

Health Sciences Compensation Plan Disclosure Requirements

The Health Sciences Compensation Plan defines a number of requirements which must be met when pursuing outside professional activities, including, but not limited to, the following:

Roles and Responsibilities

- **Founder:** A Compensation Plan Participant (“Plan Participant”) may serve as a founder of a company, which is a Category I outside professional activity, only with **prior written approval** from the Chair, Dean, and Chancellor. The request to serve as a founder is submitted through OATS. Approval to serve as a founder must be renewed through OATS, typically on an annual basis.
- **Management/executive role:** A Plan Participant may request permission to serve in a management or executive role (CEO, COO, CMO, e.g.) for a company or other outside entity, a Category I outside professional activity. Approval is considered on a case-by-case basis and is generally time-limited (3-12 months).
- **Consulting/Scientific Advisory Board:** A Plan Participant may serve as a consultant to a company or serve on a scientific advisory board, Category II outside professional activities.

In all of these scenarios, the Plan Participant is responsible for ensuring that agreements between the Plan Participant and the outside entity comply with all University and Compensation Plan requirements, including the [UC Patent Policy](#) and [Conflict of Interest](#) reporting.

- **Consulting Agreements:** Outside professional activities may be formalized through personal consulting agreements between the Plan Participant and the outside entity. Because outside professional activities are not part of the individual’s assigned duties, the University is NOT a party to the consulting agreement and payment must be made directly to the Plan Participant.
 - The School of Medicine offers voluntary review of outside consulting agreements to ensure compliance with roles and responsibilities as a faculty member and as a Plan Participant. The review is not a formal legal review. For questions related to legal aspects of the consulting agreement, the Plan Participant should consider engaging outside counsel of their own choosing and at their own expense.
 - A request for review of a consulting agreement can be submitted to:
SOMConsultingAgreements@ucsf.edu
- **Tracking time and earnings: Using the OATS system,** the Plan Participant is responsible for documenting and reporting the time and earnings associated with all Category I and Category II outside professional activities. The thresholds for time and earnings are specified in each Department’s Compensation Plan and encoded within OATS (earnings threshold is adjusted for rank/step).
 - **Time:** If the Plan Participant anticipates exceeding the time threshold, a request should be submitted through OATS before the time limit has been exceeded. Such requests must be reviewed and approved by the Chair and the Dean.
- **Compensation for outside professional activities:** All compensation for outside professional activities must be made payable directly to the Plan Participant, as required by the IRS. Compensation should NOT be made payable to the University because the University is not a party to the outside activities.
 - **Earnings:** All earnings from outside professional activities must be retained by the Plan Participant **up to the earnings threshold** specified in OATS and adjusted for rank/step.
 - **Exceeding the earnings threshold:** All earnings that exceed the earnings threshold must be remitted to the Plan. After application of assessments (described in each Compensation Plan), the Plan Participant will receive the funds as an incentive payment or deposition into an Academic Enrichment Account.
 - The Chief Administrative Officer and the SOM’s Director of Academic Affairs are appropriate people who can answer questions.

- **Research Projects:** If a Plan Participant receives compensation, including stock or stock options, related to outside professional activities and the Plan Participant proposes engaging in any form of research activity funded by the same entity or company, the Plan Participant must disclose the relationship with the company to the Conflict of Interest Advisory Committee (COIAC) prior to initiating any research project. The Plan Participant must follow the COIAC's recommendations regarding management of conflicts.
 - **Clinical trials:** A Plan Participant cannot receive research funding from a company in which s/he has an equity position or receives compensation for consulting services.
- Outside professional activities which involve intellectual property that was/is developed while the faculty member is employed by UCSF must be managed according to the University of California's Patent Policy. Faculty must carefully consider proposed agreements with industry to ensure that there are no conflicts with the [University's Patent Acknowledgment or other policies](#).

Management of Cash, Equity or Other Types of Compensation for Outside Professional Activities

- **Reporting earnings:** The Compensation Plan requires that all forms of cash and non-cash compensation received as compensation for outside professional activities, including cash, stock or stock options, must be managed according to the terms of the Compensation Plan and reported in OATS.
- **Earnings Threshold:** If the earnings/income associated with Category I and Category II outside professional activities exceeds the annual earnings threshold, the Compensation Plan Participant must submit a request to exceed the earnings threshold through OATS prior to exceeding the threshold. All income that exceeds the time and/or earnings thresholds must be deposited to the Plan. Faculty should consult with the Department's Chief Administrative Officer for assistance with managing outside income.
- **All stock and stock options** received in lieu of compensation for outside professional activities must be reported to the Dean's office within 30 days of notification by the company, no matter when stock or options may be exercised. The Dean's Office will conduct a valuation process to determine the value of the non-cash compensation.
 - The email address for disclosure of stock and stock options is: somstockdisclosure@ucsf.edu.
- **Compensation** for outside professional activities must be made payable to the faculty member/ Plan Participant as an individual. Payment **may not be made payable to the University** since the University is not involved in nor a party to the Plan Participant's outside professional activities. The requirement that payment for outside professional activities be made payable to the Plan Participant is based on IRS regulations.

Consequences of Non-Compliance with the Compensation Plan

Failure to comply with the Compensation Plan, the Plan's reporting requirements, and related policies may result in a range of consequences, including the loss of Good Standing and/or violation of the Faculty Code of Conduct.