

# Senior Management Group Outside Professional Activities

Approved January 21, 2010



**Responsible Officer:** Vice President–Human Resources

**Responsible Office:** Human Resources

**Effective Date:** ~~January 1, 2010~~ July 21, 2016

**Next Review Date:** The Responsible Officer will review the policy annually for update purposes and will conduct a full review at least every three years.

**Who Is Covered:** All employees whose position is designated to be in the Senior Management Group, inclusive of Officers of the University per [Regents Standing Order 100.1.a](#), and non-SMG members appointed to an SMG position on an acting or interim basis. ~~Designation and to Whom Responsible~~ [Regents Standing Order 100.1 Designation and to Whom Responsible](#).

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### I. POLICY SUMMARY

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Considerable benefit accrues to the University from Senior Management Group (SMG) members' association with external educational and research institutions, not-for-profit professional associations, federal, state and local government offices and private sector organizations. Such associations foster a greater understanding of the University of California and its value as a preeminent provider of education, research, public service, and health care. Such associations also may provide a stimulus for economic development and enhanced economic competitiveness.

While outside professional activities performed by SMG members are often mutually beneficial to the University and the members themselves, and are therefore encouraged, the primary commitment of University of California SMG members must be to the fulfillment of their regular University responsibilities.

This Policy applies to all University of California SMG members, including those who have underlying faculty appointments. During the period an SMG member possesses a dual academic and SMG appointment, his/her participation in outside professional activities will be subject to this policy and not that of the Academic Personnel Manual.<sup>1</sup> This Policy is intended to:

- Support and recognize the value of SMG members' outside professional activities to the University, such as contributing to their academic field, sharing their expertise with other institutions, and providing service to the community,
- Provide guidance about the limits of such activities in relation to fulfilling University responsibilities,
- Establish methods for seeking appropriate approval(s), monitoring, and reporting such activities,
- Protect against actual or [apparent-perceived](#) conflicts of interest and/or commitment when SMG members engage in such activities.
- Protect the University of California by assessing outside affiliations that could diminish the reputation of the institution or system.

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### II. POLICY DEFINITIONS

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<sup>1</sup> SMG members with faculty appointments who are participants in the HSCP need to report under **APM – 671, Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants**. SMG members with faculty appointments who are *not* members of the HSCP need to report under **APM – 025, Conflict of Commitment and Outside Activities of Faculty Members**. *APM – 670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants* and *SALARY ADMINISTRATION APM - 671 Conflict of Commitment and ... and APM – 025, Conflict of Commitment and Outside Activities of Faculty Members*.

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**Approving Authorities:** The person or office to whom an individual reports plus the next higher level manager. For SMG members who report to another SMG member who reports to the Chancellor, Laboratory Director or President, the immediate manager and the Chancellor (for campus SMG members), the Laboratory Director, or the President will be the Approving Authorities. For SMG members who report directly to the Chancellor or Laboratory Director, the Chancellor or Laboratory Director and the President will be the Approving Authorities. For SMG members who report directly to the President, the President and the Chair of the Board of Regents will be the Approving Authorities. For SMG members who report directly to the Regents, the Vice Chair and Chair of the Board of Regents will be the Approving Authorities.

**Activities Regarded as Outside Professional Activities:** Outside Professional Activities are those activities within the SMG member's area(s) of professional expertise for which they are employed by the University. Such activities include, but are not limited to: service on state or national commissions, government agencies and boards, committees or advisory groups to other universities, organizations established to further the interests of higher education, not-for-profit organizations, and service in an advisory capacity or on corporate boards of directors.

**Activities Not Regarded as Outside Professional Activities:** The following are **not** regarded as Outside Professional Activities:

- Activities unrelated to the SMG member's area of professional expertise for which they are employed by the University, such as involvement in religious or cultural organizations.
- Activities that the approving authority Approving Authorities confirms as part of the individual's job expectations. It is expected that the individual would not receive additional compensation for such activities beyond the individual's normal University salary.
- For an SMG member with an underlying faculty appointment, activities that the approving authority Approving Authorities confirms as essential to remaining current in the SMG member's academic field. It is expected that the individual would not receive additional compensation for such activities beyond the individual's normal University salary.

**Exception to Policy:** An action that exceeds what is allowable under current policy or that is not expressly provided for under policy. Any such action must be treated as an exception and must be reviewed and approved by the Regents.

**Executive Officer:** The University President of the University, Chancellor, or Laboratory Director.

~~**Governance responsibilities on a for-profit board are assumed with the appointment as a board member, but not assumed with the appointment as an advisor to the board or appointment to an advisory committee to a board unless such responsibilities are specified.**~~

**Senior Management Group:** Individuals whose career appointment is in the Senior Management Group personnel program. Employees with a dual academic appointment at 0% and an appointment to a Senior Management Group position shall will be considered to possess a career appointment in the Senior Management Group.

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**Top Business Officer:** Executive Vice President, ~~Business Operations Chief~~ Operating Officer for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location's financial reporting and payroll as designated by the Executive Officer.

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### III. POLICY TEXT

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#### A. Responsibility and Accountability

##### 1. Guiding Principles

SMG members are individually responsible for ensuring that the Outside Professional Activities they perform, and compensation received for such activities, do not violate conflict of commitment and/or actual or perceived conflict of interest standards of the University. SMG members have a duty of loyalty to the University, as well as a primary fiduciary responsibility to the University.

Each SMG member's ~~approving authority~~ Approving Authorities ~~is~~ are personally responsible for monitoring, evaluating, and verifying that the SMG member's Outside Professional Activities comply with University policies and State of California law.

Ultimately, SMG members and their Approving Authorities are accountable to the President and the Regents for ensuring that conflicts do not occur and that any activities or affiliations do not diminish the reputation of the institution or system. ~~For SMG members who report directly to the Regents, the Chair of the Board of Regents will be The~~ the Approving Authority.

##### 2. Approval and Assessment

Documentation and approval request forms for any All-Outside Professional Activities, whether compensated or uncompensated, must be completed by the SMG member and submitted for review and approved by the Approving Authorities. All activities must be approved before the SMG member announces or engages in the activity.

The documentation and request for any new proposed activities where time commitment, compensation or reputational risk raise concerns will be reviewed by an independent advisory committee appointed by Office of the President, Systemwide Human Resources to assess the activity for conflicts of interest or commitment, or the appearance of conflicts, and to advise the Approving Authorities. The turnaround time for reviewing and approving or denying any new activity will be no more than 30 calendar days or less from the date the committee receives a complete packet of materials.

Each year, SMG members are also required to request approval for ongoing, recurring OPA prior to the beginning of the next calendar year. -The SMG member is responsible for providing sufficient details on any proposed activity that has changed materially from the preceding year. - Material changes must be disclosed and may include changes in compensation (form or amount) or, time commitment, changes in organizational status of the outside entity, e.g., mergers, acquisitions, relationships with the University or its entities, or changes (legal

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~~challenges or other) that may impact its the entity's reputation in the community. The Approving Authorities may request review of any recurring activity by the independent advisory committee before considering the SMG member's request. For SMG members who report directly to the Regents, the Chair of the Board of Regents will be the Approving Authority.~~

An SMG member's ~~a~~Approving ~~a~~Authorities ~~are~~ is responsible for assessing whether a proposed Outside Professional Activity might create, or appear to create, a conflict of interest or commitment or reputational risk to the campus or system. In general, the proposed activity must be compatible with the SMG member's University duties. Other important factors for consideration include:

- Will the activity compete with the SMG member's regular and/or expected University duties?- An assessment of the SMG member's performance is an appropriate factor to be considered.
- Will the SMG member be precluded from making decisions within the scope of his/her University duties due to a financial conflict associated with the activity (e.g., a fiduciary responsibility to the external entity, payments received from the external entity)?
- Will the time necessary to successfully perform the activity interfere with the SMG member's ability to fulfill his/her University duties?

If the answer to any of these questions is "Yes," the ~~approving authority~~Approving Authorities ~~should~~ must seek written guidance from the ~~independent advisory committee appropriate University office (e.g., Human Resources; Office of Ethics, Compliance and Audit Services; or legal counsel)~~ in order to resolve the matter with the SMG member and, if resolution is not possible, deny the SMG member's request.

► The forms documenting the assessment/approval process for all Outside Professional Activities can be found at:

~~<http://policy.ucop.edu/files/smg-docs/opa-pre-approval.pdf>~~

~~<http://policy.ucop.edu/manuals/smg-hr-policies.html>~~

### **B. Outside Professional Activities: Definitions and Limits**

#### 1. Uncompensated Outside Professional Activities

Uncompensated activities are Outside Professional Activities for which the SMG member does not receive compensation or donates the full amount of the compensation to the University or a charitable organization.- Compensation donated to the University may not be returned to the individual.

#### 2. Compensated Outside Professional Activities

Compensated activities are Outside Professional Activities for which the SMG member receives and retains compensation.

Reimbursement for reasonable travel expenses is not considered compensation for the purpose of this policy.

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### 3. Limits on Compensated Outside Professional Activities

- a. In addition to considering the reporting guidelines set forth below, when assessing proposed activities, Approving Authorities must be mindful of the following limits:
  - i. An SMG member may ~~serve simultaneously on up to~~ participate in up to three two concurrent compensated activities including, but not limited to, any board memberships, consulting or advisory activity, for-profit boards that are not entities of the University of California for which s/he receives compensation and for which s/he has governance responsibilities. Service as a member of the Board of Directors would constitute governance responsibility. Service on an advisory committee likely would not constitute governance responsibility.
  - ii. An SMG member will be required to use his/her personal time to engage in compensated Outside Professional Activities, by either performing such activities outside his/her usual work hours or debiting accrued vacation time consistent with applicable leave policy.
  - iii. An SMG member who is appointed at 100 percent time ~~shall~~ must not receive additional compensation above his/her base salary for any work or services from an entity managed exclusively by the University, for any work or services, regardless of source or type of payment, except in the limited circumstances outlined in Regents Policy 7701, Senior Management Group Appointment and Compensation, which includes an with the exception for payments for teaching of University Extension courses (UNEX). Additional restrictions pertaining to compensation from University entities, addressed in other SMG policies, are incorporated by reference into this policy. Regents Policy 7701 SMG Salary and Appointment addresses this restriction.

### C. Reporting Outside Professional Activities

Each SMG member must file a report with his/her ~~a~~ Approving a ~~Authorities~~ iesy each year detailing all Outside Professional Activities (whether compensated or uncompensated) that were performed during the previous calendar year. ~~Service or compensation that inadvertently is not reported or is erroneously reported in the calendar year immediately following the activity shall be reported as soon as the omission or error is known to the individual and/or the~~ approving authority Approving Authorities. In addition, each SMG member must file a mid-year report of all new activity undertaken in the preceding six months. period. Templates for collecting details for these reports will be distributed by the Office of the President. The mid-year report will be distributed to the President and the Regents' Committee responsible for oversight of compensation.

- a. Employees who step down from their SMG appointment but remain employed by the University, are subject to this reporting requirement for the calendar year in which they served in a career SMG position.

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- b. Employees serving in an acting or interim SMG capacity are ~~not also~~ subject to this reporting requirement, ~~unless they also possess a career appointment in an SMG position.~~
- c. Only activities that occur ~~red-once~~ when an employee ~~is became~~ an SMG member shall be reported.

~~In addition, each SMG member must file a mid-year report of all new activity undertaken since the approvals were granted. Templates for collecting details for these reports will be distributed by Office of the President. The mid-year report will be distributed to the President and the Regents' Committee responsible for oversight of the Compensation Committee. The annual report will be distributed to the President and the Board of Regents.~~

### 1. Uncompensated Outside Professional Activities

As detailed in section III.C above, each SMG member must file separate annual reports with his/her aApproving aAuthorities detailing all Outside Professional Activities, including activities compensated as well as uncompensated.

A separate uncompensated annual report will be made to each of the Chancellors, the Laboratory Director and the Executive Vice President, Chief Operating Officer—Business Operations of all uncompensated outside professional activities covered by this policy for SMG members at their respective locations that occurred the previous calendar year.

- ▶ A sample of the Annual Report by individual SMG members listing all uncompensated Outside Professional Activities can be found at:

[http://policy.ucop.edu/files/smg-docs/opa-sample\\_uncompensated\\_report.pdf](http://policy.ucop.edu/files/smg-docs/opa-sample_uncompensated_report.pdf)

The Chancellor, Laboratory Director or Executive Vice President, Chief Operating Officer Business Operations will assess and maintain the reports of all uncompensated Outside Professional Activities.

In an annual report to the President, ~~t~~The Chancellors, the Laboratory Director and the Executive Vice President, Chief Operating Officer Business Operations shall acknowledge receipt of a comprehensive set of reports that includes all employees who meet the criteria detailed in Section III.C. above, and confirm that no instances of actual or perceived conflict of interest or conflict of commitment were apparent within the reports of all uncompensated Outside Professional Activities for their location.

### 2. Compensated Outside Professional Activities

As detailed in section III.C above, each SMG member must file separate annual reports with his/her aApproving aAuthorities detailing all Outside Professional Activities, including activities compensated as well as uncompensated.

- ▶ A sample of the Annual Report by individual SMG members listing all compensated Outside Professional Activities can be found at:

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[http://policy.ucop.edu/files/smg-docs/opa-sample\\_compensated\\_report.pdf](http://policy.ucop.edu/files/smg-docs/opa-sample_compensated_report.pdf)

Deferred compensation shall be reported in the year in which the compensation was known or granted, not received. If the amount of the deferred compensation is unknown during the year in which the service is performed, such as in the case of royalties, the compensation shall be reported when it is known.

The Chancellors, the Laboratory Director and the Executive Vice President, Chief Operating Officer Business Operations will make a separate report to the President, who will in turn report to the Regents all compensated Outside Professional Activities covered by this policy for SMG members that occurred the previous calendar year.

### D. Conflict of Interest and/or Commitment

#### 1. Conflict of Interest

No SMG member may make, participate in the making, or influence a governmental decision in which he or she has a financial interest as defined by the Political Reform Act. <http://www.ucop.edu/general-counsel/legal-resources/conflict-of-interest-code.html> <http://www.ucop.edu/general-counsel/legal-resources/index.html>

#### 2. Conflict of Commitment

Conflict of commitment is a subjective judgment made either by the SMG member or his/her approving authority Approving Authorities at the time approval is requested to pursue an outside professional activity. -This subjective judgment shall determine whether or not a conflict is created -- either by the time required to reasonably fulfill the outside professional activity, and/or by an incompatibility between the outside professional activity and the SMG member's responsibilities to the University.

#### 3. Actual or Apparent Perceived Conflict of Interest and/or Commitment

Instances may occur in which there is an appearance of a cConflict of interest even though the SMG member does not have a financial interest in the decision as defined by the Political Reform Act. SMG members are expected to conduct themselves with integrity and good judgment and must avoid the appearance of favoritism in all of their dealings on behalf of the University.

The responsibility for determining and disclosing whether an actual or apparent perceived cConflict of interest and/or cCommitment reasonably may occur rests first with the individual SMG member and then with his/her approving authorities.

In the event the SMG member or his/her approving authorities either anticipates an apparent perceived or recognizes an actual cConflict of interest and/or cCommitment, a full written disclosure must be reviewed by the appropriate administrator.

### E. Use of University Resources



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The University of California has a responsibility for the stewardship of University resources and is committed to compliance with University policies and procedures regarding the use of University resources.- See [Business and Finance Bulletin BUS 29, Section XIII ~~Business and Finance Bulletin BUS-29, Section XIII~~](#) and [UC Whistleblower Policies. ~~UC Whistleblower Policies.~~](#)

The use of the name, logo, seal, or letterhead of the University of California or any University laboratory facility or entity in the conduct of any outside activity is prohibited at all times.

Incidental and occasional personal use of University equipment, services and supplies is permitted within the University, so long as such use does not disrupt or distract from University business (due to volume, frequency, or intent).

Approval of any proposed Outside Professional Activity that includes use of University facilities, equipment, services, or supplies will be conditioned upon reimbursement to the University for costs resulting from such use.

Incidental and occasional personal use of electronic resources is subject to local regulations and must comply with existing- [University of California Electronic Communications Policy ~~University of California Electronic Communications Policy.~~](#)

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## IV. APPROVAL AUTHORITY

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### **A. Implementation of the Policy**

The Vice President— Human Resources is the Responsible Officer for this policy and has the authority to implement the policy.- The Responsible Officer may apply appropriate interpretations to clarify policy provided that the interpretations do not result in substantive changes to the underlying policy.

### **B. Revisions to the Policy**

The [Board of Regents](#) is the Policy Approver for this policy and has the authority to approve any policy revisions upon recommendation by the President.

The Vice President— Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.

The Executive Vice President, [Chief Operating Officer—Business Operations](#) has the authority to ensure that policies are regularly reviewed and updated, and are consistent with the *Senior Management Group Compensation Policy Principles* and other governance policies.

### **C. Approval of Actions**

All actions within this policy must be approved by the [Approving Authorities as described in Section II of this policy. ~~\(the person or office to whom an individual reports\).~~](#) ~~For SMG members who report directly to the Regents, the Chair of the Board of Regents is the Approving Authority for actions within this policy.~~ All actions that [are exceptions to exceed](#) this policy [including retroactive actions](#) or

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~~those that are~~ not expressly provided for under any policy ~~applicable to SMG members~~ must be ~~endorsed by The President and shall be~~ approved by the Regents.

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## V. COMPLIANCE

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### A. Compliance with the Policy

SMG members who are actively employed by the University and who have more than two concurrent compensated activities approved before the effective date of this policy, may continue those approved compensated activities that exceed the policy limit.

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance, including collecting all relevant data and creating specified regular compliance reports for review by the location's Top Business Officer.

The Top Business Officer establishes procedures to collect and report information, reviews the specified regular compliance reports for accuracy and completeness, reviews policy exceptions and/or anomalies to ensure appropriate approval has been obtained, and submits a copy of the compliance report to the Executive Officer for signature.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms, ensuring monitoring procedures are in place, approving the specified regular compliance reports and sending notice of final approval for the reports to the Senior Management Compensation Office, Top Business Officer, and Local Resources.

The Vice President, ~~ix~~–Human Resources is accountable for reviewing the administration of this policy. The Senior Vice President, ~~x~~–Chief Compliance and Audit Officer will periodically audit and monitor compliance to these policies, and results will be reported to senior management and the Regents.

### B. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with the Regents' [Guidelines for Corrective Actions Related to Compensation Practices](#) ~~Guidelines for Corrective Actions Related to Compensation Practices~~ and [Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews](#).

Violations of the Outside Professional Activities policy and will be subject to corrective action, consistent with how the University addresses any policy violations. The action taken will depend on the nature and severity of the conduct. Remedies may include, but are not limited to, issuance of a letter in the personnel file, mandatory training, consideration in the performance review and related salary actions including loss of or reduction in a merit or equity increase, reassignment,

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demotion, removal from the Senior Management Group position where there is an underlying academic appointment, or termination of employment.

Noncompliance is reported in the monthly compliance report from each location as approved by the Executive Officer and reviewed by the Senior Vice President, Chief Compliance and Audit Officer and the Regents at least three times per fiscal year.

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## REVISION HISTORY

As a result of the issuance of this policy, the following documents are rescinded:

- Interim Regental Policy on Outside Professional Activities for University Officers and Designated Staff, dated January 18, 2007
- Presidential Policy on Outside Professional Activities for University Officers and Designated Staff, dated July 1, 1995
- Guidelines for the Policy on Outside Professional Activities for University Officers and Designated Staff, dated June 1, 2000)
- Letter of Clarification Regarding Annual Reporting Requirements Under Both APM-025 and the University's Policy on Outside Professional Activities for University Officers and Designated Staff, dated December 1, 2005
- Regental Policy on Outside Professional Activities of the President, Principal Officers of the Regents, and Officers of the Regents, dated March 17, 1995

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**IMPLEMENTATION PROCEDURES** [to be developed as needed to support implementation]

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## RELATED DOCUMENTS

- ~~[APM - 025, Conflict of Commitment and Outside Professional Activities of Faculty Members](#)~~ ~~[APM—025, Conflict of Commitment and Outside Professional Activities of Faculty Members](#)~~
- [APM - 250, Deans](#) ~~[APM—240, Deans](#)~~
- [APM - 670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants](#)
- ~~[APM—670, the Health Sciences Compensation Plan and Guidelines on Occasional Outside Professional Activities by Health Sciences Compensation Plan Participants](#)~~

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- ~~[California Political Reform Act of 1974 , http://www.ucop.edu/general-counsel/legal-resources/index.html](http://www.ucop.edu/general-counsel/legal-resources/index.html)~~
- ~~[University Conflict of Interest Code](#)~~
- ~~no SMG member may make, participate in the making, or influence a governmental decision in which he or she has a financial interest as defined by the Political Reform Act. <http://www.ucop.edu/general-counsel/legal-resources/index.html> <http://ucop.edu/ogc/coi/econinterest.html>; <http://policy.ucop.edu/doc/3420344/BFB-BUS-78> <http://www.ucop.edu/ucophome/policies/bfb/bus78/>, <http://policy.ucop.edu/doc/1220367/BFB-G-39><http://www.ucop.edu/ucophome/policies/bfb/g39.pdf>~~
- ~~[Business and Finance Bulletin BUS 29, Section XIII Personal Use of Property](#)  
[Business and Finance Bulletin BUS-29, Section XIII - Personal Use of Property](#)~~

### ~~[Senior Management Group Salary and Appointment \(Regents Policy 7701\)](#)~~

- ~~[Senior Management Group Salary and Appointment \(Regents Policy 7701\)](#)~~

### ~~[University of California Electronic Communications Policy](#)~~

- ~~[University of California Electronic Communications Policy](#)~~
- ~~[University Whistleblower Policies](#) [University Whistleblower Policies](#)~~