



OFFICE OF THE VICE PROVOST --  
ACADEMIC PERSONNEL

OFFICE OF THE PRESIDENT  
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Oakland, California 94607-5200

October 25, 2013

COUNCIL OF VICE CHANCELLORS  
LABORATORY DIRECTOR ALIVISATOS  
ACADEMIC COUNCIL CHAIR JACOB  
ANR VICE PRESIDENT ALLEN-DIAZ

**Re: Systemwide Review of Proposed Revised Academic Personnel Manual (APM)  
Section 025, Conflict of Commitment and Outside Activities of Faculty Members,  
Proposed Revised APM - 670, Health Sciences Compensation Plan, and Proposed New  
APM Section 671, Conflict of Commitment and Outside Professional Activities of Health  
Sciences Compensation Plan Participants**

Dear Colleagues:

Enclosed for Systemwide Review are proposed revisions to APM - 025, Conflict of Commitment and Outside Activities of Faculty Members, proposed revised APM - 670, Health Sciences Compensation Plan, and proposed new policy APM - 671, Conflict of Commitment and Outside Professional Activities of Health Sciences Compensation Plan Members (APM - 671 would replace Appendix B in current APM - 670). The enclosed Rationale for Proposed Revisions to APM - 025 and New Policy APM - 671 provides additional context and specific information that is, I hope, helpful during review.

### Overview

The proposal is responsive to campus administrator and faculty requests to clarify the purpose, scope, and compliance requirements concerning conflict of commitment policy for general campus faculty and for Health Sciences Compensation Plan (HSCP or the Plan) faculty. The fundamental difference underlying conflict of commitment policy for general campus faculty and HSCP faculty relates to the treatment of compensation earned via outside professional activities. Central to the proposed draft APM - 025 is the concept that faculty owe their primary professional allegiance to the University in terms of time and effort, a concept that pertains to HSCP faculty as well. However, APM - 025 de-emphasizes compensation as an element of policy since there are no restrictions or limits on the types and amounts of compensation that may be earned by general campus faculty. For HSCP participants, given the operations of the Plan, the University is concerned about time, effort, *and* earnings (types, amounts, and disposition). Thus, a separate policy, contained in APM - 671, is required to provide guidance as to how all earnings are treated under the Plan.

To enhance clarity and to foster consistent interpretation, APM - 671 will house all concepts and policy related to conflict of commitment and outside professional activities of HSCP participants. APM - 025 will no longer apply to HSCP participants; however, all relevant language for APM - 025 will appear in APM - 671 as well. This means HSCP faculty will no longer have to shift back and forth between two policies. Eligibility for governance under APM - 025 or APM - 671 will be mutually exclusive: HSCP

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participants will be subject to APM - 671 and all other faculty, including health sciences faculty who are *not* members of the Plan, will be subject to APM - 025.

### **Management Consultation**

The Office of Academic Personnel circulated drafts of APM - 025 and APM - 671 during the late fall and winter 2012-2013 for Management Consultation. Reviewers generally conveyed support and several offered recommendations. Here are some of the recommendations that have been incorporated in the Systemwide Review drafts:

Policy and Purpose. New language is added to establish a normative structure at the beginning of the two policies. Initial draft language has been edited to reflect one standard to describe a faculty member's obligation to the University stated in the definition of Conflict of Commitment: "A conflict of commitment occurs when a faculty member's outside activities interfere with the faculty member's full-time professional obligations to the University of California."

Definitions. Proposed language returns to the definition of Outside Professional Activities in current APM - 025 which reads: "...Outside Professional Activities 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 Consulting is identified as a subset of Outside Professional Activities. The definition of Conflict of Interest is omitted in favor of a brief reference to conflict of interest policies.

Categories I, II, and III. Internal references are added to assist the reader in interpreting and understanding the policy. Category I activities are described as those most likely to create a conflict of commitment because they: 1) are similar in nature to core University duties but are performed for third parties, and 2) require significant professional commitment. Subsections on student involvement and the use of University resources are returned to the General Principles section rather than included as Category I activities so that all faculty are subject to these provisions. Category II activities are described clearly as outside the course and scope of the faculty member's regular University appointment. The description of Category III activities is modified to state that they are within the course and scope of employment.

Eligibility. New language makes clear that all faculty holding appointments in the specified title series are subject to the policy; however, faculty holding appointments of less than 50 percent time are not subject to the prior approval and annual reporting requirements.

### **Systemwide Review**

Systemwide Review is a public review distributed to the Executive Vice Chancellors, the Director, Lawrence Berkeley National Laboratory, and the Vice President of Agriculture and Natural Resources requesting that they inform the general University community, affected employees and union membership about policy proposals. Systemwide Review also includes a mandatory, three-month full Senate review.

Employees should be afforded the opportunity to review and comment on the draft new policy, available online at: <http://www.ucop.edu/academic-personnel/academic-personnel-policy/policies-under-review/index.html>. Attached is a Model Communication which may be used to inform non-exclusively represented employees affected by these proposals.

This letter and enclosures anticipate that you will begin Systemwide Review of the proposed draft and submit comments no later than February 1, 2014. Please send comments on the proposed policy to [ADV-VPCARLSON-SA@ucop.edu](mailto:ADV-VPCARLSON-SA@ucop.edu). Questions may be directed to Janet Lockwood at [Janet.Lockwood@ucop.edu](mailto:Janet.Lockwood@ucop.edu) or (510) 987-9499.

Sincerely,



Susan Carlson  
Vice Provost  
Academic Personnel

Enclosures: Proposed Revised APM - 025 (redline and clean copy)  
Proposed Revised APM - 670 (redline)  
Proposed New APM - 671 (redline comparing APM - 671 to Appendix B, APM - 670 and clean copy)  
Rationale for Proposed Revisions to APM - 025 and New Policy APM - 671  
Model Communication

cc: President Napolitano  
Chancellors  
Provost and Executive Vice President Dorr  
Executive Vice President Brostrom  
Senior Vice President Stobo  
Senior Vice President Vacca  
Vice President Beckwith  
Vice President Duckett  
Vice Provosts – Academic Personnel  
Associate Vice President Nation  
Interim Chief Risk Officer Lloyd  
Academic Personnel Directors  
Health Sciences Deans  
Health Sciences Working Group  
Executive Director Fox  
Executive Director Rodrigues  
Executive Director Tanaka  
Executive Director Winnacker  
Deputy General Counsel Drown  
Deputy General Counsel Nosowsky  
Senior Counsel Van Houten  
Senior Counsel Auriti  
Deputy Compliance Officer Hilliard  
Director Chester  
Manager Lockwood  
Human Resources Policy Analyst Bello  
Senior Administrative Analyst Rupert

**UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT  
Office of Academic Personnel**

**Rationale for Proposed Revised Draft APM - 025 and New Policy APM - 671,  
Conflict of Commitment and Outside Professional Activities of Faculty**

**Introduction**

APM - 025 is the University's systemwide policy that addresses conflict of commitment and outside activities of faculty members, providing faculty and administrators with guidelines to meet University regulations governing conflict of commitment. Feedback from faculty, campus administrators, and UCOP units indicates that the current policy is confusing, redundant, and somewhat ineffective. Compliance requirements at times seem arbitrarily applied and may be out-of-date, for example the definition of covered populations. In addition, the policy is silent on many practical issues, which appears to have led to inconsistent implementation among the campuses.

Additionally, Health Sciences Compensation Plan (HSCP or the Plan) faculty are currently subject to two policies addressing conflict of commitment and outside activities: APM - 025 and APM - 670, Appendix B, Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants. This means that HSCP faculty must satisfy two separate and different reporting requirements under both policies.

**Conceptual Foundation for Initial Drafts**

In January 2011, former Provost Pitts charged UCOP Academic Personnel with determining whether APM - 025 and APM - 670, Appendix B, Guidelines on Outside Professional Activities, could be merged to create one overarching policy governing outside activities for all University of California faculty. To fulfill that charge, UCOP Academic Personnel convened two work groups, one to address APM - 025 within the general campus context, and the other to address APM - 025 and APM - 670, Appendix B within the Plan context.

The first work group reviewed the chronology and history of APM - 025 development and issuance, conceptual questions and themes, and comparator institutional policies. This work group identified specific areas of APM - 025 that would benefit from revision, recommended substantive and structural revisions to improve the policy, and drafted new policy incorporating those recommendations.

The second work group was then convened to review proposed revisions to APM - 025 and to consider whether APM - 025 and APM - 670, Appendix B could be merged. This work group reviewed the chronology and history of APM - 670, Appendix B development and issuance, conceptual questions and themes, comparator institutional policies, and campus implementation procedures, report forms, protocols, and matters related to campus interpretation. This work group found that the current structure, placing policy and guidelines within APM - 025 and APM - 670, Appendix B is organizationally confusing for faculty and administrators alike, leading to difficulties interpreting policy principles and compliance requirements. Current policies are unclear and sometimes provide conflicting guidance for implementation. Therefore, to enhance clarity and to foster consistent interpretation, it was recommended that one new, separate policy, APM - 671, should house all concepts and policy related to conflict of commitment and outside professional activities of Plan participants. Subsequently, proposed draft APM - 025 language was integrated into APM - 671 to collate all relevant concepts and guidelines

in one policy document rather than requiring faculty to shift back and forth between two policies; this also allows for one reporting requirement rather than two different reporting requirements. Eligibility for governance under APM - 025 or APM - 671 is mutually exclusive: Plan participants will be subject to APM - 671 and all other faculty, including health sciences faculty who are *not* participants in the Plan, will be subject to APM - 025.

The work group identified additional reasons for drafting the new APM - 671:

Increase clarity. Current policies lead to unintended confusion regarding concepts central both to general campus faculty and to HSCP faculty regarding prior approval to engage in certain activities and subsequent reporting requirements. In its section-by-section analysis of proposed draft APM - 025, the work group agreed that if APM - 025 and APM - 670, Appendix B were merged, there would have to be separate paragraphs for general campus faculty and for HSCP faculty in almost every section of policy, leading once again to confusion for all faculty.

Specify treatment of outside earnings. While reporting outside earnings is not required of general campus faculty, it is, and should be, required of HSCP faculty. Health sciences campuses run large-scale business enterprises integral to the academic program. The success of the combined academic/business enterprise is dependent on the productivity and revenue generation by Plan participants. Unlike general campus faculty, Plan participants are eligible to receive additional negotiated and incentive compensation. (Faculty participating in the current general campus negotiated salary trial program would remain covered under APM - 025.)

### **Proposed Revised Draft APM - 025**

The general intent of APM - 025 is to ensure that when a faculty member engages in activities outside of the University, that these activities do not interfere with the fulfillment of the appointee's academic duties at the University. While some professional conflicts are inevitable, and not all conflicts can be eliminated, APM - 025 has evolved to manage the conflicts that arise when outside activities appear to interfere with an appointee's duties.

APM - 025 is rewritten to replace current language with concise statements where possible, including a straightforward declaration of the purpose and scope of the policy, and a statement that outside professional activities, regardless of the category, must not interfere with a faculty member's full-time professional obligation to the University. Outside professional activities remain divided into three categories. The policy section includes a description of the type of activity, the compliance requirements, and examples of the activities, which are described as follows:

Category I. These are activities that are likely to cause a conflict of commitment and thus require prior approval, count toward the appointee's maximum 39/48 days devoted to outside professional activities, and require disclosure in annual reporting.

Category II. These are activities that carry a moderate to low potential for conflict and do not require prior approval, count toward the appointee's maximum 39/48 days devoted to outside professional activities, and require disclosure in annual reporting.

Category III. These are activities that are unlikely to cause a conflict of commitment. As such, these activities do not require prior approval, do not count toward the appointee's maximum 39/48 days devoted to outside professional activities, and do not require disclosure in annual reporting.

While all academic appointees owe a professional commitment to the University, only the faculty as defined in APM - 110-4-15 who hold appointments at 50 percent time or more are required to comply with prior approval and reporting requirements.

Draft language generally reduces the emphasis on compensation found in current APM - 025, given that it is the nature of the activity and time allocated to outside activities that are central to the policy for general campus faculty, rather than whether compensation is received. The disclosure of compensation amounts is not required for general campus faculty; the amount of compensation is often not known, most peer institutions do not require this, and there would be no benefit gained by requesting this information or identifying activities based on compensation when there are no limitations imposed on the amount of income that may be earned. Policy reduces the emphasis on compensation as a determining factor and increases emphasis on the likely level of interference with University duties. Additionally, language excludes "Outside Non-Professional Activities" which are unrelated to the academic appointment or to a faculty member's professional obligations to the University.

### **Proposed New Policy APM - 671**

Current APM - 670, Appendix B, Guidelines on Outside Professional Activities provides units with the choice of one of two options for managing outside professional activity income: 1) the University-wide Standard Requirement, allowing Health Sciences Compensation Plan participants to retain payments from 21 days of service (other than patient care) per fiscal year to governmental agencies, non-profit health or education-related organizations, continuing health education programs administered by the University, or to University Extension, if such service has been approved by the Dean and the Chancellor, or 2) the Alternative Option allowing Plan participants to retain income from up to 48 days of service (other than patient care) per fiscal year to all entities specified in the Standard Requirement, plus income from for-profit consulting and expert witness testimony. Campuses have interpreted these options in different ways, which has led to divergent and conflicting processes, suggesting that the policy structure and language is unclear and confusing.

Revised APM - 670 issued in July 2012 has incorporated some changes to emphasize policy requirements and safeguards relevant to both options for managing outside professional activities, moving sections-- from Appendix B to the body of APM - 670--on good standing criteria, establishment of an Advisory Committee, and reference to specific related policies, all of which must be described in School Implementing Procedures.

Proposed APM - 671 describes one method for managing outside professional activities and income which combines elements of the University-wide Standard Requirement and the Alternative Option. This method includes the following details:

- A minimum 21 days and maximum 48 days annually to engage in outside professional activities, the specific time limit to be specified in School/Department Implementing Procedures
- Increasing the maximum annual outside professional activities earnings approval threshold to \$40,000 or 40 percent of the fiscal year base salary scale (Scale 0)
- A pre-approval requirement after either the time or dollar threshold has been reached
- The requirement that school/department Implementing Procedures define taxation for the first \$40,000 earned and subsequent earnings
- The requirement that school/department Implementing Procedures clearly define the types of activities for which time limits and income earned count toward the approval threshold.

Current APM - 670 is clear regarding the disposition of clinical income. APM - 670-19-a states that "All clinical income is due to the Plan. In no case will Plan participants be allowed to retain income from patient care activities." This principle is central to the HSCP and to establishing guidelines for outside professional activities and is incorporated into proposed APM - 671.

025-0 **Policy**

The University of California policy on conflict of commitment and outside activities of faculty members provides for the identification and management of outside activities to avoid conflicts of commitment, while assuring that faculty (see APM - 025-14 for a list of faculty titles subject to this policy) may engage in a wide array of outside activities without unnecessary limitations. General campus faculty are covered by this policy. Faculty participating in the Health Sciences Compensation Plan are subject to APM - 671, Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Members and are not subject to APM - 025. Faculty appointed in Health Sciences Schools who do not participate in the Health Sciences Compensation Plan are subject to APM - 025.

025-2 **Purpose**

Faculty members 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 activity, 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 acknowledges the value of outside professional activities while recognizing the likelihood that some outside activities may cause real or apparent conflicts of commitment. Outside professional activities that interfere with a faculty member's full-time professional obligations to the University represent a conflict of commitment.

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. Policy limits the amount of time a faculty member may devote to outside professional activities and describes the requirements for involving a student in outside professional activity.

In addition to this policy on conflict of commitment and outside activities, faculty must comply with 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 some other relevant University policies.

025-4 **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. This does not include 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; however, such endeavors must not interfere with a faculty member's full-time professional obligations to the University. The Department Chair, in consultation with the faculty member and the Dean, shall resolve any questions related to whether an activity constitutes outside non-professional activity or is within the course and scope of employment.

b. **Conflict of Commitment**

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

c. **Conflict of Interest**

This policy does not cover conflict of interest, but 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 defined as professional advice or services related to the faculty member's field or discipline, whether compensated or uncompensated, that furthers the interests of an entity outside of 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.

f. **Compensation**

Compensation includes all types of remuneration (including stock and stock options) with immediate or potential financial value, for outside professional

activities, excluding customary honoraria<sup>1</sup> and reimbursement for reasonable travel expenses and per diem.<sup>2</sup>

#### 025-6 **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, prior approval of Category I activities (see APM - 025-10 for descriptions of Categories I, II, and III activities and APM - 025-10-b(1) and Appendix B for prior approval requirements), and annual reporting (see APM - 025-10-b(2) and Appendix C for annual reporting requirements);
- (3) Developing procedures to identify and resolve, if possible, conflicts between a faculty member's commitment to the University and his or her outside professional activities; and

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<sup>1</sup> See APM - 666

<sup>2</sup> See Business and Finance Bulletin G-28

- (4) Establishing a deadline for submission of annual reports based on a fiscal-year calendar.

**b. Faculty**

Faculty are responsible for complying with this policy, including:

- (1) Obtaining prior approval for engagement in Category I activities (see APM - 025-10 for descriptions of Categories I, II, and III activities and APM - 025-10-b-(1) and Appendix B for prior approval requirements);
- (2) Submitting annual reports of all Category I and Category II activities (or the lack thereof) to the Department Chair (see APM - 025-10-b-(2) and Appendix C for annual reporting requirements);
- (3) Attesting in the annual report to adherence with the requirements of this policy;
- (4) Disclosing any current or prospective outside professional activity to the Department Chair if in doubt as to whether a conflict of commitment exists; and

- (5) Obtaining prior approval from the Department Chair before involving a student in an outside professional activity (see APM - 025-8-b).

## 025-8 **General Principles**

### a. **Obligations to the University**

Outside professional activities must be undertaken in a manner consistent with the faculty member's full-time professional obligations to the University. Outside activities must not conflict with the appointee'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. **Students**

Part-time 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 faculty member and student must be protected from influences or activities that may interfere

with learning consistent with the goals and ideals of the University (Faculty Code of Conduct, APM - 015).

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 impact the faculty member's evaluation of the student's performance in other contexts.

c. **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) identifies 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 on behalf of the University. They may not be used for private gain or for personal purposes except in limited circumstances

permitted by existing policy where incidental personal use does not conflict with and is reasonable in relation to University duties (e.g., telephones).

d. **Liability Coverage**

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

025-10 **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 Category I -- 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 employment and need not be approved or reported. When an activity falls into more than one category, it should be assigned to the higher category.

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 they: 1) are similar in nature to core University duties but performed for a third party, and 2) require significant professional commitment.

Category I activities require prior approval by the Chancellor, count toward the faculty member's maximum 39/48 days of outside professional activities (see APM - 025-16-b and Appendix C for definition of time limits), 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 activities include, but are not limited to:

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

(b) Employment outside of the University;

(c) Assumption of an executive or managerial position outside of the University.<sup>3</sup>

**(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; this category also includes outside consulting activities that are outside the course and scope of the faculty member's regular University appointment.

Category II activities require disclosure in annual reporting under this policy, count toward the faculty member's maximum 39/48 days of outside professional activities (see APM - 025-16-b and Appendix C for definition of time limits), but do not require prior approval.

Examples of Category II activities include, but are not limited to:

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<sup>3</sup> This does not include positions with professional societies.

- (a) 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;<sup>4</sup>
- (b) Outside consulting or testifying as an expert or professional witness;
- (c) Providing outside consulting services or referrals or engaging in professional practice as an individual or through a single-member professional corporation or sole proprietorship;
- (d) Serving on a board of directors outside of the University;
- (e) Providing a workshop for industry;
- (f) Providing outside consulting and compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories.<sup>5</sup>

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<sup>4</sup> These are teaching activities outside of the assigned teaching load. If the department assigns the teaching activity, it is not considered an outside activity.

<sup>5</sup> 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 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 of 39/48 days of outside professional activities.

**(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 do not require disclosure in annual reporting or prior approval under this policy and do not count toward the faculty member's maximum of 39/48 days of outside professional activities. Nevertheless, they must not interfere with a faculty member's obligations to the University (see APM - 025-8).

Examples of Category III professional activities include, but are not limited to:

- (a) Service on government or professional panels or committees or as an officer of a professional or scholarly society;
- (b) Reviewing manuscripts; acting in an editorial capacity;
- (c) Attending and presenting talks at scholarly colloquia and conferences;
- (d) Developing scholarly or creative works;

- (e) Accepting honoraria for scholarly, intellectual, educational, outreach work within the course and scope of employment; and,
- (f) Prizes, defined as gifts in recognition of personal achievements and not for services rendered.

**b. Disclosure requirements**

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

**(1) Prior approval requirements**

All Category I activities and requests to exceed the maximum number of days require prior written approval from the Chancellor in advance of the activity.

**(2) Reporting requirements**

All faculty must file an annual report each fiscal year even if the faculty member did not engage in outside professional activities during the year. Faculty must report annually all Category I and II outside professional activities conducted

during the prior 12 months, including activities conducted during normal service periods and during periods of leave with and without pay, and during summer months when receiving University compensation. The requirement for annual reporting begins after the faculty member's first full year of continuous employment.

**025-14 Eligibility**

**a. Faculty titles subject to APM - 025**

All faculty holding appointments in the following title series are subject to this policy; however, faculty holding appointments of less than 50 percent time are not subject to the annual reporting and prior approval requirements:

- (1) Professor, including Acting titles
- (2) Professor in Residence
- (3) Adjunct Professor
- (4) Professor of Clinical (e.g. *Medicine*)\*
- (5) Health Sciences Clinical Professor\*

(6) Clinical Professor of Dentistry\*

(7) Lecturer or Senior Lecturer with Security of Employment

\*Faculty holding titles in these series are subject to APM - 025 if not participating in the Health Sciences Compensation Plan. Faculty participating in the Health Sciences Compensation Plan are subject to APM - 671 and are not subject to APM - 025.

**b. Recalled faculty**

Faculty who have retired and are recalled to active service for appointments at or less than 43 percent time are not subject to this policy. Faculty members recalled to the Health Sciences Compensation Plan are subject to the provisions of APM - 671.

**c. Faculty on leave**

(1) Leave without pay

Faculty on an approved leave without pay are subject to disclosure, prior approval, and annual reporting requirements but are not subject to the time limits in APM - 025-16.

(2) Sabbatical or other leaves with pay (other than vacation)

Faculty on approved sabbatical or other leaves with pay are subject to the disclosure, prior approval, annual reporting requirements, and time limits in APM - 025-16, regardless of the funding source for salary.

(3) Vacation

Faculty on approved vacation are not subject to the disclosure, prior approval, annual reporting requirements, or time limits described in APM - 025-16 for outside professional activity performed during the vacation period.

d. Faculty Administrators

Faculty administrators are covered by this policy, but 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).

**025-16 Restrictions**

- a. A faculty member shall not engage in outside professional activity that creates a conflict of commitment.

**b. Time Limits**

- (1) Faculty may engage in Category I and II outside professional activities for up to 39 days per year for academic-year appointees and 48 days per year for fiscal-year appointees. It is expected that the use of days will be allocated evenly across service periods.
- (2) For faculty appointed at less than 100 percent time, the number of days shall be prorated based on the percentage of appointment.
- (3) Averaging of days among service periods is permissible subject to approval for the leave of absence; however, no more than 39 days in one academic year or 48 days in one fiscal year are permitted.
- (4) Days not used in one year may not be carried forward to the next year.

**c. Summer months**

There are no restrictions on the number of days of Category I and II activity for academic-year faculty during the summer months unless an academic-year faculty member receives additional University compensation for the summer. If an academic-year faculty member receives additional University summer compensation, the limit on compensated outside professional

activities is the equivalent of one day per week during the period in which such compensation is received.

d. **Extramural Funding**

Faculty receiving extramural funding may not exceed limitations on outside professional activities imposed by the funding sources, including effort rules.

025-24 **Authority**

The Chancellor shall issue campus procedures implementing APM - 025 and has the authority to approve Category I requests and individual exceptions under this policy.

025-26 **Non-compliance**

Department Chairs shall monitor compliance by collecting and reviewing annual reports, and shall consult with the Dean about any concerns. The Dean shall review the reports on outside professional activities of Department Chairs.

Situations where faculty will be considered out of compliance include, but are not limited to, failure to obtain prior approval to engage in Category I activities, to obtain prior written approval for involving a student in outside professional activity (see

APM - 025-10-b), to comply with time limits for Category I and II activities, and/or to accurately disclose and describe the nature and scope of Category I and Category II outside professional activities.

Failure to comply with this policy may subject a faculty member to discipline, corrective action, or administrative remedies pursuant to APM - 016, University Policy on Faculty Conduct and the Administration of Discipline and APM - 150, Non-Senate Academic Appointees/Corrective Action and Dismissal. Senate faculty members may grieve pursuant to Senate Bylaw 335. Non-Senate faculty members may grieve pursuant to APM - 140, Non-Senate Academic Appointees/Grievances.

### **RELATED UNIVERSITY POLICIES**

- Standing 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 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
- 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
- Cooperative Extension Administrative Handbook Section 356

**PRIOR APPROVAL  
OUTSIDE ACTIVITIES (CATEGORY I)**

Name: \_\_\_\_\_ Faculty Title: \_\_\_\_\_  
Last First M.I. Academic- or Fiscal-Year Appointment: \_\_\_\_\_

Department: \_\_\_\_\_ College/School: \_\_\_\_\_

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

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):

Owner: \_\_\_\_\_ Consultant: \_\_\_\_\_ Stockholder/partnership interest: \_\_\_\_\_  
Board member: \_\_\_\_\_ Equity/royalty interest: \_\_\_\_\_ Salaried employee: \_\_\_\_\_  
Other, please explain: \_\_\_\_\_

Type of activity in which you will be involved:

Category I Activities

Executive/managerial role: \_\_\_\_\_ Involving students in outside activities: \_\_\_\_\_  
Outside teaching or research activity: \_\_\_\_\_ Use of University resources beyond incidental use: \_\_\_\_\_  
Salaried employee: \_\_\_\_\_  
Other potential conflict of commitment: \_\_\_\_\_

Description of the nature of your (or your student's) participation in this activity, including, if you wish, possible beneficial outcomes to areas of research, industry, and public service (or to your student's education):

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. Compliance reports must be submitted annually.)

Estimated number of days' involvement during academic- or fiscal-year appointment: \_\_\_\_\_

Will you be requesting a full- or part-time leave without pay 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 OUTSIDE ACTIVITIES  
AND ADDITIONAL TEACHING ACTIVITIES  
FOR THE FISCAL YEAR ENDING JUNE 30, \_\_\_\_\_  
EXPLANATIONS FOR INFORMATION REQUESTED**

Academic/Fiscal-Year Faculty Appointment: Enter whether you held an academic- or fiscal-year appointment. An *Academic-Year Appointment* is an appointment in which the faculty member renders services to the University during the academic year, from the beginning of the fall term through the end of the spring term (APM - 600-4-d), or the equivalent of an academic year should the campus operate year-round. 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. 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, II or AT (for additional teaching as defined in APM - 662).

*Category I* activities include: teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, or foundation outside of the University; employment outside the University; assumption of 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 39/48-day limit and must be reported annually.

*Category II* activities include: additional University-compensated teaching, including teaching in accordance with APM - 662 for UNEX courses and programs, other continuing education programs run by the University, and self-supporting UC degree programs if the teaching is outside the normal teaching load; outside consulting or testifying as an expert or professional witness; providing outside consulting services or referrals or engaging in professional practice as an individual or through a single-member professional corporation or sole proprietorship; serving on the board of directors outside of the University; providing a workshop for industry. Category II activities are counted within the 39/48-day limit and must be reported annually.

Number of Days: A full-time faculty member on an academic-year appointment normally may engage in outside professional activities for up to 39 days from the start of the fall term through the end of the spring term (including intersession). There are no restrictions on the number of days of outside professional activity for academic-year faculty during the summer months unless an academic-year faculty member is receiving University compensation for the summer. If an academic-year faculty member is receiving University summer compensation, then the applicable limit on outside professional activities is the equivalent of one day per week during the period in which compensation is received (unless a funding agency specifies otherwise). A fiscal-year faculty member is permitted a maximum of 48 days per fiscal year.

Enter the approximate number of days you worked on this activity during your period of active service to the University. For outside professional activities, a *Day* is defined on a case by case basis, using common sense and customary practice. The University recognizes and supports the diverse hours and schedules devised by faculty members and department chairs to accommodate teaching, research and creative work activity, University service, and University-related public service. You should exercise sound professional judgment, taking into account reasonable work schedules, when determining what constitutes a day of outside activity and be prepared to provide, upon request from the responsible University official, an explanation of the definition of "day" you used. 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 details.

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

**ANNUAL REPORTING FORM  
 FOR CATEGORY I & II OUTSIDE ACTIVITIES AND ADDITIONAL TEACHING ACTIVITIES  
 REPORTING PERIOD: \_\_\_\_\_ THROUGH \_\_\_\_\_**

*Instructions:* In accordance with APM - 025, this form must be completed, signed, and submitted to the department chair each year by all eligible faculty for the time your academic-year or fiscal-year appointment was effective during the identified fiscal year. See Explanations (Appendix B) for further guidance. If you engaged in no Category I and Category II outside activities during the identified fiscal year, and did not perform additional teaching as defined in APM - 662 (i.e. teaching in UNEX courses or programs, other continuing education programs run by the University, online programs, or self-supporting UC degree programs), write "NONE" across the grid below and check the box below. Attach additional sheets if necessary.

Name (Print):	Academic Title:	Department:
Appointment: _____ Academic-year or _____ Fiscal-year	Terms of leave, if any: _____	College/School: _____

Category I or II	Number of Days	Leave Without Pay Y/N (When?)	Description of Activity	Nature of Relationship	General Description of Business/Agency/Organization/Group/Person
<i>Total # Days</i>					

_____ I did not engage in Category I or II activities during the reporting period.	
I certify that I have complied with the provisions of APM - 025 and have reported all Category I and II activities as required by policy.	
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
Dean Signature	Date

N.B.: Information disclosed herein is a public record under the California Public Records Act

025-0 **Policy**

The University of California policy on conflict of commitment and outside activities of faculty members ~~is set forth in the following pages:~~ provides for the identification and management of outside activities to avoid conflicts of commitment, while assuring that faculty (see APM - 025-14 for a list of faculty titles subject to this policy) may engage in a wide array of outside activities without unnecessary limitations. General campus faculty are covered by this policy. Faculty participating in the Health Sciences Compensation Plan are subject to APM - 671, Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Members and are not subject to APM - 025. Faculty appointed in Health Sciences Schools who do not participate in the Health Sciences Compensation Plan are subject to APM - 025.

**Comment [AP1]:** New language proposed to offer a straightforward statement of intent and to clarify who is subject to the policy.

025-2 **Purpose**

~~This policy affirms faculty responsibilities as members of the University of California and provides mechanisms to ensure that activities outside the University do not interfere with fulfillment of these responsibilities. This policy addresses compensated and uncompensated outside professional and non-professional activities. It provides specific guidelines designed to address potential conflicts of commitment arising when a faculty member wishes to undertake compensated outside professional activities. It also provides general guidance for: i) addressing potential conflicts of commitment for uncompensated outside professional activities; ii) addressing compensated and uncompensated outside non-professional activities; and iii) involving students in the outside professional activities of faculty.~~

~~This policy reinforces other University policies (listed in Appendix A). It does not replace professional and health science school policies which provide more detailed or specific guidelines on outside activities. Health sciences faculty who are members of a compensation plan may only retain professional income in accordance with the terms of the compensation plan.~~

**Comment [AP2]:** New language proposed (see page 2) to establish a normative structure for the policy.

~~This policy applies to full-time and part-time faculty members (as defined at APM 110.4(14)). The term “faculty” includes, but is not limited to, all members of the Academic Senate and equivalent ranks, as defined in Regents’ Standing Order 105.1 and Bylaw 55 of the Academic Senate. However, this policy does not apply to emeritus faculty members unless an emeritus faculty member is on recall status. In addition, this policy applies to all academic or other administrators who hold academic appointments in a faculty title series regardless of the current percentage of time related to the academic appointment. Academic administrators may also be subject to additional approval and reporting requirements as set forth in the University Policy and Guidelines on Outside Professional Activities for Officers and Designated Staff.~~

Faculty members 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 activity, 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 acknowledges the value of outside professional activities while recognizing the likelihood that some outside activities may cause real or apparent conflicts of commitment. Outside professional activities that interfere with a faculty member’s full-time professional obligations to the University represent a conflict of commitment.

**Comment [AP3]:** Language appearing in green with strikethrough indicates that the language has been moved; see last page of this draft for a key to the color coding.

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. Policy limits the amount of time a faculty member may devote to outside professional activities and describes the requirements for involving a student in outside professional activity.

In addition to this policy on conflict of commitment and outside activities, faculty must comply with 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 some other relevant University policies.

025-4 **Definitions**

~~Compensation is defined as income, assets, or capital, either realized or having the potential to become realized.~~

~~Outside Non-Professional Activities are defined as activities that are not directly related to a faculty member's area of professional, academic expertise and that take place outside the University context.~~

~~An Academic Year Appointment is an appointment in which the individual renders services to the University during the academic year, from the beginning of the fall term through the end of the spring term (APM 600 4 d), or the equivalent of an academic year should the campus operate year-round.~~

~~A Fiscal Year Appointment is an appointment in which the individual renders service to the University throughout the calendar year as opposed to the academic year. Fiscal year appointees accrue vacation time in accordance with APM 730.~~

~~A Day is defined on a case by case basis, using common sense and customary practice. The University recognizes and supports a framework of diverse hours and schedules to accommodate teaching, research and creative work activity, University service and University-related public service. Accordingly, these guidelines do not provide a strict definition of a day. Faculty members and department chairs or other appropriate administrators should exercise sound professional judgment, taking into account~~

**Comment [AP4]:** New definitions begin on page 4 of this document.

~~reasonable work schedules, when determining what constitutes a day of outside activity. Upon request from the Chancellor or his or her designee(s), faculty members should be prepared to provide an explanation of the definition of "day" used in preparing the prior approval and disclosure form or the annual report form (see APM - 025-20).~~

a. Outside Professional Activities

~~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, ~~and through consulting or professional opportunities.~~ This does not include 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; however, such endeavors must not interfere with a faculty member's full-time professional obligations to the University. The Department Chair, in consultation with the faculty member and the Dean, shall resolve any questions related to whether an activity constitutes outside non-professional activity or is within the course and scope of employment.

**Comment [AP5]:** This is the definition found in current APM - 025 which grounds these activities in regular professional activities and expertise.

b. Conflict of Commitment

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

**Comment [AP6]:** Part-time appointments are addressed in APM - 025-2 and APM - 025-14.

c. **Conflict of Interest**

This policy does not cover conflict of interest, but 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 defined as professional advice or services related to the faculty member's field or discipline, whether compensated or uncompensated, that furthers the interests of an entity outside of the University of California.

**Comment [AP7]:** The definition clarifies that outside consulting is a subset of outside professional activities.

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.

f. **Compensation**

Compensation includes all types of remuneration (including stock and stock options) with immediate or potential financial value, for outside professional

activities, excluding customary honoraria<sup>1</sup> and reimbursement for reasonable travel expenses and per diem.<sup>2</sup>

025-6 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, prior approval of Category I activities (see APM - 025-10 for descriptions of Categories I, II, and III activities and APM - 025-10-b-(1) and Appendix B for prior approval requirements), and annual reporting (see APM - 025-10-b-(2) and Appendix C for annual reporting requirements);

**Comment [AP8]:** This is a new section in both APM - 025 and APM - 671 intended to establish policy compliance requirements and to clearly describe responsibilities.

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<sup>1</sup> See APM - 666

<sup>2</sup> See Business and Finance Bulletin G-28

- (3) Developing procedures to identify and resolve, if possible, conflicts between a faculty member's commitment to the University and his or her outside professional activities; and
- (4) Establishing a deadline for submission of annual reports based on a fiscal-year calendar.

b. Faculty

Faculty are responsible for complying with this policy, including:

- (1) Obtaining prior approval for engagement in Category I activities (see APM - 025-10 for descriptions of Categories I, II, and III activities and APM - 025-10-b-(1) and Appendix B for prior approval requirements);
- (2) Submitting annual reports of all Category I and Category II activities (or the lack thereof) to the Department Chair (see APM - 025-10-b-(2) and Appendix C for annual reporting requirements);
- (3) Attesting in the annual report to adherence with the requirements of this policy;

- (4) Disclosing any current or prospective outside professional activity to the Department Chair if in doubt as to whether a conflict of commitment exists; and
- (5) Obtaining prior approval from the Department Chair before involving a student in an outside professional activity (see APM - 025-8-b).

025-6-025-8 **General Principles**

~~In joining the University faculty, scholars accept as their own the University's responsibilities to advance and communicate knowledge. For purposes of advancement and promotion, the performance of faculty members in fulfilling their University obligations is evaluated by grouping their activities into four~~

~~interrelated categories: teaching, research and creative work activity, professional competence and activity, and University or University-related public service. Whether professional or non-professional, compensated or uncompensated, an outside activity that interferes with successful performance of the faculty member's University obligations represents a conflict of commitment.~~

~~Teaching and research or creative work activity are clearly the primary activities of the faculty and receive the largest commitment of effort and energy. A faculty member is obligated to have a significant presence on campus, to meet classes, to keep office hours, to hold examinations as scheduled, to be accessible to students and staff, to be available to interact with University colleagues, and to share service responsibilities throughout every quarter or semester of active duty.~~

~~Faculty members are also expected to participate in University activities and to use their professional expertise to contribute to their professions and to the community. University activities and outside professional activities can be positive contributors to fulfilling one's University obligations. The University sees great value in activities outside the University that advance and communicate knowledge through interaction with industry, the community, and the public, and through consulting and professional opportunities.~~

~~Regents' Standing Order 103.1(b) states that faculty members shall not allow outside employment to interfere with primary University duties. Pertinent provisions of~~

**Comment [AP9]:** Proposed language appearing in sections 025-0 and 025-2 replaces the current language contained in this section. See page 16 for new language describing General Principles.

~~Regulation No. 4 (Special Services to Individuals and Organizations, APM-020) implement the Standing Order and reinforce the concept that outside professional activities may be a valuable contribution to the University and to an individual's professional growth so long as the activities are undertaken in a manner consistent with the full performance of the faculty member's primary University obligations. Because compensated outside professional activity may raise the appearance, or the reality, of a conflict of commitment to the faculty member's University obligations, the University has established specific guidelines for managing such activity. These guidelines are presented in APM-025-10, and mechanisms for managing them are presented in APM-025-20. The University recognizes that uncompensated outside professional activities and compensated and uncompensated outside non-professional activities may on occasion also present the appearance, or the reality, of a conflict of commitment. General guidance for addressing such circumstances is presented in APM-025-30 and 025-40, respectively. The University also recognizes that faculty members may draw upon their professional, academic expertise in the context of their personal lives (e.g., an architect redesigning his or her home, an economist managing his or her investments) and that such activity may result in compensation, under the definition used in this policy. If activities such as these should present the appearance or the reality of a conflict of commitment, they should be handled in a manner similar to that for compensated and uncompensated outside non-professional activities (APM-025-40). General guidance for involving students in outside professional activities is provided in APM-025-50.~~

~~A faculty member may pursue compensated and uncompensated, professional and non-professional activities, adhering to the principles and guidelines described herein. If the faculty member anticipates that any such outside activity would interfere with performance of University duties and responsibilities, then under certain circumstances the University may grant the faculty member a leave to pursue the activity. Leaves for this purpose must be reviewed annually and are normally allowable for a maximum of two years, subject to approval of an exception by the Chancellor.~~

~~025-10 Guidelines for Compensated Outside Professional Activities~~

~~a. General~~

~~These guidelines affirm principles and guidelines stated in the Faculty Code of Conduct (APM-015), the criteria for appointment in the Professor series (APM-220), and the criteria for review of merit and promotion (APM-210). As stated in APM-015, Section II—The Faculty Code of Conduct, the role of the faculty and administration in assuring sound professional action and judgment is as follows:~~

~~The University seeks to provide and sustain an environment conducive to sharing, extending, and critically examining knowledge and values, and to furthering the search for wisdom. Effective performance of these central functions requires that faculty members be free within their respective fields of competence to pursue and teach the truth in accord with~~

**Comment [AP10]:** Guidelines appear in new section APM - 025-10 beginning on page 16 of this document. With reduced emphasis on compensation, draft policy proposes three categories rather than four.

~~appropriate standards of scholarly inquiry.~~

~~The faculty's privileges and protections, including that of tenure, rest on the mutually supportive relationships between the faculty's special professional competence, its academic freedom, and the central functions of the University. These relationships are also the source of the professional responsibilities of faculty members. (Preamble)~~

~~In support of the University's central functions as an institution of higher learning, a major responsibility of the Administration is to protect and encourage the faculty in its teaching, learning, research, and public service. (Part I, Professional Rights of Faculty)~~

~~Professors, guided by a deep conviction of the worth and dignity of the advancement of knowledge, recognize the special responsibilities placed upon them. Their primary responsibility to their subject is to seek and to state the truth as they see it. To this end professors devote their energies to developing and improving their scholarly competence. They accept the obligation to exercise critical self-discipline and judgment in using, extending, and transmitting knowledge. They practice intellectual honesty. Although professors may follow subsidiary interests, these interests must never seriously hamper or compromise their freedom of inquiry. (AAUP Statement, 1966; Revised, 1987) (Part II.B, Scholarship)~~

~~Professors give due regard to their paramount responsibilities within their institution in determining the amount and character of the work done outside it. (Part II.C, The University)~~

~~While fulfilling his or her University obligations, a faculty member may pursue compensated outside professional activities that advance or communicate knowledge through interaction with industry, the community, or the public, and through consulting or professional opportunities. Such activities give the individual experience and knowledge valuable to teaching, research, and creative work activity and/or provide a University-related public service.~~

~~Compensated outside professional activities are the ones most likely to cause real or apparent conflicts of commitment. For this reason, the University has established guidelines on the amount of time allowed for such activities and identified three categories of compensated outside professional activities that vary in the extent to which they may raise conflict of commitment issues. Accordingly, compensated outside professional activities which fall into these different categories have different requirements as to prior approval, inclusion in the time limit, and annual reporting.~~

~~b. Time Limits on Compensated Outside Professional Activities~~

~~The following time limits apply to each fiscal year. Allowable days ~~not used one year may not be carried forward to the next year.~~~~

~~A full-time faculty member on an academic-year appointment normally may engage in compensated outside professional activities for up to 39 days from the start of the fall term through the end of the spring term (including inter-session), or during the equivalent of an academic year if the campus is operating on a year-round schedule. There are no restrictions on the number of days of compensated outside professional activity for academic-year faculty during the summer months (or equivalent term, if on a year-round schedule) unless an academic-year faculty member is receiving University compensation for the summer (or equivalent term). If an academic-year faculty member is receiving University summer (or equivalent term) compensation, then the applicable limit on compensated outside professional activities is the equivalent of one day per week during the period in which compensation is received.~~

~~A full-time faculty member on a fiscal-year appointment may engage in compensated outside professional activities for up to 48 days during the months of active service. There are no restrictions on the number of days of compensated outside professional activity during the periods of vacation leave (unless the faculty member is earning additional University compensation during the vacation leave).~~

~~For part-time faculty (i.e., those with less than a full-time appointment), the applicable time limit is prorated based on their percentage appointment at the University. In addition, compensated outside professional activity conducted during the remaining percentage of time is at the faculty member's discretion. For example, a 50-percent academic-year appointee would be allowed 19.5 days (39 x .50) during the academic year, some or all of which could be conducted during the faculty member's normal University working hours provided that the faculty member had otherwise fulfilled his or her obligations to the University. In addition, the faculty member could engage in additional compensated outside professional activities during the time not committed to the University.~~

~~The Chancellor may approve in writing compensated outside professional activities which exceed these time limits for an individual faculty member, or a group of faculty, when in the Chancellor's opinion the activity benefits the University.~~

~~c. Categories of Compensated Outside Professional Activities~~

~~Compensated outside professional activities are divided into three categories in terms of the extent to which they may raise conflict-of-commitment issues.~~

~~For each category, there are different requirements as to prior approval, inclusion in the time limit, and annual reporting. Each of the categories and~~

**Comment [AP11]:** Time limits are described in section APM - 025-16-b on page 27 of this document.

**Comment [AP12]:** Description of categories appears in section 025-10 beginning on page 19 of this document.

~~the related requirements are described below.~~

~~(1) **Category I** activities are likely on their face to raise issues of conflict of commitment. In order to engage in such activities while an active member of the faculty, the faculty member must make a written request (see APM – 025, Appendix B) to the Chancellor or Chancellor's designee(s) and receive written approval. Requests must be submitted and approved annually, unless approved for a longer term, which may not exceed five years. Prior approval does not affect the scope of annual reports of professional activities. If permitted, Category I activities are counted within the 39/48-day time limit and must be reported annually (see APM – 025, Appendix C). 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 this policy, executive or managerial positions do not include: a) serving on the board of directors of an outside entity, or b) providing consulting services or engaging in professional practice through the faculty member's single member professional corporation or sole proprietorship. Also, providing professional services through a more complex type of organization, in which the role of the faculty member might potentially be classified as executive or managerial, is ordinarily allowable in disciplines where the Chancellor has determined that professional practice is generally accepted as being integral to faculty work (e.g., in architecture or law). In such disciplines, multi-year approvals, which may not exceed a five-year term, are appropriate.~~

~~Administering a grant outside the University that would ordinarily be conducted under the auspices of the University, which is generally not allowable (see the Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University (12/15/94)).~~

~~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 is not permitted without prior written approval of only the Chancellor or Executive Vice Chancellor.~~

~~Engaging in other compensated outside professional activities which common sense and good judgment would indicate are likely to raise issues of conflict of commitment.~~

~~(2) **Category II** activities are unlikely to raise issues of conflict of commitment and are ordinarily accepted as regularly performed compensated outside~~

~~professional activities. Because of this, they are ordinarily allowable without prior approval. Category II activities are counted within the 39/48 day-time~~

~~limit and must be reported annually (see APM 025, Appendix C).  
Examples of Category II activities include the following:~~

~~Providing expert testimony in administrative, legislative, or judicial proceedings.~~

~~Providing consulting services or referrals or engaging in professional practice where such activities are provided by the faculty member acting as an individual or are provided by the faculty member through his or her single member professional corporation or sole proprietorship. Providing such services through other types of organizations or arrangements (e.g., through a publicly held corporation) requires prior approval in accordance with APM 025 10 c(1).~~

~~Serving on the board of directors of an outside entity.~~

~~Providing a workshop for industry.~~

~~Undertaking compensated outside professional activity not mentioned in Categories I or III and that common sense and good judgment indicate are not likely to raise issues of conflict of commitment.~~

~~In addition, in accordance with APM 662, faculty members may receive additional compensation for specified additional University teaching activities (i.e., UNEX courses and programs, other continuing education programs run by the University, and self-supporting UC degree programs), and these activities are also reportable and counted within the 39/48 day limit.~~

~~(3) Category III activities are integral to all disciplines and ordinarily do not present issues of conflict of commitment. They are accepted as part of the faculty member's scholarly and creative work. Even if compensated, they are allowable and not counted within the 39/48 day limit. Category III activities do not need to be reported annually; however, the Chancellor or his or her designee(s) may under certain circumstances ask for information about them (see Additional Relevant Information, APM 025 20 c). Examples of Category III activities include the following:~~

~~Serving on a federal, state, or local government agency, committee, panel, or commission.~~

~~Acting in an editorial capacity for a professional journal.~~

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

~~Attending and presenting talks at scholarly colloquia and conferences.~~

~~Developing scholarly communications in the form of books or journal articles, movies, television productions, and similar works, even when such activities result in financial gain.~~

~~Serving as a committee member or as an officer of a professional or scholarly society.~~

~~Accepting a commission for an artistic work or performance that is considered an integral part of a faculty member's academic portfolio (e.g., a work of art or a dance performance).~~

~~Accepting honoraria (other than those received for Category II activities) and prizes.~~

#### ~~025-20 Managing Compensated Outside Professional Activities~~

~~Campuses are charged with implementing the procedures necessary to properly manage compensated outside professional activities. Integral to these procedures are mechanisms for requesting and receiving approval for Category I activities and for reporting Category I and II activities.~~

##### ~~a. Prior Approval~~

~~No Category I activity may be undertaken without prior written approval by the Chancellor or Chancellor's designee(s) of a written request by the faculty member. The form for requesting and obtaining approval for Category I activities is provided in APM-025, Appendix B.~~

~~The Chancellor or Chancellor's designee is responsible for retaining, in accordance with records retention schedules, copies of all requests and approvals (or denials) for Category I activities.~~

##### ~~b. Annual Reports~~

~~To assist in the documentation and recording of a faculty member's compensated outside professional activities, an annual report including all Category I and II activities must be filed with the Chancellor or his or her designee(s) at the end of each fiscal year (June 30), listing the nature and extent of Category I and II compensated outside professional activities conducted during that academic or fiscal year, depending on the faculty member's appointment. In addition, faculty with academic-year appointments must~~

**Comment [AP13]:** Prior approval and reporting requirements are described in section APM - 025-10 on pages 23-24 of this document.

~~report Category I and II activities for summer months during which they earn additional University compensation. The annual report is acknowledged by signature of the Chancellor or his or her designee(s). Faculty members may, at their discretion, include this report or other evidence of outside~~

~~activities in their review file or dossier.~~

~~The annual report shall consist of a general description of the business, agency, organization, group, or individual(s) for which service was performed, a description of the type of service performed during the period of the academic appointment, a description of the role the faculty member assumed for an outside business, agency, organization, group, or individual(s), and the number of days spent in each activity during the academic or fiscal year, depending on the faculty member's appointment. In addition, the Chancellor or his or her designee(s) may request, and faculty shall be obligated to provide, a verbal identification of the entity(ies) or person(s) to whom the faculty member provided services. APM – 025, Appendix C includes the form for the annual report.~~

~~e.— **Additional Relevant Information**~~

~~If the department Chair or other official designated by the Chancellor has any concern about whether a faculty member is meeting the standards of this~~

~~policy, he or she will discuss this with the faculty member and may seek additional relevant information. If a satisfactory resolution cannot be reached, the appropriate Dean or Provost will be advised of the problem and of the specific steps that have been taken in attempting to resolve the issue. Further attempts at resolution shall follow the University Policy on Faculty Conduct and other applicable regulations.~~

~~025-30 — **Guidance for Uncompensated Outside Professional Activities**~~

~~While fulfilling University obligations, faculty members may from time to time pursue uncompensated outside professional activities as defined in this policy. Uncompensated outside professional activities may advance or communicate knowledge through interaction with industry, the community, and the public, and through consulting and professional opportunities without generating income. However, such endeavors must not interfere with a faculty member's full time commitment to the University. If the department Chair, the Dean or other official designated by the Chancellor believes that a faculty member is failing to meet his or her University obligation due to uncompensated outside professional activities or that the faculty member has undertaken uncompensated outside professional activities which create a possible conflict of commitment, then the Chancellor's designee may use the guidelines for compensated outside professional activities as a model to address the possible conflicts of commitment.~~

**Comment [AP14]:** Draft language reduces the emphasis on compensation as a determining factor in categorization and increases emphasis on the level of interference with a faculty member's obligations to the University.

~~025-40~~ **Guidance for Compensated and Uncompensated Outside Non-Professional Activities**

~~While fulfilling University obligations, faculty members may from time to time pursue sustained outside non-professional activities, as defined in this policy. Outside non-professional activities 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. However, such endeavors must not interfere with a faculty member's full-time commitment to the University, and it is possible that concerns may arise under rare circumstances such as when an avocation becomes a vocation. If the Chair, the Dean or other official designated by the Chancellor, believes that a faculty member is failing to meet his or her University obligation due to outside non-professional activities or has undertaken outside non-professional activities which create a possible conflict of commitment, then the Chancellor's designee(s) may use the guidelines for compensated outside professional activities as a model to address possible conflicts of commitment. For example, if a concern arose that a faculty member's avocation was becoming a vocation, the Chancellor's designee(s) would be guided to focus his or her discussions with the faculty member on the level of commitment or time required for the activity, rather than focusing on the amount of compensation earned or potentially realizable. If a satisfactory resolution could not be reached, the Chancellor's designee could apply the time limits for compensated outside professional activities to the non-professional activity that caused the concern. In such cases, both the time devoted to the non-professional activity that caused the concern and the time devoted to outside professional activities (compensated or uncompensated) would all be counted toward the time limits for compensated outside professional activities.~~

**Comment [AP15]:** These statements, omitting reference to compensation, are edited and placed in the definition of outside professional activities on page 4 of this document.

a. **Obligations to the University**

Outside professional activities must be undertaken in a manner consistent with the faculty member's full-time professional obligations to the University.

Outside activities must not conflict with the appointee'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.

**Comment [AP16]:** This new language sets clear expectations for faculty.

~~025-50 — Guidance for Involving Students in the Outside Professional Activities of Faculty~~  
b. Students

**Comment [AP17]:** Proposed language adapts current APM - 025 language and reinforces related sections in The Faculty Code of Conduct (APM - 015).

Part-time involvement of students in the outside professional activities of a faculty member may, under certain conditions, offer the student potential ~~for substantial benefit to the education of the student. Before involving a student in an outside professional activity in which the faculty member has a financial interest, the faculty member must obtain prior written approval from the official designated by the Chancellor, with a copy to the Dean, after discussion with the department chair and the~~educational benefits. However, the relationship between faculty member and student, must be protected from influences or activities that may interfere with learning consistent with the goals and ideals of the University (Faculty Code of Conduct, APM - 015).

~~In this context, involvement means any substantive activity, whether paid or unpaid.~~

If the faculty member has ~~a role in supervising the student's thesis or in supervising the work of the student as a graduate teaching assistant, the faculty member must take care to avoid potential conflicts of interest in the, 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 impact the faculty member's evaluation of the student's performance in other contexts.

c. 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) identifies 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 on behalf of the University. They may not be used for private gain or for personal purposes except in limited circumstances permitted by existing policy where incidental personal use does not conflict with and is reasonable in relation to University duties (e.g., telephones).

**Comment [AP18]:** This is a section adapted from current APM - 670 which is applicable to all faculty and tied conceptually to current policy in The Faculty Code of Conduct and The Regents' Standards of Ethical Conduct.

d. Liability Coverage

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

**Comment [AP19]:** This is a section adapted from current APM - 670 which is applicable to all faculty.

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.

#### 025-10 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 Category I -- 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 employment and need not be approved or reported. When an activity falls into more than one category, it should be assigned to the higher category.

##### 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 they: 1) are similar in nature to core University duties but performed for a third party, and 2) require significant professional commitment.

Category I activities require prior approval by the Chancellor, count toward the faculty member's maximum 39/48 days of outside professional activities (see APM - 025-16-b and Appendix C for definition of time limits), 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 activities include, but are not limited to:

- (a) Teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University;
- (b) Employment outside of the University;
- (c) Assumption of an executive or managerial position outside of the University.<sup>3</sup>

**Comment [AP20]:** These activities are taken from the current APM - 025 list of Category I activities.

**Comment [AP21]:** The footnote has been added to exempt service on a professional society board of directors which is clearly a Category III activity.

## (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

<sup>3</sup> This does not include positions with professional societies.

conflict of commitment than do Category I activities; this category includes outside consulting activities that are outside the course and scope of the faculty member's regular University appointment.

Category II activities require disclosure in annual reporting under this policy, count toward the faculty member's maximum 39/48 days of outside professional activities (see APM - 025-16-b and Appendix C for definition of time limits), but do not require prior approval.

Examples of Category II activities include, but are not limited to:

- (a) 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;<sup>4</sup>
- (b) Outside consulting or testifying as an expert or professional witness;
- (c) Providing outside consulting services or referrals or engaging in professional practice as an individual or through a single-member professional corporation or sole proprietorship;

**Comment [AP22]:** With the exception of (f), these activities are taken from the current APM - 025 list of Category II activities. The new item (f) and its footnote formalizes current practice and the relationship between UC and the Los Alamos and Lawrence Livermore National Laboratories.

<sup>4</sup> These are teaching activities outside of the assigned teaching load. If the department assigns the teaching activity, it is not considered an outside activity.

(d) Serving on a board of directors outside of the University;

(e) Providing a workshop for industry;

(f) Providing outside consulting and compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories.<sup>5</sup>

**(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 do not require disclosure in annual reporting or prior approval under this policy and do not count toward the faculty member's maximum of 39/48 days of outside professional activities. Nevertheless, they must not interfere with a faculty member's obligations to the University (see APM - 025-8).

Examples of Category III professional activities include, but are not limited to:

<sup>5</sup> 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 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 of 39/48 days of outside professional activities.

**Comment [AP23]:** These activities are taken from the current APM - 025 list of Category III activities.

- (a) Service on government or professional panels or committees  
or as an officer of a professional or scholarly society;
- (b) Reviewing manuscripts; acting in an editorial capacity;
- (c) Attending and presenting talks at scholarly colloquia and  
conferences;
- (d) Developing scholarly or creative works;
- (e) Accepting honoraria for scholarly, intellectual, educational,  
outreach work within the course and scope of employment;  
and,
- (f) Prizes, defined as gifts in recognition of personal  
achievements and not for services rendered.

b. Disclosure requirements

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

(1) Prior approval requirements

All Category I activities and requests to exceed the maximum number of days require prior written approval from the Chancellor in advance of the activity.

(2) Reporting requirements

All faculty must file an annual report each fiscal year even if the faculty member did not engage in outside professional activities during the year. Faculty must report annually all Category I and II outside professional activities conducted during the prior 12 months, including activities conducted during normal service periods and during periods of leave with and without pay, and during summer months when receiving University compensation. The requirement for annual reporting begins after the faculty member's first full year of continuous employment.

**Comment [AP24]:** University compensation includes all fund sources that might pay faculty, including grants and contracts.

025-14 Eligibility

a. Faculty titles subject to APM - 025

All faculty holding appointments in the following title series are subject to this policy; however, faculty holding appointments of less than 50 percent time are not subject to the annual reporting and prior approval requirements:

(1) Professor, including Acting titles

(2) Professor in Residence

(3) Adjunct Professor

(4) Professor of Clinical (e.g. *Medicine*)\*

(5) Health Sciences Clinical Professor\*

(6) Clinical Professor of Dentistry\*

(7) Lecturer or Senior Lecturer with Security of Employment

**Comment [AP25]:** This new section specifies the faculty appointments subject to APM – 025, currently a point of confusion for the campuses.

\*Faculty holding titles in these series are subject to APM - 025 if not participating in the Health Sciences Compensation Plan. Faculty participating in the Health Sciences Compensation Plan are subject to APM - 671 and are not subject to APM - 025.

b. Recalled faculty

Faculty who have retired and are recalled to active service for appointments at or less than 43 percent time are not subject to this policy. Faculty members recalled to the Health Sciences Compensation Plan are subject to the provisions of APM - 671.

**Comment [AP26]:** Only those faculty appointed 50 percent time or greater are subject to the prior approval and reporting requirements. APM - 205 restricts faculty from being recalled at higher than 43 percent time, unless an exception is made. Such an appointment requires the faculty member to suspend UCRP benefits and that faculty member would be subject to the terms of APM - 025.

c. Faculty on leave

(1) Leave without pay

Faculty on an approved leave without pay are subject to disclosure, prior approval, and annual reporting requirements but are not subject to the time limits in APM - 025-16.

**Comment [AP27]:** This new section is intended to clarify prior approval and reporting requirements for different types of leave.

(2) Sabbatical or other leaves with pay (other than vacation)

Faculty on approved sabbatical or other leaves with pay are subject to the disclosure, prior approval, annual reporting requirements, and time limits in APM - 025-16, regardless of the funding source for salary.

(3) Vacation

Faculty on approved vacation are not subject to the disclosure, prior approval, annual reporting requirements, or time limits described in APM - 025-16 for outside professional activity performed during the vacation period.

d. Faculty Administrators

Faculty administrators are covered by this policy, but 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).

025-16 Restrictions

**Comment [AP28]:** This section covers time limits.

- a. A faculty member shall not engage in outside professional activity that creates a conflict of commitment.

b. Time Limits

- (1) Faculty may engage in Category I and II outside professional activities for up to 39 days per year for academic-year appointees and 48 days per year for fiscal-year appointees. It is expected that the use of days will be allocated evenly across service periods.
- (2) For faculty appointed at less than 100 percent time, the number of days shall be prorated based on the percentage of appointment.
- (3) Averaging of days among service periods is permissible subject to approval for the leave of absence; however, no more than 39 days in one academic year or 48 days in one fiscal year are permitted.
- (4) Days not used in one year may not be carried forward to the next year.

c. Summer months

There are no restrictions on the number of days of Category I and II activity for academic-year faculty during the summer months unless an academic-year faculty member receives additional University compensation for the summer. If an academic-year faculty member receives additional University summer compensation, the limit on compensated outside professional activities is the

**Comment [AP29]:** University summer compensation includes all fund sources that are paid through University payroll.

equivalent of one day per week during the period in which such compensation is received.

d. Extramural Funding

Faculty receiving extramural funding may not exceed limitations on outside professional activities imposed by the funding sources, including effort rules.

025-24 Authority

The Chancellor shall issue campus procedures implementing APM - 025 and has the authority to approve Category I requests and individual exceptions under this policy.

025-26 Non-compliance

Department Chairs shall monitor compliance by collecting and reviewing annual reports, and shall consult with the Dean about any concerns. The Dean shall review the reports on outside professional activities of Department Chairs.

Situations where faculty will be considered out of compliance include, but are not limited to, failure to obtain prior approval to engage in Category I activities, to obtain prior written approval for involving a student in outside professional activity (see APM - 025-10-b), to comply with time limits for Category I and II activities, and/or to accurately disclose and describe the nature and scope of Category I and Category II outside professional activities.

**Comment [AP30]:** This is a new section added to define non-compliance and potential consequences of non-compliance.

~~If a faculty member is already associated with a student in outside professional activities and the faculty member has a financial interest in the activity, he or she must obtain the approval of the official designated by the Chancellor before becoming a research supervisor, academic program advisor, or examiner for an advanced degree for the student. Within a University research laboratory or academic unit, faculty members must take care not to favor or give the impression of favoritism to students with whom they are associated in outside activities.~~

~~025-60 - Grievances~~

~~Failure to comply with this policy may subject a faculty member to discipline, corrective action, or administrative remedies pursuant to APM - 016, University Policy on Faculty Conduct and the Administration of Discipline and APM - 150, Non-Senate Academic Appointees/Corrective Action and Dismissal. Senate faculty members may grieve pursuant to Senate Bylaw 335. Non-Senate faculty members may grieve pursuant to APM - 140, Non-Senate Academic Appointees/Grievances.~~

~~Faculty may grieve a decision made under this policy, including the decision to deny a request to engage in an outside activity (see Academic Senate Bylaw 335 and APM - 140 for academic personnel grievance policies).~~

### RELATED UNIVERSITY POLICIES

- Standing Order of The Regents 103.1(b)
- University Regulation No. 3 (~~February 15, 1935~~)—~~Academic Personnel Manual Section~~ APM - 005
- University Regulation No. 4 (~~June 23, 1958, and amended November 16, 1960~~)—~~Academic Personnel Manual Section~~ APM - 020
- Faculty Code of Conduct (~~June 15, 1971, and amended May 30, 1974, and as further amended through June 19, 1992~~)—APM - 015 Standards of Ethical Conduct
- University of California Policy on Disclosure of Financial Interests and Management of Conflicts of Interest Related to Sponsored Projects  
~~Management of Conflicts of Interest Related to Sponsored Projects (10/6/97)~~
- 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 (~~April 26, 1984~~)—~~Academic Personnel Manual Section 028~~ APM - 028
- University of California Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University
- University Policy and Guidelines on Outside Professional Activities for Officers and Designated Staff
- Conflict of Interest Code — Disqualification Requirement (~~May 1984~~)
- Conflict of Interest Policy and Compendium of Specialized University Policies – BFB-G-39
- Health Care Vendor Relations Policy

- ~~Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities~~  
~~by Health Sciences Compensation Plan Participants (11/23/99) – Academic Personnel Manual~~  
~~Section – APM - 670~~
- Deans – APM - 240
- Faculty Administrators (Positions Less Than 100%) – APM - 241
- Faculty Administrators (100% Time) – APM - 246
- Cooperative Extension Administrative Handbook Section 356

**PRIOR APPROVAL**  
**FOR COMPENSATED OUTSIDE PROFESSIONAL ACTIVITIES (CATEGORY I) OR**  
**FOR INVOLVING STUDENTS IN OUTSIDE PROFESSIONAL ACTIVITIES**

Name: \_\_\_\_\_ **Position Faculty Title:** \_\_\_\_\_  
Last First M.I. Academic- or Fiscal-Year Appointment: \_\_\_\_\_

Department: \_\_\_\_\_ College/School: \_\_\_\_\_

For each Category I ~~compensated~~ outside professional activity in which you wish to engage or for involving students in outside professional activities ~~in which you have a financial interest~~, answer the following questions. ~~You may attach~~ Attach separate sheets, if necessary.

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

Activities/products/services of entity described ~~in~~ above: \_\_\_\_\_

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

Owner : \_\_\_\_\_  Consultant : \_\_\_\_\_  Stockholder/partnership interest: \_\_\_\_\_  
 Board member : \_\_\_\_\_  Equity/royalty interest : \_\_\_\_\_  Salaried employee: \_\_\_\_\_  
Other, please explain: \_\_\_\_\_

Type of activity in which you will be involved:

Category I Activities **Other Activity Requiring Approval**  
 Executive/managerial role : \_\_\_\_\_  Involving students in outside activities: \_\_\_\_\_  
 Outside teaching or research activity \_\_\_\_\_ **in which you have a financial interest:** \_\_\_\_\_ Use of  
University resources beyond incidental use: \_\_\_\_\_  
 Salaried employee: \_\_\_\_\_   
Other potential conflict of commitment: \_\_\_\_\_

Description of the nature of your (or your student's) participation in this activity, including, if you wish, possible beneficial outcomes to areas of research, industry, and public service (or to your student's education):

\_\_\_\_\_  
\_\_\_\_\_

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

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

Estimated number of days' involvement during academic or fiscal-year appointment: \_\_\_\_\_

~~Do~~ Will you ~~wish to take~~ be requesting a full- or part-time leave without pay while engaged in this activity? \_\_\_\_\_

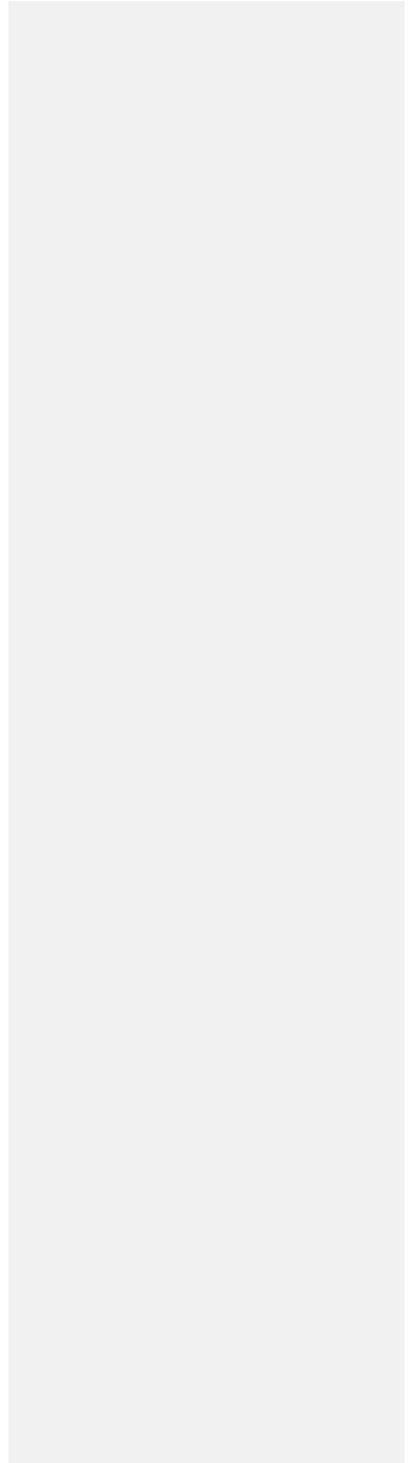
Approval granted through fiscal year  
ending June 30, \_\_\_\_\_

Request denied: \_\_\_\_\_

\_\_\_\_\_  
Department Chair Date

<hr/>		<hr/>	
Dean		Date	
<hr/>		<hr/>	
Faculty Member Signature	Date	Chancellor or Chancellor's Designee	Date

~~\*Note: Approvals are generally for one fiscal year, but may be granted for a longer term, not to exceed five years.~~



**REPORT OF CATEGORY I AND II ~~COMPENSATED OUTSIDE PROFESSIONAL~~ ACTIVITIES  
AND ADDITIONAL TEACHING ACTIVITIES  
FOR THE FISCAL YEAR ENDING JUNE 30, \_\_\_\_\_  
EXPLANATIONS FOR INFORMATION REQUESTED**

~~Compensated Outside Professional Activities: Compensation is defined as income, assets, or capital, realized or having the potential to become realized. Outside Professional Activities 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, and through consulting or professional opportunities.~~

~~Academic/Fiscal-Year Faculty Appointment: Enter whether you held an academic- or fiscal-year appointment. An Academic-Year Appointment is an appointment in which the faculty member renders services to the University during the academic year, from the beginning of the fall term through the end of the spring term (APM - 600-4-d), or the equivalent of an academic year should the campus operate year-round. 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. Fiscal-year faculty accrue vacation time in accordance with APM - 730. A full-time faculty member on an academic-year appointment normally may engage in compensated outside professional activities for up to 39 days from the start of the fall term through the end of the spring term (including intersession). There are no restrictions on the number of days of compensated outside professional activity for academic-year faculty during the summer months unless an academic-year faculty member is receiving University compensation for the summer. If an academic-year faculty member is receiving University summer compensation, then the applicable limit on compensated outside professional activities is the equivalent of one day per week during the period in which compensation is received. A fiscal-year faculty member is permitted a maximum of 48 days during the months of active service.~~

~~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, II or AT (for additional teaching as defined in APM - 662).~~

~~Category I activities include: assuming teaching, research, or administration of a grant at an educational institution, trust, organization, government agency, or foundation outside of the University; employment outside the University; assumption of an executive or managerial position (which for purposes of this policy does not include (1) serving on a board of directors of an outside entity or (2) providing consulting services or engaging in professional practice through the faculty member's single member professional corporation or sole proprietorship); administering, outside of the University, a grant that would ordinarily be conducted under the auspices of the University; establishing an employment relationship as a salaried employee outside of the University; compensated teaching or research at another institution; and other activities which common sense and good judgement would indicate are likely to raise issues of conflict of commitment outside of the University. You must receive prior approval to engage in Category I activities, which always count in toward the 39/48-day limit and must be reported annually.~~

~~Category II activities include: providing expert testimony in administrative, legislative, or judicial proceedings; providing occasional additional University-compensated teaching, including teaching in accordance with APM - 662 for UNEX courses and programs, other continuing education programs run by the University, and self-supporting UC degree programs if the teaching is outside the normal teaching load; outside consulting or testifying as an expert or professional witness; providing outside consulting services or referrals or engaging in professional practice where such activities are provided by the faculty member acting as an individual or are provided by the faculty member through his or her single member professional corporation or sole proprietorship; and undertaking compensated outside professional activity not mentioned in Categories I or III (see APM - 025 for description of Category III activities which do not need to be reported) serving on the board of directors outside of the University; providing a workshop for industry. Category II activities are counted within the 39/48-day limit and must be reported annually. Note that, in accordance with APM - 662, faculty members may receive additional compensation for specified additional University teaching activities (i.e., UNEX courses and programs, other continuing education programs which are run by the University, and self-supporting UC degree programs) and that these activities are also reportable and counted within the 39/48 day limit.~~

Number of Days: A full-time faculty member on an academic-year appointment normally may engage in outside professional activities for up to 39 days from the start of the fall term through the end of the spring term (including intersession). There are no restrictions on the number of days of outside professional activity for academic-year faculty during the summer months unless an academic-year faculty member is receiving University compensation for the summer. If an academic-year faculty member is receiving University summer compensation, then the applicable limit on outside professional activities is the equivalent of one day per week during the period in which compensation is received (unless a funding agency specifies otherwise). A fiscal-year faculty member is permitted a maximum of 48 days per fiscal year.

# Days: 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 on a case by case basis, using common sense and customary practice. The University recognizes and supports the diverse hours and schedules devised by faculty members and department chairs to accommodate teaching, research and creative work activity, University service, and University-related public service. You should exercise sound professional judgment, taking into account reasonable work schedules, when determining what constitutes a day of outside activity and be prepared to provide, upon request from the responsible University official, an explanation of the definition of "day" you used. 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~~ details.

Description of Activity: Briefly describe the work you did. \_\_\_\_\_

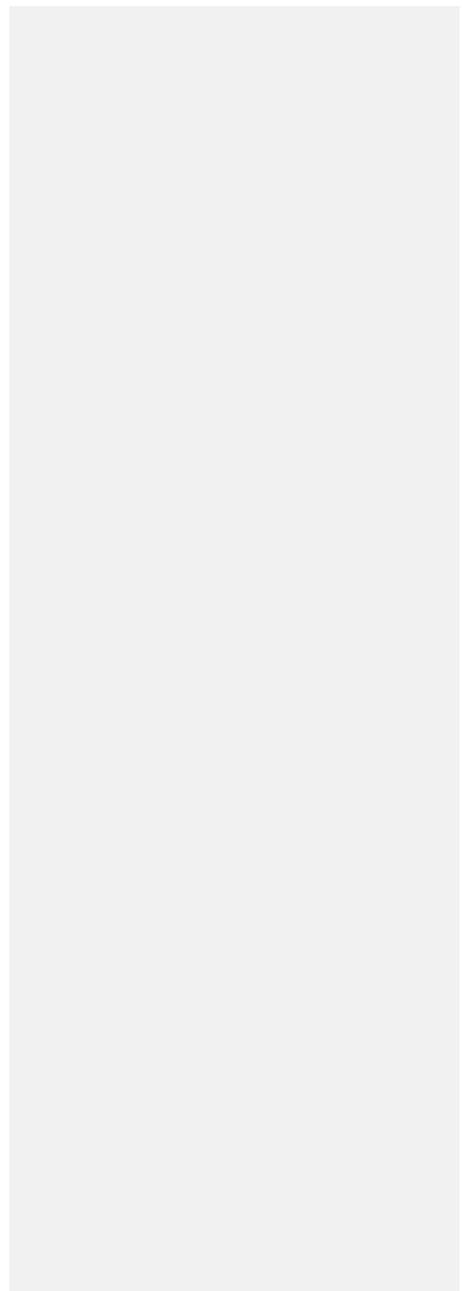
Nature of Relationship: Use one or more of the following terms to describe your relationship to the entity identified in the last column, ~~the one for whom you performed the compensated outside professional activity~~: owner, board member, consultant, recipient of equity or royalty interest, stockholder or partnership interest, salaried employee, or other (explain).



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Faculty Member Signature                      Date                      Chancellor or Chancellor's Designee                      Date



**ANNUAL REPORTING FORM  
 FOR CATEGORY I & II OUTSIDE ACTIVITIES AND ADDITIONAL TEACHING ACTIVITIES  
 REPORTING PERIOD: \_\_\_\_\_ THROUGH \_\_\_\_\_**

*Instructions:* In accordance with APM - 025, this form must be completed, signed, and submitted to the department chair each year by all eligible faculty for the time your academic-year or fiscal-year appointment was effective during the identified fiscal year. See Explanations (Appendix B) for further guidance. If you engaged in no Category I and Category II outside activities during the identified fiscal year, and did not perform additional teaching as defined in APM - 662 (i.e. teaching in UNEX courses or programs, other continuing education programs run by the University, online programs, or self-supporting UC degree programs), write "NONE" across the grid below and check the box below. Attach additional sheets if necessary.

Name (Print):	Academic Title:	Department:
Appointment: _____ Academic-year or _____ Fiscal-year	Terms of leave, if any: _____	College/School: _____

Category I or II	Number of Days	Leave Without Pay Y/N (When?)	Description of Activity	Nature of Relationship	General Description of Business/Agency/Organization/Group/Person
<i>Total # Days</i>					

_____ I did not engage in Category I or II activities during the reporting period.	
I certify that I have complied with the provisions of APM - 025 and have reported all Category I and II activities as required by policy.	
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
Dean Signature	Date

N.B.: Information disclosed herein is a public record under the California Public Records Act

<b>Legend:</b>	
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1) Negotiated additional compensation (Y)

Plan members may receive a negotiated amount of additional compensation. This component of pay is beyond the base salary and is not covered compensation for UCRP, but may be eligible for optional disability and life insurance programs, where applicable.

2) Incentive/Bonus compensation (Z)

Plan members may receive incentive/bonus compensation. This incentive/bonus compensation is not covered compensation for UCRP.

Departmental Implementing Procedures will describe the manner in which faculty members within a department, division, or APU may earn incentive compensation beyond base and negotiated compensation, upon approval by the Dean.

3) Administrative Stipends

Plan members may receive administrative stipends, defined as payments by the University for responsibilities related to University administration beyond normal responsibilities.

**670-19 Other Outside Income That May be Retained by Plan Members**

- a. Patient care 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 activities.
- b. Certain categories of income accruing from occasional service, as described below, may be retained by Plan members. Department Implementing Procedures shall address whether members can deposit remuneration from miscellaneous outside activities into an academic enrichment account, and the terms and conditions for those accounts. The Department Chair and/or Dean shall monitor the frequency of individual activity in these areas:
  - 1) Income from occasional outside professional activity in accordance with [APM - 671, Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Members and the Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants issued by the President or the President's designee](#), school Implementing Procedures, ~~and APM-025 (see also Appendix B)~~;

- 2) Prizes, defined as gifts in recognition of personal achievements and not for services rendered;
- 3) Royalties, defined as shares of proceeds for contributions as authors or inventors, as allowed under the University's copyright and patent policies;
- 4) 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;
- 5) University honoraria, defined as payment for occasional lectures or similar services performed on a University of California campus as permitted by Academic Personnel Policy; and
- 6) Income from a profession or activity unrelated to the training and experience which is the individual's qualification for University appointment as determined by the Department Chair in consultation with the Dean.

**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, the faculty member's complaint and the Department Chair's response should be documented. If the faculty member disagrees with the departmental decision, s/he should file a formal complaint with the Dean. The Dean will charge the 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. Senate faculty may pursue their grievance rights under the terms of Senate Bylaw 335. Non-Senate faculty may request a hearing under the terms of APM - 140.

**670-20 Use/Terms of Employment/Conditions of Employment**

**Benefits**

No campus may offer faculty benefits beyond those which have been approved by The Regents. All benefits shall be provided in accordance with policies and/or guidelines issued or approved by the Office of the President. Each health sciences school and respective accounting office shall develop and provide a funding mechanism for support of all benefits made available under the provisions of this

671-0 **Policy**

The University of California policy on conflict of commitment, outside professional activities, and the disposition of income earned from outside professional activities provides guidance for the identification and management of outside activities to avoid conflicts of commitment, while assuring that Health Sciences Compensation Plan (the “Plan”) faculty may engage in a wide array of outside activities without unnecessary limitations. This policy is specific to participants in the Health Sciences Compensation Plan. Faculty 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 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 activity, 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 the University 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 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 full-time professional obligations to the University represent a conflict of commitment.

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. Policy limits the amount of time a faculty member may devote to outside professional activities, describes the requirements for involving a student in outside professional activity, and sets forth requirements concerning 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 deemed to be in Good Standing (see APM - 670-10) and may retain the income only in accordance with the terms of this policy, the Plan, and School Implementing Procedures.

**b. Related University Policy**

In addition to this policy on conflict of commitment and outside activities, Plan participants must comply with 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 some 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. Department or Organized Research Unit Procedures must be consistent with the Plan and School Implementing Procedures and approved by the Dean. (See APM - 671-80 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 prior to implementation by the President or the President's designee.

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:

- 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
- The Political Reform Act of 1974, including the Academic Decision Regulation, providing instruction on where to obtain information on disclosure and disqualification requirements; and
- 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. This does not include income 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; however, such endeavors must not interfere with a faculty member's full-time professional obligations to the University. The Department Chair, in consultation with the faculty member and the Dean, shall resolve any questions related to whether an activity constitutes outside non-professional activity or is within the course and scope of employment.

**b. Conflict of Commitment**

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

**c. Conflict of Interest**

This policy does not cover conflict of interest, but 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 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. A School or Departmental Implementing Procedure may include a more specific definition of a day.

f. **Compensation**

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

671-6 **Responsibility**

a. **Chancellor**

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

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<sup>1</sup> See APM - 666

<sup>2</sup> See Business and Finance Bulletin G-28

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

**b. Faculty**

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;
- (2) Obtaining prior written approval for engagement in Category I activities (see APM - 671-10, Guidelines, for description of Categories I, II, and III activities, APM - 671-10-e-(1) and Appendix B for prior approval requirements);

- (3) Maintaining a running total of annual earnings from all outside professional activities;
- (4) Depositing income earned above the approval threshold to the Plan (see APM - 671-8-b-d) with the exception of income earned from Category III activities (see APM - 671-10-c for a description of Category III activities) and certain other activities listed in APM - 671-10-d;
- (5) Obtaining prior written approval to engage in outside professional activities that may cause total annual time and/or earnings to exceed approval thresholds;
- (6) Submitting annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Department Chair (see APM - 671-10-e-(2) and Appendix C for annual reporting requirements);
- (7) Attesting in the annual report to adherence with the requirements of the policy;
- (8) Disclosing to the Department Chair any current or prospective outside professional activity if in doubt as to whether a conflict of commitment exists; and
- (9) Obtaining prior approval from the Department Chair before involving a student in an outside professional activity (see APM - 671-8-e).

671-8 **General Principles**

a. **Time Limits**

School Implementing Procedures must specify the maximum number of days which Plan participants may devote to compensated and uncompensated outside professional activities, which may not be less than 21 days and may not exceed 48 days annually.<sup>3</sup> 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 a limit on the number of days devoted to compensated outside professional activities, affected Plan participants shall be provided an opportunity to review and comment on the proposed limit.

b. **Annual Outside Professional Activities Earnings Approval Threshold**

- (1) Effective with the issuance of this policy, the maximum annual outside professional activities approval threshold set by the Provost and Executive Vice President shall be \$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 maximum approval threshold may also be re-evaluated periodically by the Provost and Executive Vice President in consultation with campus management. The annual threshold may be adjusted for inflation on a periodic basis by the Provost and Executive Vice President

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

in accordance with the California Consumer Price Index (CPI) and published in the Academic Salary Scales.

- (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 compensated outside professional activities established in Implementing Procedures, and whose annual earnings from all outside professional activities will be less than the approval threshold is allowed to engage in outside professional activities (other than patient care) in accordance with all applicable University policies.

**c. 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-c for a description of Category III activities) and certain other activities listed in APM - 671-10-d, must be deposited to the Plan.
- (2) School Implementing Procedures must clearly describe the types of activities for which time limits and income earned count toward the approval threshold.
- (3) Income due the Plan is subject to established departmental assessment policies.

- (4) Departments have authority to determine the amount of deposited income to 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 authority to distribute a portion of, or the entire amount of the deposited income, after assessment, to the individual faculty member consistent with applicable law and University policies.

**d. Exception Requests**

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. If the 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 or her Department Chair, in writing, relevant details about the proposed engagement, the nature of the services to be provided, the person or entity who will receive and/or pay for the service,<sup>4</sup> 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

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<sup>4</sup> 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.

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 his or her time allotment and/or annual earnings from outside professional activities to exceed the approval threshold, he or she must request the Department Chair's approval for any subsequent engagement(s). If such engagements are allowed, 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 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 notify Department Chairs immediately if they inadvertently exceed the time limits or dollar threshold or if any of the information they provided in an approval request is inaccurate or changes following initial notification. For example, a participant should immediately notify his or her Department Chair if the initial estimate of earnings 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.

e. **Students**

Part-time 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 faculty member and student must be protected from influences or activities that may interfere with learning consistent with the goals and ideals of the University (The Faculty Code of Conduct, APM - 015).

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 impact the faculty member's evaluation of the student's performance in other contexts.

f. **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, identifies 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 on behalf of the University. They may not be used for private gain or for personal purposes except in limited circumstances permitted by existing policy where incidental personal use does not conflict with and is reasonable in relation to University duties (e.g., telephones).

**g. Liability Coverage**

The University's liability and workers compensation coverage does not extend to activity that is outside of the course and scope of 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 Category I -- 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 employment and need not be approved nor

reported. Outside professional activities are categorized based on the extent to which they are likely to constitute conflict of commitment. When an activity falls into more than one category, it should be assigned to the higher category.

**a. Category I Activities**

Category I activities are outside professional activities that are most likely to create a conflict of commitment because they 1) are similar in nature to core University duties but performed for a third party, and 2) require significant professional commitment.

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

Category I activities include, but are not limited to:

- (1) Teaching, research, or administration of a grant<sup>5</sup> at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University;

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

(2) Employment outside of the University;

(3) Assumption of an executive or managerial position outside of the University.<sup>6</sup>

**b. Category II Activities**

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; this includes consulting activities that are outside the course and scope of the faculty member's regular University appointment.

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

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<sup>6</sup> This does not include positions with professional societies.

Examples of such Category II activities include, but are not limited to:

- (1) Additional University-compensated teaching, including teaching pursuant to APM - 662, Additional Compensation for Additional Teaching, for UNEX courses and programs, other continuing health education programs run by the University, and self-supporting UC degree programs;<sup>7</sup>
- (2) Consulting under the auspices of the University of California;
- (3) Consulting or testifying as an expert or professional witness;
- (4) Consulting for for-profit entities;
- (5) Consulting for non-profit entities;
- (6) Consulting for non-profit health or education-related organizations;
- (7) Consulting for government agencies;
- (8) Serving on a board of directors outside of the University;
- (9) Providing a workshop for industry;

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<sup>7</sup> 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) Providing outside consulting and compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories;<sup>8</sup>

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

**c. Category III Activities**

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 maximum days of outside professional activities, and the income does not count toward the earnings approval threshold. Nevertheless, they must not interfere with a faculty member's obligations to the University (see APM - 670-8).

Examples of Category III activities include, but are not limited to:

(1) Service on government or professional panels or committees or as an officer of a professional or scholarly society;

(2) Reviewing manuscripts and acting in an editorial capacity;

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<sup>8</sup> 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 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.

- (3) Attending and presenting talks at scholarly colloquia and conferences; and
- (4) Developing scholarly or creative works.

**d. 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 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, Honoraria);

- (5) Administrative stipends;
  
- (6) Income from a profession unrelated to the training and experience which is the individual's qualification for University appointment.

e. **Disclosure Requirements**

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

**(1) Prior Approval Requirements**

All Category I activities and requests to exceed the maximum number of days or the earnings approval threshold require prior written approval from the Chancellor in advance of the activity.

**(2) Reporting Requirements**

All faculty must file an annual report each year even if the faculty member did not engage in outside professional activities during the year. Faculty must report all Category I and II outside professional activities 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.

671-14 **Eligibility**

a. **Faculty**

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. These activities, as well as 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 and may also be 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 outside professional activity that creates a conflict of commitment.
- b. Patient care 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 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 requests and individual exceptions under this policy.

c. **Deans**

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

**671-26 Non-compliance**

a. **Monitoring and Enforcement**

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

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:

- (1) Failure to turn over income due to the Plan as required by School Implementing Procedures;
- (2) Failure to obtain prior approval for Category I activities or for involving a student in outside professional activities (see APM - 671-8-e);
- (3) Failure to comply with time limits for Categories I and II activities; and
- (4) Failure to accurately disclose and describe the nature and scope of Categories I and II 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 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 Chancellorial 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. (See APM - 670, Appendix B) Whenever there are reductions in compensation, faculty shall be notified in writing.

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 approval thresholds on outside professional activities represent an unauthorized use of University resources and/or retention of funds belonging 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, the faculty member's complaint and the Department Chair's response should be documented. If a faculty member disagrees with the departmental decision, he or she 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 grieve pursuant to Senate Bylaw 335. Non-Senate faculty members may grieve pursuant to APM - 140, Non-Senate Academic Appointees/Grievances.

### **RELATED UNIVERSITY POLICIES**

- Standing 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
- 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 COMPENSATED OUTSIDE ACTIVITIES (CATEGORY I) OR  
FOR INVOLVING STUDENTS IN OUTSIDE ACTIVITIES**

Name \_\_\_\_\_ Department \_\_\_\_\_  
Please print

For each Category I compensated outside professional activity in which you wish to engage or for involving students in outside professional activities in which you have a financial interest, answer the following questions. Attach separate sheets, if necessary.

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):

Owner: \_\_\_\_\_ Consultant: \_\_\_\_\_ Stockholder/partnership interest: \_\_\_\_\_  
Board member: \_\_\_\_\_ Equity/royalty interest: \_\_\_\_\_ Salaried employee: \_\_\_\_\_  
Other, please explain: \_\_\_\_\_

Type of activity in which you will be involved:

Category I Activities

Executive/managerial role: \_\_\_\_\_ Involving students in outside activities  
Outside teaching or research activity: \_\_\_\_\_ in which you have a financial interest: \_\_\_\_\_  
Salaried employee: \_\_\_\_\_ Use of University resources beyond  
Other potential conflict of commitment: \_\_\_\_\_ incidental: \_\_\_\_\_

Description of the nature of your (or your student's) participation in this activity, including, if you wish, possible beneficial outcomes to areas of research, industry, and public service (or to your student's education):

\_\_\_\_\_  
\_\_\_\_\_

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. Compliance reports must be submitted annually.)

Estimated number of days' involvement during academic or 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. 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 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 in accordance with APM - 662 for UNEX courses and programs, other continuing education programs run by the University, online programs, and self-supporting UC degree programs; consulting or testifying as an expert or professional witness; providing consulting services or referrals or engaging in professional practice as an individual or through a single-member professional corporation or sole proprietorship; serving on the board of directors outside of the University; providing a workshop for industry. 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 *Day* is defined on a case by case basis, using common sense and customary practice. The University recognizes and supports the diverse hours and schedules devised by faculty members and department chairs to accommodate teaching, research and creative work activity, University service, and University-related public service. You should exercise sound professional judgment, taking into account reasonable work schedules, when determining what constitutes a day of outside activity and be prepared to provide, upon request from the responsible University official, an explanation of the definition of "day" you used. 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: 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 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	
					<i>Check left column if income earned did not exceed the threshold of \$_____. If income earned exceeded threshold, enter amount earned in right column.</i>	
					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

**Appendix B**  
**Guidelines on Occasional Outside Professional Activities by**

671-0 **Policy**

The University of California policy on conflict of commitment, outside professional activities, and the disposition of income earned from outside professional activities provides guidance for the identification and management of outside activities to avoid conflicts of commitment, while assuring that Health Sciences Compensation Plan (the “Plan”) faculty may engage in a wide array of outside activities without unnecessary limitations. This policy is specific to participants in the Health Sciences Compensation Plan. Faculty 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 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 activity, 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 the University 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.

**Comment [AP1]:** APM - 671 will completely replace current Appendix B in APM - 670. Other Appendices in APM - 670 will be re-lettered.

**Comment [AP2]:** New language proposed to offer a straightforward statement of intent and to clarify who is subject to the policy.

**Comment [AP3]:** New language proposed to establish a normative structure for the policy.

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 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 full-time professional obligations to the University represent a conflict of commitment.

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. Policy limits the amount of time a faculty member may devote to outside professional activities, describes the requirements for involving a student in outside professional activity, and sets forth requirements concerning the disposition of income earned from such activities.

Health Sciences Compensation Plan ~~Participants~~July 2012 participants may engage in outside professional activities (other than patient care) only if deemed to be in Good Standing (see APM - 670-10) and may retain the income only in accordance with the terms of this policy, the Plan, and School Implementing Procedures.

**b. Related University Policy**

**a. Introduction**

In addition to this policy on conflict of commitment and outside activities, Plan participants must comply with 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 some other relevant University policies.

**1) Overview of Office of the President Guidelines**

~~These Guidelines may be amended or repealed by the President following consultation with the Health Sciences Chancellors, Deans, and the appropriate Academic Senate Committee(s). Questions about these Guidelines should be directed to the Provost and Executive Vice President - Academic Affairs.~~

**c. School Implementing Procedures**

~~These Guidelines are intended to provide~~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. ~~These additional~~Department or organized research unit Procedures must be consistent with the Plan and ~~school~~School Implementing Procedures and approved by the Dean. (See APM - 671-80 for details related to School Implementing Procedures.)

~~Compensation Plan participants may engage in occasional outside professional activities (other than patient care) and retain the related income only in accordance with these Guidelines and school Implementing Procedures. In addition to these Guidelines, Plan participants must comply with other pertinent policies including:~~

~~— Regents' Standing Order 103.1(b) Service Obligations;~~

**Comment [AP4]:** Language appearing in green with strikethrough indicates that the text has been moved; see the last page of this draft for a key to the color coding.

- ~~— Policy on the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University;~~
- ~~— University Conflict of Interest Code, adopted pursuant to the requirements of the Political Reform Act of 1974; and~~
- ~~— APM – 020, Special Services to Individuals and Organizations.~~

~~2) School Implementing Procedures and Faculty Consultation~~

School Implementing Procedures and changes to approved Implementing Procedures must be consistent with ~~these Guidelines, reviewed by the appropriate division Academic Senate committee(s), reviewed~~this policy, approved by the Chancellor, and approved prior to implementation by the President or the President’s designee.

Affected Plan participants shall be provided the opportunity to review and comment on the proposed ~~school~~School Implementing Procedures, and any subsequent changes to School Implementing Procedures. ~~In addition, as~~The School Advisory Committee, described in APM - 670-6-d, ~~of the Plan, an Advisory Committee which includes faculty representatives~~ shall advise the Dean on ~~school~~School Implementing Procedures developed in accordance with ~~these Guidelines.~~this policy.

~~b. Requirements on Outside Professional Activities by Compensation Plan Participants~~

~~1) General~~

School Implementing Procedures ~~shall include Guidelines on outside professional activities by compensation plan participants. The University-wide Standard Requirement described in section b 2 below, shall apply to Plan~~ must reference the Plan, this policy, and;

~~participants unless an Alternative Option is approved in accordance with section b 3 below; for implementation in the Plan participant's school, department or organized research unit. The mechanisms for addressing potential conflicts of commitment, described in section b 3(d) below, are applicable in schools, departments or organized research units which operate under an Alternative Option, but are not required in schools, departments or units which operate under the University-wide Standard Requirement.~~

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

671-4 Definitions

**Comment [AP5]:** New section inserted to mirror proposed draft APM - 025 language.

a. Outside Professional Activities

**Comment [AP6]:** This is the definition found in current APM – 025 which grounds these activities in regular professional activities and expertise.

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. This does not include income 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; however, such endeavors must not interfere with a faculty member’s full-time professional obligations to the University. The Department Chair, in consultation with the faculty member and the Dean, shall resolve any questions related to whether an activity constitutes outside non-professional activity or is within the course and scope of employment.

b. Conflict of Commitment

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

c. Conflict of Interest

This policy does not cover conflict of interest, but 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 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.

Comment [AP7]: The definition clarifies that outside consulting is a subset of outside professional activities.

e. A Day

~~The University recognizes and supports a framework of diverse hours and schedules to accommodate teaching, research and creative work activity, University service, and University related public service. Accordingly, these Guidelines do not provide a strict definition of a "day" of service, or of compensated outside professional activities. School Implementing Procedures or Guidelines may define a "day" more specifically. If school Implementing Procedures do not provide a more specific definition, then a "day" is defined on a case-by-case basis, using common sense and customary practice, and faculty members and Department Chairs or other appropriate administrators should exercise sound professional judgment, taking into account reasonable work schedules, when determining what constitutes a day of outside professional activity. Upon request from the Chancellor or the Chancellor's designee(s), faculty members should be prepared to provide an explanation~~ For purposes of this

policy, 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.

~~of the definition of a “day” used in reporting outside activities (see also APM – 025-4, Conflict of Commitment and Outside Activities of Faculty Members).~~

f. Compensation

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

671-6 Responsibility

~~2) — University-wide Standard Requirement~~  
a. Chancellor

~~The University-wide Standard Requirement is that Plan participants shall be allowed to retain payments from 21 days of service (other than patient care).~~ Chancellor is responsible for overseeing compliance with this policy which includes:

(1) Communicating policy requirements;

<sup>1</sup> See APM - 666

<sup>2</sup> See Business and Finance Bulletin G-28

**Comment [AP8]:** This is a new section in both APM - 025 and APM - 671 to establish policy compliance requirements and to clearly describe responsibilities.

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

b. **Faculty**

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;
  
- (2) Obtaining prior written approval for engagement in Category I activities (see APM - 671-10, Guidelines, for description of Categories I, II, and III activities, APM - 671-10-e-(1) and Appendix B for prior approval requirements);
  
- (3) Maintaining a running total of annual earnings from all outside professional activities;

(4) Depositing income earned above the approval threshold to the Plan (see APM - 671-8-b-d) with the exception of income earned from Category III activities (see APM - 671-10-c for a description of Category III activities) and certain other activities listed in APM - 671-10-d;

(5) Obtaining prior written approval to engage in outside professional activities that may cause total annual time and/or earnings to exceed approval thresholds;

~~per fiscal year to governmental agencies, to non-profit health or education related organizations, to continuing health education programs administered by the University, or to University Extension, if such service has been approved by the Dean and the Chancellor.~~

(6) Submitting annual reports of all Category I and II activities and compensation earned from such activities (or the lack thereof) to the Department Chair (see APM - 671-10-e-(2) and Appendix C for annual reporting requirements);

~~3) —~~ **Alternative Options**

(7) Attesting in the annual report to adherence with the requirements of the policy;

~~—~~ a) **General Overview**

(8) Disclosing to the Department Chair any current or prospective outside professional activity if in doubt as to whether a conflict of commitment exists; and

~~Chancellors, after consultation with the appropriate division Academic Senate Committee(s), may submit to the President or the President's designee for review provisions in school Implementing Procedures which would modify the University-wide Standard Requirement (as described above in Appendix B-b-2) to allow Plan participants in all or selected departments or units to retain additional types of income and/or income from more than 21 days of compensated outside professional activities. If an Alternative Option is proposed, the school Implementing Procedures or Guidelines must meet minimum criteria, as described below, with regard to: —~~

(9) Obtaining prior approval from the Department Chair before involving a student in an outside professional activity (see APM - 671-8-e).

~~— a limit on the number of days devoted to compensated outside professional activity;~~

- ~~• a description of types of professional income that may be retained; and~~
- ~~• mechanisms for addressing potential conflicts of commitment.~~

671-8 General Principles

**Comment [AP9]:** This section adapts, in part, language appearing in current APM - 670 Appendix B-b-3.

- ~~b) Limit on the Number of Days Devoted to Compensated Outside Professional Activity~~
- a. Time Limits

School Implementing Procedures ~~or Guidelines~~ must specify the maximum number of days which Plan participants may devote to compensated ~~outside professional activity~~. ~~The maximum number of days allowed must not exceed the time limits established for compensated and uncompensated~~ outside professional activities ~~in APM - 025. The school, which may not be less than 21 days and may not exceed 48 days annually.~~<sup>3</sup> 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 a limit on the number of days devoted to compensated outside professional activities, affected Plan participants shall be provided an opportunity to review and comment on the proposed limit.

- ~~e) Description of Types of Professional Income that May be Retained~~

~~School Implementing Procedures or Guidelines must clearly describe the types of professional income that Plan members may be allowed to retain. Patient care 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 activities. In addition to the types of income specified in the University-wide Standard Requirement, school Implementing Procedures or Guidelines may allow Plan~~

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

~~participants in all or selected departments or organized research units to retain additional types of professional income, such as:~~

- ~~1) Consulting income from non-profit and for-profit entities, and/or~~
- ~~2) Income from consulting or testifying as an expert or professional witness.~~

~~School Implementing Procedures or Guidelines must also reference:~~

~~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 the Requirement to Submit Proposals and to Receive Awards for Grants and Contracts through the University. Since a faculty member's compensated outside activities may create an obligation for the faculty member to disclose a financial interest before making or participating in certain University decisions, school Implementing Procedures or Guidelines should also specify where to obtain information on the disclosure and disqualification requirements of the Political Reform Act of 1974, including the Academic Decision Regulation.~~

d) ~~Mechanisms for Addressing Potential Conflicts of Commitment~~

~~School Implementing Procedures shall include mechanisms to identify and resolve potential conflicts between a Plan participant's commitment to generating revenues within the Plan and his or her outside professional activities. These mechanisms shall apply to all departments or units in which the University-wide Standard Requirement on occasional professional activity (as described above in Appendix B-b-2) has been modified to allow Plan participants to retain additional types of income and/or income from more than 21 days of service. Responsibilities of the Department Chair that are discussed below shall be assumed by the Dean with respect to oversight of the outside professional activities of Department Chairs.~~

b. ~~1) Reporting of Annual Outside Professional Activities~~

~~Each Plan participant shall be required to submit to his or her Department Chair an annual report describing the previous year's outside professional activities from which the Plan participant retained income and an attestation of adherence to procedures implementing these Guidelines. It is the responsibility of the Plan participant to bring to the attention of his or her Department Chair those activities which require advance approval pursuant to APM 670-10.2) Annual Outside Professional Earnings Approval Threshold~~

- (1) ~~Effective with the issuance of this policy, the maximum annual outside professional activities approval threshold set by the Provost and Executive Vice President shall be~~

**Comment [AP10]:** This section describing the annual outside professional earnings approval threshold is adapted from current APM - 670 Appendix B-b-3-d-2.

\$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 maximum approval threshold may also be re-evaluated periodically by the Provost and Executive Vice President in consultation with campus management. The annual threshold may be adjusted for inflation on a periodic basis by the Provost and Executive Vice President in accordance with the California Consumer Price Index (CPI) and published in the Academic Salary Scales.

- ~~(2) An annual outside professional earnings approval threshold shall be established at the school, department or organized research unit level.~~ 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 outside professional activities established in ~~accordance with Appendix B-b-3(b)~~ Implementing Procedures, and whose annual earnings from all outside professional activities will be less than the approval threshold is allowed to engage in outside professional activities (other than patient care) in accordance with all applicable University policies ~~without having to request prior approval from his or her Department Chair. The approval threshold must not exceed the maximum approval threshold set by the Provost. Effective with the issuance of these Guidelines, the maximum annual outside professional earnings approval threshold set by the Provost shall be \$40,000 or 20 percent of the Health Sciences Compensation Plan Salary Scale for an individual faculty member's rank, step, and APU, whichever is greater.~~<sup>1</sup> This

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<sup>1</sup>For example, under this provision, using the salary scales effective on 10/1/2011, a Professor, Step IX, on the Health Sciences Compensation Plan salary scale 9 (the highest salary scale) could be permitted to earn and retain up to \$76,320 (20 percent of \$381,600) before having to request approval to engage in outside professional activities.

~~approval threshold may be adjusted for inflation on a periodic basis by the Provost in accordance with the California Consumer Price Index (CPI). The adjusted threshold will be published in the Academic Salary Scales and campuses may adjust their local thresholds accordingly. The maximum approval threshold may also be re-evaluated periodically by the Provost in consultation with campus management. Prior to implementing or revising a~~

~~school, department or unit approval threshold, affected Plan participants shall be provided an opportunity to review and comment on the proposed threshold.~~

c. 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-c for a description of Category III activities) and certain other activities listed in APM - 671-10-d, must be deposited to the Plan.
- (2) School Implementing Procedures must clearly describe the types of activities for which time limits and income earned count toward the approval threshold.
- (3) Income due the Plan is subject to established departmental assessment policies.
- (4) Departments have authority to determine the amount of deposited income to be set aside for academic enrichment. Academic Enrichment Accounts are established by departments to support the academic, research and professional development

**Comment [AP11]:** This is new language intended to clarify the disposition of income earned through outside professional activities.

activities of the faculty by allowing direct charge or reimbursement of business-related expenses.

(5) Departments have authority to distribute a portion of, or the entire amount of the deposited income, after assessment, to the individual faculty member consistent with applicable law and University policies.

d. Exception Requests

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. If the 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 ~~all~~ outside professional activities to exceed the annual approval threshold ~~established for his or her school, department or organized research unit,~~ 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 or her Department Chair, in writing, relevant details about the proposed engagement ~~including:~~ <sup>a</sup> the nature of the services to be provided; <sup>b</sup> the person or entity who will receive and/or pay for the service; <sup>c</sup> <sup>d</sup> the anticipated period of service and/or days to be devoted to the activity; <sup>e</sup> the total expected income from the activity; <sup>f</sup> 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 and Guidelines. If a request is not approved,~~

**Comment [AP12]:** This section describing the annual outside professional earnings approval threshold is adapted from current APM - 670 Appendix B-b-3-d-2.

<sup>24</sup> 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.

~~the Department Chair will advise the Plan participant whether: 1) the activity may be undertaken, but with all related income accruing to the Compensation Plan; or 2) the activity may not be undertaken at all~~School Implementing Procedures. After a Plan participant has received approval to engage in an activity ~~which~~that may cause his or her ~~total~~time allotment ~~and/or~~ annual earnings from outside professional activities to exceed the ~~established~~ ~~approved~~approval threshold, he or she must request the Department Chair's approval for any subsequent engagement(s). If such engagements are allowed, they shall be undertaken with all related income accruing to the ~~Compensation~~ Plan unless an exception is approved in writing, in accordance with ~~school~~School Implementing Procedures ~~or Guidelines~~.

Department Chairs and/or Deans may approve Plan participants' requests to engage in outside professional activities in accordance with ~~school~~School Implementing Procedures ~~or Guidelines~~. However, ~~school~~School Implementing Procedures ~~or Guidelines~~ shall state that only the Chancellor or 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 ~~{see above in Appendix B-b 3(d)(2)}~~ ~~and Executive Vice President~~.

Plan participants shall notify Department ~~heads~~Chairs immediately if they inadvertently exceed the time limits or dollar threshold or if any of the information they provided in an approval request ~~changes or is found to be~~is inaccurate; ~~for~~ or changes following initial notification. For example, a participant should immediately notify his or her Department Chair if the initial estimate of earnings from an outside professional activity ~~turns out to be~~was understated. Plan participants are subject to corrective

action and disciplinary measures as outlined ~~below~~ in ~~Appendix B-d~~ APM - 671-26-b for violation, neglect, or manipulation of ~~Compensation~~ Plan requirements.

e. Students

Part-time 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 faculty member and student must be protected from influences or activities that may interfere with learning consistent with the goals and ideals of the University (The Faculty Code of Conduct, APM - 015).

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 impact the faculty member's evaluation of the student's performance in other contexts.

f. ~~e. Limitations on Use of University Resources in Connection with Outside Professional Activities~~

**Comment [AP13]:** Proposed language adapts current APM - 025 language and reinforces related sections in The Faculty Code of Conduct (APM - 015).

**Comment [AP14]:** This is a section adapted from current APM - 670 Appendix B-c which is applicable to all faculty and tied conceptually to current policy in The Faculty Code of Conduct and The Regents' Standards of Ethical Conduct.

The use of ~~University staff, laboratories, facilities, or other~~ University resources in connection with outside professional activities is subject to limitations. The Faculty Code of Conduct, [APM - 015](#), Part II, C, ~~lists, identifies~~ 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 ~~(see APM - 015, Section II). In general, when faculty retain income from professional consulting or expert witness activities, particularly when the activities are conducted for third party for profit entities or private individuals, the costs associated with the consulting or witness activities should be borne by the third party or the faculty member, not by the University. In addition, the University's liability coverage does not extend to certain faculty consulting and expert witness activities. For example, University malpractice/professional liability coverage does not generally extend to expert witness activities when the faculty member retains the related income. Questions about the appropriate use of University resources and coverage under University liability programs should be discussed with the faculty member's department or unit head, who may consult with the Dean. The Dean will, if necessary, refer the questions to other appropriate University officers. The~~ [Standards of Ethical Conduct](#), as adopted by The Regents, state that University resources may only be used for activities on behalf of the University. They may not be used for private gain or for personal purposes except in limited circumstances permitted by existing policy where [incidental personal use does not conflict with and is reasonable in relation to University duties \(e.g., telephones\).](#)

g. Liability Coverage

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

**Comment [AP15]:** This is a section adapted from current APM - 670 Appendix B-c which is applicable to all faculty.

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 Category I -- 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 employment and need not be approved nor reported. Outside professional activities are categorized based on the extent to which they are likely to constitute conflict of commitment. When an activity falls into more than one category, it should be assigned to the higher category.

**Comment [AP16]:** This section describing Categories I, II, and III activities mirrors that of proposed draft APM - 025 language (APM - 025-10).

a. Category I Activities

Category I activities are outside professional activities that are most likely to create a conflict of commitment because they 1) are similar in nature to core University duties but performed for a third party, and 2) require significant professional commitment.

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

Category I activities include, but are not limited to:

- (1) Teaching, research, or administration of a grant<sup>5</sup> at an educational institution, trust, organization, government agency, foundation, or other entity outside of the University;
- (2) Employment outside of the University;
- (3) Assumption of an executive or managerial position outside of the University.<sup>6</sup>

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

<sup>6</sup> This does not include positions with professional societies.

**Comment [AP17]:** These activities are taken from the current APM - 025 list of Category I activities.

**Comment [AP18]:** The footnote has been added to exempt service on a professional society board of directors which is clearly a Category III activity.

b. Category II Activities

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; this includes consulting activities that are outside the course and scope of the faculty member's regular University appointment.

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

Examples of such Category II activities include, but are not limited to:

- (1) Additional University-compensated teaching, including teaching pursuant to APM - 662, Additional Compensation for Additional Teaching, for UNEX courses and programs, other continuing health education programs run by the University, and self-supporting UC degree programs;<sup>7</sup>
- (2) Consulting under the auspices of the University of California;

<sup>7</sup> These are teaching activities outside of the assigned teaching load. If the department assigns the teaching activity, it is not considered an outside activity.

**Comment [AP19]:** With the exception of item (10), these activities are taken from the current APM - 025 list of Category II activities and from the current APM - 670 Appendix B activities related to the University-wide Standard Requirement and the Alternative Option. The new item (10) and its footnote formalizes current practice and the relationship between UC and the Los Alamos and Lawrence Livermore National Laboratories.

- (3) Consulting or testifying as an expert or professional witness;
- (4) Consulting for for-profit entities;
- (5) Consulting for non-profit entities;
- (6) Consulting for non-profit health or education-related organizations;
- (7) Consulting for government agencies;
- (8) Serving on a board of directors outside of the University;
- (9) Providing a workshop for industry;
- (10) Providing outside consulting and compensated professional activities performed for entities such as the Los Alamos and Lawrence Livermore National Laboratories;<sup>8</sup>
- (11) Other income-generating activities specified in approved Implementing Procedures.

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<sup>8</sup> 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 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.

c. Category III Activities

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 maximum days of outside professional activities, and the income does not count toward the earnings approval threshold. Nevertheless, they must not interfere with a faculty member's obligations to the University (see APM - 670-8).

Examples of Category III activities include, but are not limited to:

- (1) Service on government or professional panels or committees or as an officer of a professional or scholarly society;
- (2) Reviewing manuscripts and acting in an editorial capacity;
- (3) Attending and presenting talks at scholarly colloquia and conferences; and
- (4) Developing scholarly or creative works.

**Comment [AP20]:** These activities are taken from the current APM - 025 list of Category III activities.

d. 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 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, Honoraria);
- (5) Administrative stipends;

**Comment [AP21]:** This section repeats, for convenience of reference, the list of activities found in current APM - 670-19-b for which income may be retained by Plan participants.

(6) Income from a profession unrelated to the training and experience which is the individual's qualification for University appointment.

**e. Disclosure Requirements**

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

**(1) Prior Approval Requirements**

All Category I activities and requests to exceed the maximum number of days or the earnings approval threshold require prior written approval from the Chancellor in advance of the activity.

**(2) Reporting Requirements**

All faculty must file an annual report each year even if the faculty member did not engage in outside professional activities during the year. Faculty must report all Category I and II outside professional activities 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.

671-14 Eligibility

**Comment [AP22]:** This new section is intended to clarify current confusion regarding the specific types of faculty appointments subject to the policy.

a. Faculty

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

b. Recalled Faculty

**Comment [AP23]:** APM - 205 restricts faculty from being recalled at higher than 43%, unless an exception is made. Such an appointment requires the faculty member to suspend UCRP benefits.

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. These activities, as well as 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 and may also be 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 outside professional activity that creates a conflict of commitment.
- b. Patient care 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 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 requests and individual exceptions under this policy.

c. Deans

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

671-26 Non-compliance

**Comment [AP24]:** This section is adapted, in part, from current APM - 670 Appendix B-d.

a. ~~d.~~ **Monitoring and Enforcement**

~~The primary means of monitoring~~ Chairs shall monitor compliance ~~will be review by~~ Department Chairs of information provided by the faculty member in annual reports on outside professional activities. If a Department Chair has any concerns about whether a Compensation Plan member is meeting the established standards, the matter may be referred to the Dean of the appropriate School. The responsibility for oversight of the by collecting and reviewing annual reports and shall consult with the Dean about any concerns. The Dean shall review the reports on outside professional activities of Department Chairs ~~shall reside with the Dean.~~

b. Consequences for Non-compliance

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

Situations where ~~Compensation Plan members~~ faculty will be considered out of compliance include, but are not limited to:

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

If the Department Chair or the Dean has reason to believe that a ~~Plan~~ faculty member has not complied with the ~~school~~ School Implementing Procedures ~~or Guidelines on outside~~

~~professional activities~~, the Dean may take appropriate corrective action. A procedure for hearing and resolving disputes about corrective action shall be provided in ~~school~~the School Implementing Procedures. Corrective action refers to the discontinuation of certain privileges available only to Plan ~~members~~participants, in particular the opportunity to earn and receive compensation above the fiscal year salary scale through the ~~Compensation Plan, because of noncompliance. For example, corrective~~

Corrective actions may include the following:

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

Compensation established in accordance with the ~~specialized~~ Health Sciences Compensation Salary Scales (~~commonly referred to as X, X'~~ compensation) shall not be reduced as a corrective action unless the Plan faculty member is placed, by Chancellorial 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 ~~(see~~ (See APM - 670, Appendix BC). Whenever there are reductions in compensation ~~are the result of corrective action~~, faculty shall be ~~so~~ notified in writing.

In addition, corrective action will not preclude administrative remedies, sanctions or disciplinary measures in accordance with ~~the~~ APM - 016, University Policy on Faculty Code of Conduct and Academic Senate Bylaws Conduct and the Administration of Discipline and APM - 150, Non-Senate Academic Appointees/Corrective Action and Dismissal. Violations by ~~Plan~~ faculty members of either the time limits or approval 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.~~

~~An Academic Senate member who is subject to corrective action has available a grievance process through the Privilege and Tenure Committee as described in Academic Senate Bylaw 335. Non-Senate faculty may grieve through the provisions of APM 140.~~

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, the faculty member's complaint and the Department Chair's response should be documented. If a faculty member disagrees with the departmental decision, he or she 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 grieve pursuant to Senate Bylaw 335. Non-Senate faculty members may grieve pursuant to APM - 140, Non-Senate Academic Appointees/Grievances.

**RELATED UNIVERSITY POLICIES**

- [Standing 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](#)
- [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 COMPENSATED OUTSIDE ACTIVITIES (CATEGORY I) OR**  
**FOR INVOLVING STUDENTS IN OUTSIDE ACTIVITIES**

Name \_\_\_\_\_ Department \_\_\_\_\_  
Please print \_\_\_\_\_

For each Category I compensated outside professional activity in which you wish to engage or for involving students in outside professional activities in which you have a financial interest, answer the following questions. Attach separate sheets, if necessary.

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):  
Owner: \_\_\_\_\_ Consultant: \_\_\_\_\_ Stockholder/partnership interest: \_\_\_\_\_  
Board member: \_\_\_\_\_ Equity/royalty interest: \_\_\_\_\_ Salaried employee: \_\_\_\_\_  
Other, please explain: \_\_\_\_\_

Type of activity in which you will be involved:  
Category I Activities  
Executive/managerial role: \_\_\_\_\_ Involving students in outside activities  
Outside teaching or research activity: \_\_\_\_\_ in which you have a financial interest: \_\_\_\_\_  
Salaried employee: \_\_\_\_\_ Use of University resources beyond  
Other potential conflict of commitment: \_\_\_\_\_ incidental: \_\_\_\_\_

Description of the nature of your (or your student's) participation in this activity, including, if you wish, possible beneficial outcomes to areas of research, industry, and public service (or to your student's education):  
\_\_\_\_\_  
\_\_\_\_\_

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. Compliance reports must be submitted annually.)

Estimated number of days' involvement during academic or 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. 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 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 in accordance with APM - 662 for UNEX courses and programs, other continuing education programs run by the University, online programs, and self-supporting UC degree programs if the teaching is outside the normal teaching load; consulting or testifying as an expert or professional witness; providing consulting services or referrals or engaging in professional practice as an individual or through a single-member professional corporation or sole proprietorship; serving on the board of directors outside of the University; providing a workshop for industry. 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 *Day* is defined on a case by case basis, using common sense and customary practice. The University recognizes and supports the diverse hours and schedules devised by faculty members and department chairs to accommodate teaching, research and creative work activity, University service, and University-related public service. You should exercise sound professional judgment, taking into account reasonable work schedules, when determining what constitutes a day of outside activity and be prepared to provide, upon request from the responsible University official, an explanation of the definition of "day" you used. 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: 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 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	
					Check left column if income earned did not exceed the threshold of \$_____. If income earned exceeded threshold, enter amount earned in right column.	
					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>	\$

<input type="checkbox"/> I did not engage in Category I or II activities during the reporting period. <input type="checkbox"/> 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

N.B.: Information disclosed herein is a public record under the California Public Records Act

<b>Legend:</b>	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	