 48 days per year,

- to governmental agencies,
- to non-profit health- or education-related organizations,
- to continuing health education programs administered by University extension,
- as a consultant to non-profit entities,
- as a consultant to for-profit entities and
- as an expert or professional witness.

Departments may establish a limit from 21 to 48 days per year. For proposed limits less than 48 days, the department chair must submit written justification to the Dean for review and approval.

D. DEFINITION OF A DAY

“A day is defined using common sense and customary practice... Faculty members and department chairs should exercise sound professional judgment, taking into account reasonable work schedules, when determining what constitutes a day of outside activity... Faculty members should be prepared to provide an explanation of the definition of “day” used in preparing a request for prior approval and completing the annual report.” (reference APM 025)
The following example is provided only as an illustration of one method for defining a day, should it be necessary.

**Example**

A standard work week for a physician may be 50 hours per week, without being specific to which work days. Assuming a five-day work week, a day could be defined as 10 hours. The same conversion factor could conceivably be used in translating number of hours of outside professional activity to days.

**E. ANNUAL OUTSIDE PROFESSIONAL EARNINGS APPROVAL THRESHOLD**

Plan participants in good standing, who have not exceeded the department limit on the number of days allowed for occasional outside professional activity, may retain the income from occasional professional activity, up to a maximum of $20,000 or 20% of the Health Sciences Salary Scale for an individual faculty member’s rank, step and academic programmatic unit (APU), whichever is greater. A Department may establish an annual outside professional earnings approval threshold less than the School maximum of $20,000 or 20%. A Department proposing a threshold less than the School maximum must submit written justification for the lower threshold to the Dean for review and approval.

A Plan participant in good standing, whose outside professional services income has exceeded the department annual earnings approval threshold, must submit a written request to the Chair for approval prior to engaging in any additional outside professional activity. If the Chair approves the request, department procedures may allow the Plan participant to retain the income, up to the School maximum annual approval threshold, or may require the income exceeding the department annual earnings approval threshold to be deposited in the University. If the Chair denies the request, the Plan participant may not engage in the activity. The Chancellor’s approval is required in order for the Plan participant to retain income exceeding the School maximum. Such requests must be forwarded to the Dean for approval and possible submission to the Chancellor.

**F. LOG OF OCCASIONAL OUTSIDE PROFESSIONAL ACTIVITIES**

Plan participants must maintain a running total of calendar year earnings (and days) from all outside professional activities. Prior written approval by the Chair is required when an activity is expected to result in the Plan participant exceeding either the department annual earnings approval threshold or the limit on the number of days allowed for occasional outside professional activity. A written request must be submitted to the Chair including the following information:

- The nature of the service to be provided
- The person or entity 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
- The amount by which the participant’s total annual earnings from outside activities are expected to exceed the department threshold

**G. PRIOR APPROVAL REQUIREMENTS**

Prior approval of the Chair is required for a Plan participant to engage in occasional outside professional activities when

- the Plan participant expects the income from an activity to cause his/her annual earnings from all occasional outside professional activity to exceed the department annual earnings approval threshold
- the Plan participant’s annual earnings from occasional outside professional activity have exceeded the department annual earnings approval threshold
- the Plan participant expects an activity to exceed the number of days allowed for occasional outside professional activity
- the Plan participant has exceeded the department limit on the number of days allowed for occasional outside professional activity
- the Plan participant is not in good standing

(Note – There may be situations where prior approval is not required, but department policy requires faculty to provide notice of expected absences.)
H. ANNUAL REPORTING REQUIREMENTS

An annual Report of Compensated Outside Professional Activities is required as part of the annual reconciliation process, and is due April 15 each year. (Reference Guidelines and Procedures 3.75) The report must describe the previous calendar year outside professional activities from which the Plan participant retained income, and will include a statement attesting to adherence to procedures implementing the Guidelines on Occasional Outside Professional Activities. The report will include, at a minimum, the following:

- Description of nature of activity or service performed
- Name of organization or person who received the service
- Nature of the relationship with the entity (e.g. consultant)
- Amount of compensation
- Number of compensated days involved

Income from the following categories of occasional activity may be retained. Reporting of these activities is not required, as they do not count toward either the time limitation or the annual earnings approval threshold.

1. Prizes, defined as gifts in recognition of personal achievements and not for services rendered.
2. Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies.
3. 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.
4. University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy.
5. Administrative stipends, defined in Academic Personnel Policy 633 as payments by the University for responsibilities related to University administration beyond normal academic responsibilities.
6. Income from a profession or activity unrelated to the training and experience which is the individual’s qualification for University appointment as recommended by the department chair and approved by the Dean, in consultation with the Compensation Plan Advisory Committee.

I. NON-COMPLIANCE (reference Section IV.F.5 Monitoring and Enforcement)

Situations where Plan participants will be considered out of compliance with the guidelines on outside activities include, but are not limited to:

- Failure to turn over income due to the Plan as required by the Implementation Procedures and department compensation plan procedures.
- Failure to accurately disclose and describe the nature and scope of outside professional activities as required by the Implementation Procedures and department compensation plan procedures, including submission of an annual report.

J. OTHER POTENTIAL CONFLICT OF COMMITMENT ACTIVITIES

Academic Personnel Manual Section 025 – Conflict of Commitment and Outside Activities of Faculty Members groups compensated outside professional activities into categories based on the extent to which they may raise conflict of commitment issues. However, APM 025 “Does not replace health science school policies, which provide more detailed or specific guidelines on outside activities.” The following extracts from APM 025 are intended to inform faculty of potential conflict of commitment issues not discussed in the COM Implementation Procedures, and to clarify compensation plan reporting requirements for certain activities generally accepted as part of a faculty member's scholarly and creative work.

Category I activities are considered most likely to raise issues of conflict of commitment and are generally not allowed. When allowed, annual prior written approval by the Chair, the Dean and the Chancellor is required. If approved, both time and compensation must be reported. Category I activities include the following:
• Assuming an executive or managerial position in a for-profit or not-for-profit business, which is generally not allowable. For purposes of APM 025, executive or managerial positions do not include serving on the board of directors of an outside entity. However, service on a board of directors may require prior approval by the Dean, and, if approved, counts toward the day limit and, if compensated, the annual approval threshold.

• Administering a grant outside the University that would ordinarily be conducted under the auspices of the University. (see COM Implementation Procedures, Section I, Introduction)

• Establishing a relationship as a salaried employee outside the University. In addition, with the exception of delivering occasional lectures or participating in UC-sponsored continuing education programs, compensated teaching or research at another institution while employed as a full-time faculty member at the University would not be permitted without prior written approval of the Chancellor or Chancellor’s designee.

Questions regarding the above activities and whether approval is required may be directed to the Department Chair, Dean or the Faculty Compensation Office.

APM 025 describes a number of activities as integral to all disciplines and accepted as part of a faculty member’s scholarly and creative work. Participation in the following activities does not count toward the day limit established in department compensation plan procedures. However, if compensated, the income counts toward the annual approval threshold and, if retained, must be reported.

• Serving on a federal, state or local government agency, committee, panel, or commission. This includes service on NIH and NSF review boards.

• Acting in an editorial capacity for a professional journal.

• Reviewing journal manuscripts, book manuscripts or grant or contract proposals.

• Serving as a committee member or as an officer of a professional or scholarly society.
All income from patient care activity is due the Plan.

Plan participants in the Department of (insert name) may retain income from occasional professional activity that:

1. Is earned by a Plan participant in good standing as described in the department compensation plan procedures.

2. Is for occasional service (other than patient care), not to exceed (insert a number between 21-48) days of such service per year,
   - to governmental agencies,
   - to non-profit health- or education-related organizations,
   - to continuing health education programs administered by University extension,
   - as a consultant to non-profit entities,
   - as a consultant to for-profit entities and
   - as an expert or professional witness

3. Does not exceed the annual outside professional earnings approval threshold which for this department is
   (insert a threshold which does not exceed the maximum Irvine approval threshold, i.e. the greater of $20,000 or 20% of the Health Sciences Salary Scale for an individual faculty member’s rank, step and academic programmatic unit).

Income earned during one year and received in the next must be reported in the year that it is earned.

Income brought into the Plan after the annual outside professional earnings approval threshold and/or the maximum days of activity permitted are exceeded, shall be subject to applicable Regents, College and department policies.

Plan participants may also retain income from the following occasional activity:

1. Prizes, defined as gifts in recognition of personal achievements and not for services rendered.
2. Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University’s copyright and patent policies.
3. 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.
4. University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy.
5. Administrative stipends, defined in Academic Personnel Policy 633 as payments by the University for responsibilities related to University administration beyond normal academic responsibilities.
6. Income from a profession or activity unrelated to the training and experience which is the individual’s qualification for University appointment as recommended by the department chair and approved by the Dean, in consultation with the Compensation Plan Advisory Committee.

Notes:
This document is intended to be a part of the department compensation plan procedures. It is recommended that it be a separate document. Additional information may be included, if it has not been incorporated elsewhere in department procedures, e.g. requirements for requesting prior approval, and department policy on income brought into the Plan.

A statement signed by the department chair must be included in the department compensation plan procedures attesting that faculty had an opportunity to review and comment prior to the implementation or revision of policies contained in the department compensation plan procedures.

See Guidelines and Procedures 3.85 for additional information.