HEALTH SCIENCES COMPENSATION PLAN (HSCP)  
PROFESSIONAL SERVICES INCOME  
SUMMARY

“All professional services income generated by Compensation Plan members shall be managed, 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 Section IV.E. Professional services income is defined as income derived from a profession or activity related to the training and experience which constitute the individual’s qualification for University appointment, including professional witness fees, fees for advice related to the practice of medicine, and industry consultation. Professional services income includes cash and non-cash compensation, such as stock or stock options, received in exchange for professional services provided. All compensation paid by the University to Plan members will be subject to Federal and State withholding and reported on a W-2 form as wages.”

(Reference UCI College of Medicine Implementation Procedures, VI. Campus Accounting and Budgeting Methods, A. Management and Reporting of Professional Services Income and Expenses, 1. University Management)

PATIENT CARE PROFESSIONAL SERVICES

“All patient care professional fee billing and collection activities shall be conducted by University billing groups and/or by external billing vendors with whom the University has contracted.”

(See Reference above)

1. Occasional consults at non-UCI sites (not to exceed 12 times per year) may be done. The professional fee billing and collections must be done by the University or a University approved billing service and the income must be deposited in the University. Occasional consulting is covered by University malpractice.

2. Regular consulting at a non-UCI site(s) requires an MOU (Memorandum of Understanding) that is reviewed and approved by the MOU/Service Agreement Review Committee. The professional fee billing and collections must be done by the University or a University approved billing service and the income must be deposited in the University. An approved MOU provides University malpractice for the activity.

3. In situations where it is not possible for the billing and collections to be done by the University or a University-approved billing service, a service agreement is necessary and payments will be made directly to the University.

4. A private practice may not be established outside the University unless it has been reviewed and approved by the Chair, the Corporate Compliance Officer, University General Counsel and the Dean.

5. Under the terms of the HSCP, Plan members may not provide patient care professional services at a non-UCI site, other than “occasional” consulting, in the absence of an approved MOU or service agreement. University malpractice coverage will not be provided.

March 2005  
ProfSvcsIncome-summary-rev
6. Payment for patient care professional care services must be made directly to the University.

7. It is never “Okay to see patients outside UCI, as long as the income is reported and assessments are paid.”

8. Patient care professional services income is subject to assessment regardless of where earned.

NON-PATIENT CARE PROFESSIONAL SERVICES INCOME

“Certain categories of income accruing from occasional service (other than patient care) … may be retained by Plan members…and the income must be reported annually…”

(Reference UCI College of Medicine Implementation Procedures, IV. Compensation, E. Other Miscellaneous Income Which May be Retained by Plan Members and F. Departmental Requirements on Occasional Outside Professional Activities)

1. Good Standing Criteria

   In order to be allowed to earn and/or retain income from outside professional activities, faculty must satisfy requirements for good standing criteria in the following areas as described in department compensation plan procedures:
   ◊ Clinical coverage
   ◊ Teaching obligations
   ◊ Participation in department activities
   ◊ Compliance with the compensation plan

2. Types of non-patient care professional income that may be retained

   Payments for occasional service (other than patient care):
   ◊ To governmental agencies (including serving on federal, state or local govt. agency, committee, panel or commission including NIH or NSF review boards)
   ◊ To non-profit health- or education-related organizations
   ◊ To continuing health education programs administered by the University
   ◊ To University extension
   ◊ As a consultant to non-profit entities
   ◊ As a consultant to for-profit entities
   ◊ As an expert or professional witness
   ◊ For acting in an editorial capacity for a professional journal
   ◊ For reviewing journal manuscripts or grant or contract proposals
   ◊ For serving as a committee member or as an officer of a professional or scholarly society

3. Limit on number of days devoted to outside professional activity

   Department procedures may allow a maximum of 48 days per year of compensated outside professional activity for faculty in good standing, but not less than 21 days per year. Time spent in compensated outside professional activity in the evening, on weekends, or during vacation counts toward the annual day limit.

4. Annual Outside Professional Earnings Approval Threshold

March 2005
ProfSvesIncome-summary-rev
Faculty in good standing may retain a maximum of $20,000 or 20% of the annual APU base salary, whichever is greater, per calendar year, without requesting prior approval. Prior approval must be obtained if day and/or dollar limit is exceeded or is expected to be exceeded. All amounts which exceed the maximum annual earnings approval threshold must be deposited in the University.

5. **Annual Reporting**

An annual report of income retained from outside professional activities must be submitted each year during the annual reconciliation process.

6. Income from the following categories **may be retained and does not need to be reported** during the annual reconciliation process:

- **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.
- **Administrative stipends**, defined in Academic Personnel Policy 633 as payments by the University for responsibilities related to University administration beyond normal academic responsibilities.
- **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.