

Salary Administration: APM - 671 - Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants

671-0 Policy

The University of California policy on conflict of commitment and outside activities and the disposition of income earned from outside professional activities provides guidance for the identification and management of outside professional activities in order to avoid conflicts of commitment, while assuring that Health Sciences Compensation Plan (the “Plan”) participants may engage in a wide array of outside activities without unnecessary limitations. This policy is specific to faculty members who are participants in the Health Sciences Compensation Plan. Faculty members who are not participants in the Health Sciences Compensation Plan are subject to the provisions of [APM - 025](#).

671-2 Purpose

a. General

Faculty members who are employed by the University of California owe their primary professional allegiance to the University and accept as their own the University’s responsibilities to advance and communicate knowledge. Teaching, research or other creative activities, clinical care, and the cultivation of scholarly or creative competence are their primary activities and should receive the largest commitment of time and energy; the same expectation exists for part-time faculty to the extent of their faculty appointment. In service of the University’s goals to advance and communicate knowledge through interaction with the public, faculty have an obligation to provide, within limits, University-related public service by using their expertise to contribute to the University and/or the professions, business, the community or the public. Such activities also help faculty identify and address community needs and afford practical experience and knowledge valuable to teaching and research or creative activity. This policy seeks to balance these competing University obligations in the context of a faculty member’s professional discretion in allocating time and effort across multiple activities. This policy also seeks to clarify reporting and prior approval requirements related to outside professional activities involving foreign entities that may pose foreign influence risks.

This policy acknowledges the value of outside professional activities while recognizing the likelihood that some activities may cause real or apparent conflicts of commitment. Outside professional activities that interfere with a faculty member’s professional obligations to the University represent a conflict of commitment. The Department Chair, in consultation with the faculty member and the Dean, shall resolve all questions related to whether an activity constitutes an outside professional or non-professional activity or if an activity is within the course and scope of employment.

This policy manages conflict of commitment, defines which outside professional activities must be disclosed to the University, approved prior to engagement, and/or reported annually. This policy limits the amount of time a faculty member may devote to outside professional activities, describes the requirements when involving a student in outside professional activities, and defines the disposition of income earned from such activities.

Health Sciences Compensation Plan participants may engage in outside professional activities (other than patient care) only if they are deemed to be in Good Standing (see [APM - 670-10](#)) and may retain the income from outside professional activities only in accordance with the terms of this policy, the Plan, and the School Implementing Procedures.

b. Related University Policy

In addition to this policy on conflict of commitment and outside activities, Plan participants must comply with all University policies involving University intellectual property (see [APM - 740-18-c-3](#)), conflict of interest and restrictions on compensation. See Appendix A for a list of other relevant University policies.

c. School Implementing Procedures

This policy provides a framework within which Implementing Procedures will be developed by each health sciences school that participates in the Plan. Additional Implementing Procedures may be developed for individual departments or organized research units. Departmental or Organized Research Unit Procedures must be consistent with the Plan and School Implementing Procedures and approved by the Dean. (See [APM - 670-80](#) for details related to School Implementing Procedures.)

School Implementing Procedures and changes to approved Implementing Procedures must be consistent with this policy, approved by the Chancellor, and approved by the President or the President's designee prior to implementation.

Affected Plan participants shall be provided the opportunity to review and comment on the proposed School Implementing Procedures, and any subsequent changes to School Implementing Procedures. The School Advisory Committee, described in [APM - 670-6-d](#), shall advise the Dean on School Implementing Procedures developed in accordance with this policy.

School Implementing Procedures must reference the Plan, this policy, and:

- (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 Political Reform Act of 1974, including the Academic Decision Regulation, which provides instruction on where to obtain information on disclosure and disqualification requirements; and
- (3) The Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University.

671-4 Definitions

a. Outside Professional Activities

Outside Professional Activities, compensated or uncompensated, and regardless of financial interest, are defined as those activities that are within a faculty member'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 are distinct from non-professional activities, i.e., activities that are part of the faculty member's private life and are not expressly governed by University regulations or by the guidelines on outside professional activities. Outside professional activities must not interfere with a faculty member's professional obligation to the University.

b. Conflict of Commitment

A conflict of commitment occurs when a faculty member's outside activities interfere with the faculty member's professional obligations to the University of California.

c. Conflict of Interest

This policy does not cover conflict of interest; it covers only conflict of commitment. See Appendix A for relevant University policies concerning conflict of interest.

d. Outside Consulting

Outside consulting is one type of outside professional activity. It is defined as professional advice or service related to the faculty member's field or discipline, whether compensated or uncompensated, that furthers the interests of an entity outside the University of California.

e. A Day

For purposes of this policy, a day is defined using common sense and customary practice. This definition may vary by campus and/or discipline. School or Departmental Implementing Procedures may include a more specific definition of a day.

f. Compensation

Compensation for outside professional activities includes all types of remuneration (including stock and stock options) that have immediate or potential financial value, excluding customary honoraria,¹ reimbursement for reasonable travel expenses, and per diem expenses.²

671-6 Responsibility

a. Chancellor

The Chancellor is responsible for overseeing compliance with this policy, which includes:

- (1) Communicating policy requirements;
- (2) Developing Implementing Procedures and administrative mechanisms for disclosure of all Category I (including I.A and I.B) and Category II (including II.A and II.B) activities and; prior approval of all Category I (including I.A and I.B) and Category II.B activities, and annual reporting (see APM - 671-10, Guidelines, for a description of Categories I, II, and III activities, APM - 671-10-a(1) ~~and Appendix B~~ for prior approval requirements, and APM - 671-10-a(2) ~~and Appendices C and D~~ for annual reporting requirements);
- (3) Developing procedures to identify and resolve, if possible, conflicts between a faculty member's commitment to generating University revenue within the Plan and the faculty member's outside professional activities; and
- (4) Establishing a deadline for submission of annual reports.

b. Faculty

It is the responsibility of the individual faculty member to disclose to the best of their ability all known relevant information regarding the nature of their outside professional activities and the business/agency/organization/group/individual for whom the services are performed.

Faculty are responsible for complying with this policy, including:

- (1) Maintaining Good Standing per the terms of the Plan (School or Department) that governs the faculty member's appointment;

¹ See APM - 666

² See Business and Finance Bulletin G-28

- (2) Obtaining prior written approval for engagement in all Category I (including I.A and I.B) and Category II.B activities (see APM - 671-10, Guidelines, for description of Categories I, II, and III activities, APM - 671-10-a(1) ~~and Appendix B~~ for prior approval requirements);
- (3) Maintaining a running total of annual earnings from, and time spent on, all outside professional activities;
- (4) Depositing all income that exceeds the earnings approval threshold into the Plan (see APM - 671-8-c) with the exception of income earned from Category III activities (see APM - 671-10-a(3) for a description of Category III activities) and certain other activities listed in APM - 671-10-b;
- (5) Obtaining prior written approval to engage in outside professional activities that may result in exceeding the total annual time and/or earnings approval thresholds;
- (6) Submitting annual reports of all Category I (including I.A and I.B) and Category II (including II.A and II.B) activities and compensation earned from such activities (or the lack thereof) to the Department Chair (see APM - 671-10-a(2) ~~and Appendices C and D~~ for annual reporting requirements);
- (7) Attesting to adherence with the requirements of the policy in the annual report;
- (8) Disclosing any current or prospective outside professional activity to the Department Chair if in doubt as to whether there is a conflict of commitment; and
- (9) Obtaining prior approval from the Department Chair before involving a student in an outside professional activity (see APM - 671-8-f).

671-8 General Principles

a. Obligations to the University

Outside professional activities must be undertaken in a manner consistent with the faculty member's professional obligations to the University. Outside activities must not conflict with the faculty member's obligations to students, colleagues, or to the University as a whole. In order to fulfill those obligations, faculty members must maintain a significant presence on campus, meet classes, keep office hours, hold examinations as scheduled, be accessible to students and staff, be available to interact with University colleagues, and share service responsibilities throughout every quarter or semester of active service.

b. Time Limits

School Implementing Procedures must specify the maximum number of days which Plan participants may devote to compensated and uncompensated outside professional activities that may not be less than 21 days and may not exceed 48 days annually.³ The School Implementing Procedures may allow departments or organized research units to set more restrictive limits than the maximum of 48 days, but such limits shall not be less than 21 days of compensated and uncompensated outside professional activity. Prior to implementing or revising the limit on the number of days that may be devoted to outside professional activities, affected Plan participants shall be provided an opportunity to review and comment on the proposed limit.

c. Annual Outside Professional Activities Earnings Approval Threshold

- (1) The maximum annual outside professional activities approval threshold set by the Provost and Executive Vice President shall be up to \$40,000 or 40 percent of the fiscal-year base salary scale (scale 0), whichever is greater, for an individual faculty member's rank and step. The Provost and Executive Vice President may re-evaluate the maximum approval threshold periodically, adjust the maximum approval threshold for inflation on a periodic basis in accordance with the California Consumer Price Index (CPI), and publish it in the Academic Salary Scales.

Individual School, Department, or Organized Research Unit Implementing Procedures may choose a threshold lower than the maximum set by the Provost and Executive Vice President.

- (2) 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 outside professional activities established in School Implementing Procedures, and whose annual earnings from all outside professional activities will not exceed the approval threshold is allowed to engage in outside professional activities (other than patient care) in accordance with all applicable University policies.

d. Retention/Non-retention of Income

- (1) Income earned above the approval threshold, with the exception of income earned from Category III activities (see APM - 671-10-a-(3) for a description of Category III activities) and certain other activities listed in APM - 671-10-b, must be deposited to the Plan.
- (2) School Implementing Procedures must clearly describe the types of activities for which time limits and earned income apply toward the approval threshold.

³ The maximum number of days allowed shall remain consistent with time limits established for outside professional activities in APM - 025

- (3) Income due the Plan is subject to established Departmental and/or School assessment policies.
- (4) Departments have the authority to determine the amount of deposited income that may be set aside for academic enrichment. Academic Enrichment Accounts are established by departments to support the academic, research and professional development activities of the faculty by allowing direct charge or reimbursement of business-related expenses.
- (5) Departments have the authority to distribute a portion of or the entire amount of the deposited income, after assessment, and with the exception of income set aside for academic enrichment, to the individual faculty member, consistent with applicable law and University policies.

e. Exception Requests

Each Plan participant shall be responsible for maintaining a running total of the Plan participant's 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 to the Plan. If a Plan participant wishes to engage in an activity that might reasonably be expected to cause the 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 the Department 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,⁴ 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. Department Chairs shall forward to the Dean any request which requires review by the Dean and/or Chancellor, in accordance with School Implementing Procedures. After a Plan participant has received approval to engage in an activity that may cause the Plan participant's time allotment and/or annual earnings from outside professional activities to exceed the approval threshold, the Plan participant must request the Department 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 unless an exception is approved in writing, in accordance with School Implementing Procedures.

Department Chairs and/or Deans may approve Plan participants' requests to engage in outside professional activities in accordance with School Implementing Procedures. However, School Implementing Procedures shall state that only the Chancellor or

⁴ When required to ensure appropriate patient confidentiality, the person or entity to be reported as recipient/payer for professional witness activities is the attorney or law firm requesting the services.

Chancellor's designee has the authority to approve any request which involves a Plan participant retaining earnings that exceed the maximum annual outside professional earnings approval threshold set by the Provost and Executive Vice President.

Plan participants shall immediately notify their Department Chairs 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 the participant's Department 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.

f. Students

Involvement of students in the outside professional activities of a faculty member may, under certain conditions, offer the student potential educational benefits. However, the relationship between the faculty member 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 faculty member involving 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 faculty member has, or expects to have, academic responsibility (instructional, evaluative, or supervisory) for the student, the faculty member must obtain prior written approval from the Department Chair before involving a student in an outside professional activity regardless of whether the faculty member is compensated for 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 faculty member must not affect, positively or negatively, the faculty member's evaluation of the student's performance in any other context.

g. Use of University Resources

The use of University resources in connection with outside professional activities is subject to limitations. The Faculty Code of Conduct ([APM - 015](#), Part II, C) defines the unauthorized use of University resources or facilities on a significant scale for personal, commercial, political, or religious purposes as a type of unacceptable conduct. The Standards of Ethical Conduct, as adopted by The Regents, state that University resources may only be used for activities that are undertaken on behalf of the University. The University's resources may not be used for private gain or for personal purposes.

h. Liability Coverage

The University's liability and workers compensation coverage does not extend to activity that is outside of the course and scope of the participant's University employment. Some

outside professional activities, particularly certain consulting and expert witness testimony, would generally be considered outside the course and scope of University employment, depending on the facts and circumstances of any given case. Questions about University liability coverage in connection with a specified activity or exposure should be discussed with the Office of Risk Services at the Office of the President.

671-10 Guidelines

Professional activities are separated into three categories in the management of this policy. Categories I and II include activities that must be reported and -- in the case of Categories I.A, I.B, and II.B -- must receive prior approval before the faculty member engages in the activity. Category III activities are those that are within the course and scope of University employment and need not be approved or reported. When an activity falls into more than one category, it should be assigned to the category which requires more stringent reporting and prior approval, as applicable.

a. Types of Outside Professional Activity

Outside professional activities are categorized based on the extent to which they are likely to constitute conflict of commitment:

(1) Category I

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

Category I activities include two subsets of activities: Category I.A activities involve U.S.-owned entities or occur within the U.S.; Category I.B activities involve foreign-owned entities or occur outside the U.S. Faculty must receive prior approval and submit annual reports for engagement in both Category I.A and I.B activities.

Category I.A and I.B activities require prior approval by the Chancellor and require disclosure in annual reporting. Approvals are generally for one fiscal year but may be granted for a longer term, not to exceed five years.

Category I.A and I.B activities count toward the faculty member's time threshold for outside professional activities (see APM - 671-8-b, Appendix C, and School Implementing Procedures for definition of time limits), and earned income counts toward the earnings approval threshold (see APM - 671-8-c and School Implementing Procedures for definition of the earnings approval threshold).

Category I.A

Examples of Category I.A activities, which involve U.S.-owned entities or occur within the U.S., include, but are not limited to:

- (a) Teaching, research, or administration of a grant⁵ at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University;
- (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.⁶

Category I.B

Examples of Category I.B activities, which involve foreign-owned entities or occur outside the U.S., include, but are not limited to:

- (a) Teaching, research, or administration of a grant⁷ at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University;
- (b) Employment outside of the University;
- (c) Assuming a founding or a co-founding role of a company;
- (d) Assuming an executive or managerial position outside of the University.⁸

(2) Category II

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

Category II activities include two subsets of activities: Category II.A activities involve U.S.-owned entities or occur within the U.S.; Category II.B activities involve foreign-owned entities or occur outside the U.S.

⁵ Grants submitted on behalf of a professional society are exempt from this restriction, i.e., are not considered Category I activities.

⁶ This does not include positions with professional societies.

⁷ Grants submitted on behalf of a professional society are exempt from this restriction, i.e., are not considered Category I activities.

⁸ This includes positions with professional societies.

Category II.A activities require disclosure in annual reporting under this policy, but do not require prior approval. Category II.B activities require prior approval, as well as disclosure in annual reporting. Category II.A and II.B activities count toward the faculty member's time allotment for outside professional activities (see APM - 671-8-b, ~~Appendix C~~, and School Implementing Procedures for definition of time limits). Income earned from these activities count toward the earnings approval threshold (see APM - 671-8-c and School Implementing Procedures for definition of the earnings approval threshold). Prior approval is required if the time and/or earnings thresholds are exceeded.

Category II.A

Examples of Category II.A activities, which involve U.S.-owned entities or occur within the U.S., 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), other continuing health education programs run by the University, and self-supporting UC degree programs;⁹
- (b) Consulting under the auspices of the University of California;
- (c) Consulting or testifying as an expert or professional witness;
- (d) Consulting for for-profit entities;
- (e) Consulting for non-profit entities;
- (f) Consulting for non-profit health or education-related organizations;
- (g) Consulting for government agencies;
- (h) Serving on a board of directors outside of the University whether compensated or uncompensated;
- (i) Providing or presenting a workshop for industry;
- (j) Providing outside consulting or compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories;¹⁰

⁹ These are teaching activities outside of the assigned teaching load. If the department assigns the teaching activity, it is not considered an outside activity.

¹⁰ Because of the nature of their relationship to the University, consulting specifically for the Board of Governors Science and Technology Committee of Los Alamos National Security, LLC and

- (k) Other income-generating activities specified in approved Implementing Procedures.

Category II.B

Examples of Category II.B activities, which involve foreign-owned entities or occur outside the U.S. and include, but are not limited to:

- (a) Consulting under the auspices of the University of California;
- (b) Consulting or testifying as an expert or professional witness;
- (c) Consulting for for-profit entities;
- (d) Consulting for non-profit entities;
- (e) Consulting for non-profit health or education-related organizations;
- (f) Consulting for government agencies;
- (g) Serving on a board of directors outside of the University whether compensated or uncompensated;
- (h) Providing or presenting a workshop for industry;
- (i) Providing outside consulting or compensated professional activities performed for foreign-owned entities or that occur outside the U.S.
- (j) Other income-generating activities specified in approved Implementing Procedures.

(3) Category III

Category III activities are within the course and scope of University employment. As such, they are unlikely to raise conflict of commitment issues.

Category III activities, even if compensated, do not require disclosure in annual reporting or prior approval under this policy, do not count toward the faculty member'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 faculty member's obligations to the University (see APM - 671-8-a).

Lawrence Livermore National Security, LLC does not require disclosure in annual reporting or prior approval and does not count toward the faculty member's maximum days of outside professional activities.

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; acting in an editorial capacity;
- (c) Attending and presenting talks at university/academic colloquia and conferences; and
- (d) Developing scholarly or creative works.

b. Other Activities

Income from the following 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 time limits.

- (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 but within the U.S. 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 (see [APM - 666](#), Additional Compensation: Honoraria) and relevant campus policies;
- (5) Administrative stipends;
- (6) Income from a profession unrelated to the training and experience which is the individual's qualification for University appointment.

c. Disclosure Requirements

Faculty are responsible for disclosing all situations that may raise conflict of commitment issues in the following manner:

(1) Prior Approval Requirements

All Category I.A, I.B, and II.B activities and requests to exceed the time or the earnings approval threshold require prior written approval from the Chancellor in advance of performing the activity.

(2) Reporting Requirements

All faculty must provide an annual report of outside professional activities to their Department Chairs each year, even if the faculty member did not engage in outside professional activities during the year. Faculty must report annually all Category I (including I.A and I.B) and II (including II.A and II.B) outside professional activities that were conducted during the prior 12 months, including activities conducted during normal service periods and during periods of leave with pay. All earnings derived from these activities must be reported as well. The requirement for annual reporting begins on the date of hire.

671-14 Eligibility

a. Faculty subject to APM - 671

All participants in the Health Sciences Compensation Plan are subject to the provisions of this policy.

b. Recalled Faculty

Faculty who have retired and are recalled to active service for appointments at or less than 43 percent time and who are participants in the Health Sciences Compensation Plan are subject to the provisions of this policy.

c. Faculty on Leave

Faculty who engage in professional activities while on approved leaves with pay such as sabbatical and vacation must comply with requirements for disclosure, prior approval, and annual reporting for outside professional activities. These activities, as well as professional activities performed during the evenings and weekends, count toward the annual time limits and earnings approval threshold. School Implementing Procedures must describe the requirements for disclosure, prior approval, and annual reporting for outside professional activities and earnings during periods of leave without pay.

d. Faculty Administrators

Faculty administrators are covered under this policy, but they are also subject to the provisions in [APM - 240](#), Deans, [APM - 241](#), Faculty Administrators (Positions Less Than 100%), and [APM - 246](#), Faculty Administrators (100% Time).

671-16 Restrictions

- a. A faculty member shall not engage in any outside professional activity that creates a conflict of commitment.
- b. Patient care (clinical) 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 to the Plan. In no case will Plan participants be allowed to retain income from patient care (clinical) activities.

671-24 Authority

a. President

This policy may be amended or repealed by the President, following consultation with the Health Sciences Chancellors, Deans, and the appropriate Academic Senate Committee(s).

b. Chancellor

The Chancellor shall issue campus or School Implementing Procedures that further refine APM - 671 and has the authority to approve Category I.A, I.B, and II.B requests and individual exceptions under this policy. In accordance with APM - 100-6-d, the Chancellor may redelegate authority to a designee for implementing APM - 671.

c. Deans

Deans have authority to determine whether faculty are meeting established standards and requirements.

671-26 Non-compliance

a. Monitoring and Compliance

Department Chairs shall monitor compliance with this policy by collecting and reviewing annual reports and shall consult with the Dean about any concerns. The Dean shall review the Department Chairs' annual reports of outside professional activities each year.

b. Consequences for Non-compliance

School Implementing Procedures shall clearly state that the University reserves the right to impose administrative remedies and/or to take corrective action and disciplinary measures toward any faculty member who fails to comply with Implementing Procedures on outside professional activities.

Situations where faculty will be considered out of compliance include, but are not limited to, the following:

- (1) Failure to remit income due to the Plan as required by School Implementing Procedures;
- (2) Failure to obtain prior written approval ~~for to engage in~~ Category I (including I.A and I.B) and Category II.B activities or ~~to for~~ involving a student in outside professional activities (see APM - 671-8-f);
- (3) Failure to comply with time limits for Category I (including I.A and I.B) and Category II (including II.A and II.B) activities; and
- (4) Failure to disclose and describe accurately the nature and scope of Category I (including I.A and I.B) and Category II (including II.A and II.B) outside professional activities and earnings derived from those activities as required by School Implementing Procedures.

If the Department Chair or the Dean has reason to believe that a faculty member has not complied with the School Implementing Procedures, the Dean may take appropriate corrective action. A procedure for hearing and resolving disputes about corrective action shall be provided in the School Implementing Procedures. Corrective action refers to the discontinuation of certain privileges available only to Plan participants, in particular the opportunity to earn and receive compensation above the fiscal-year salary scale through the Plan.

Corrective actions may include, but are not limited to, the following:

- (1) Incentive or bonus compensation (Z compensation) may be suspended until such time as the faculty member complies with the provisions of the Plan and the provisions of the Implementing Procedures;
- (2) Additional negotiated compensation (Y compensation) may be set with consideration of the faculty member's prior performance, including compliance with Implementing Procedures.

Compensation established in accordance with the Health Sciences Compensation Salary Scales (X, X' compensation) shall not be reduced as a corrective action unless the faculty member is placed, by Chancery exception, on the fiscal-year salary scale (Scale 0).

Reductions in compensation are not always the result of corrective action and may also occur for other reasons such as insufficiency of current year income and contingency reserves. Whenever there are reductions in compensation, faculty shall be notified in writing by the Department Chair. In addition, corrective action will not preclude administrative remedies, sanctions or disciplinary measures in accordance with [APM - 016](#),

University Policy on Faculty Conduct and the Administration of Discipline and [APM - 150](#), Non-Senate Academic Appointees/Corrective Action and Dismissal. Violations by faculty members of either the time limits or earnings approval thresholds for outside professional activities represent an unauthorized use of University resources and/or retention of funds that belong to the University.

c. Complaints and Appeals

A faculty member who has a complaint about an issue related to outside professional activities should first try to resolve the issue at the departmental level. If the complaint cannot be resolved through discussions at the department level, the faculty member's complaint and the Department Chair's response should be documented in writing. If a faculty member disagrees with the Department Chair's decision, the faculty member should file a formal complaint with the Dean. The Dean will charge the School Advisory Committee with fact-finding. Both the Chair or the Chair's designee and the faculty member will have the right to be heard by the Committee. The Committee will issue a formal recommendation for resolution to the Dean. The Dean makes the decision based on this recommendation.

d. Grievance Rights

Senate faculty members may grieve pursuant to Senate Bylaw 335, Privilege and Tenure: Divisional Committees – Grievance Cases. Non-Senate faculty members may grieve pursuant to [APM - 140](#), Non-Senate Academic Appointees/Grievances.

Revision History

Month XX, 2021:

- Substantive revisions to address recommendations in the University of California Ethics, Compliance, and Audit Services Systemwide Foreign Influences Audit Report (February 2021): (1) Establish subcategories I.A and II.A for domestic activities and I.B and II.B for foreign activities; (2) remove Appendices B, C, and D.

September 23, 2020:

- Technical revisions to remove gendered language.

For details on prior revisions, please visit the [Academic Personnel and Programs website](#).

RELATED UNIVERSITY POLICIES

- ~~Regents Policy 7303: Policy On Service Obligations and Leaves of Absence~~
~~Order of The Regents 103.1(b)~~
- University Regulation No. 3 – [APM - 005](#)
- University Regulation No. 4 – [APM - 020](#)
- Faculty Code of Conduct – [APM - 015](#)
- University Policy on Faculty Conduct and the Administration of Discipline –
[APM - 016](#)
- Standards of Ethical Conduct
- University of California Policy on Disclosure of Financial Interests and Management
of Conflicts of Interest Related to Sponsored Projects
- University of California Policy on Disclosure of Financial Interests and Management
of Conflicts of Interest, Public Health Service Research Awards
- Policy on Disclosure of Financial Interest in Private Sponsors of Research and
Guidelines – [APM - 028](#)
- University of California Policy on the Requirement to Submit Proposals and to
Receive Awards for Grants and Contracts Through the University Policy and
Guidelines on Outside Professional Activities for Officers and Designated Staff
- Conflict of Interest Code – Disqualification Requirement
- Conflict of Interest Policy and Compendium of Specialized University Policies –
BFB-G-39
- Health Care Vendor Relations Policy
- Health Sciences Compensation Plan – [APM - 670](#)
- Deans – [APM - 240](#)
- Faculty Administrators (Positions Less Than 100%) – [APM - 241](#)
- Faculty Administrators (100% Time) – [APM - 246](#)

PRIOR APPROVAL FORM
FOR OUTSIDE ACTIVITIES (CATEGORY I)

Name _____ Department _____
Please print

For each Category I compensated outside professional activity in which you wish to engage in outside professional activities answer the following questions. Attach separate sheets, if necessary.

Type of activity in which you will be involved:

~~Category I Activities:~~

Executive/managerial role: _____

Outside teaching or research activity: _____

Salaried employee: _____

Other potential conflict of commitment: _____

General description of the business/agency/organization/group/individual:

Activities/products/services of entity described above: _____

Nature of your relationship to entity named above (check all that apply):

Founder/co-founder: _____

Owner: _____

Consultant: _____

Board member: _____

Salaried employee: _____

Stockholder/partnership interest: _____

Equity/royalty interest: _____ Other, please explain: _____

Description of the nature of your participation in this activity, including, if you wish, possible beneficial outcomes to areas of research, industry, and public service:

Beginning/ending month/year you could be involved in this activity: _____

Fiscal year(s) for which seeking approval: _____ (Approvals are generally for one fiscal year but may be granted for a longer term not to exceed five years. Outside income reports must be submitted annually.)

Estimated number of days= involvement during fiscal year appointment: _____

Do you wish to take a full or part time leave while engaged in this activity? _____

Approval granted through fiscal year
ending June 30, _____

Request denied: _____

Department Chair Date

Dean Date

Faculty Member Signature Date

Chancellor or Chancellor's Designee Date

REPORT OF CATEGORY I AND II COMPENSATED OUTSIDE PROFESSIONAL ACTIVITIES

FOR THE FISCAL YEAR ENDING JUNE 30, _____ EXPLANATIONS FOR INFORMATION REQUESTED

Compensated Outside Activities: *Compensation* is defined broadly as all types of remuneration (including stock options) realized or having the potential to become realized for outside activity, excluding customary honoraria and reimbursement for reasonable travel expenses and per diem.

Fiscal Year Faculty Appointment: A *Fiscal Year Appointment* is an appointment in which the faculty member renders service to the University throughout the calendar year as opposed to the academic year (APM—600 4 f). Fiscal year faculty accrue vacation time in accordance with APM—730.

Terms of Leave, if any: A faculty member may be permitted to go on full or part time leave in order to pursue certain compensated outside professional activities. If you were on such leave during any part of the pertinent fiscal year, provide information here about the percentage of time and inclusive months.

Category: For each activity, enter I or II.

Category I activities include: teaching, research, or administering a grant at an educational institution, trust, organization, government agency, or foundation outside of the University; employment outside the University; assuming a founding/co-founding role of a company; assuming an executive or managerial position outside of the University. You must receive prior approval to engage in Category I activities, which always count toward the 21–48 day limit and must be reported annually.

Category II activities include: additional University compensated teaching, including teaching pursuant to APM—662, Additional Compensation: Additional Teaching, for UNEX courses and programs, other continuing education programs run by the University, and 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; consulting for government agencies; serving 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; other income-generating activities specified in approved Implementing Procedures. Category II activities are counted within the 21–48 day limit and must be reported annually.

Number of Days: A full-time faculty member may engage in outside professional activities 21–48 days depending on the terms of the Department/School Implementing Procedures.

Enter the approximate number of days you worked on this activity during your period of active service to the University. For compensated outside professional activities a *Day* is defined using common sense and customary practice. This definition may vary by campus and/or discipline. A School or Departmental Implementing Procedure may include a more specific definition of a day. For additional teaching activities, the general rule is that every six contact or “podium” hours spent with students equals one day. See APM—662 for further information.

Role: Use one or more of the following terms to describe your relationship to the entity identified in the last column: Founder/co-founder, owner, board member, consultant, recipient of equity or royalty interest, stockholder or partnership interest, salaried employee, or other (explain).

Compensation Dollars in Thousands: If income earned for the activity did not exceed the annual threshold, check the box in the left column. If income earned exceeded the annual threshold, enter the amount earned in the right column.

**~~ANNUAL HEALTH SCIENCES COMPENSATION PLAN REPORTING FORM
FOR CATEGORY I & II UNCOMPENSATED AND COMPENSATED OUTSIDE
PROFESSIONAL ACTIVITIES~~**

Fiscal Year Ending June 30, _____

In accordance with APM-671, all Compensation Plan participants are required to complete this form not later than _____

Faculty Member Name (Print)	Academic Title	Department
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Category I or II	# of Days	Name of Outside Entity	Description of Services Provided	Role (e.g., consultant, speaker, employee, shareholder)	Compensation - Dollars in Thousands		
					Income earned did not exceed the threshold	Income earned exceeded threshold	
					<input type="checkbox"/>	\$	
					<input type="checkbox"/>	\$	
					<input type="checkbox"/>	\$	
					<input type="checkbox"/>	\$	
					<input type="checkbox"/>	\$	
					<input type="checkbox"/>	\$	
<i>Total # Days</i>					<i>Total income earned</i>	\$	\$

____ I did not engage in Category I or II activities during the reporting period.
 ____ Total income earned did not exceed the earnings threshold.

I certify that I have complied with the provisions of the University of California Health Sciences Compensation Plan, the School of _____ Health Sciences Compensation Plan Implementation Procedures, and my departmental guidelines for the Plan regarding limitations on the retention of earnings, and time spent in Outside Professional Activities.

Faculty Member Signature _____ Date _____

The department chair's signature affirms the form was received and reviewed. Corrective actions should be implemented for time reports (days) that are above the annual limit and for unapproved Category I activities.

Department Chair Signature _____ Date _____