



OFFICE OF THE PROVOST AND EXECUTIVE VICE PRESIDENT --  
ACADEMIC AFFAIRS

OFFICE OF THE PRESIDENT  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-3200

August 26, 2009

CHANCELLORS  
ACADEMIC SENATE CHAIR CROUGHAN

Colleagues:

Re: Furlough Exchange Program

A Furlough Exchange Program (FEP) is being implemented to allow faculty who are subject to the Furlough/Salary Reduction Plan to devote extra effort to extramurally funded projects in exchange for furlough time.

Attached are the program guidelines, which include the definition of extramural awards, eligibility requirements, and implementation procedures. Please let me know if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence H. Pitts".

Lawrence H. Pitts  
Interim Provost and Executive Vice President  
Academic Affairs

Attachment

cc: President Yudof  
Executive Vice President Lapp  
Senior Vice President Dooley  
Academic Senate Vice Chair Powell  
Vice President Lenz  
Vice Provost Greenstein  
Academic Senate Executive Director Winnacker  
Interim Executive Director Price

## Furlough Exchange Program (FEP)

August 26, 2009

### Description:

This program allows academic employees who are subject to the furlough program to devote extra effort to extramurally funded projects in exchange for the furlough time they would be accruing. Appointees may charge an equivalent amount of effort to extramural funding, provided this is permissible with the granting agency and the terms of the extramural award as determined in consultation with the campus Sponsored Projects Office (SPO). All charges must remain in compliance with Office of Management and Budget (OMB) Circular A-21. Restricted gifts and endowments that can be used for research support may be used to support this increased effort.

Extramural awards include federal, state, other government or private contracts, grants, or cooperative agreements. Such awards also include special state appropriations for Breast Cancer, HIV/AIDS, or Tobacco-Related Disease research programs that have been awarded to campuses on a competitive basis by the Office of the President.

This program is in effect for the duration of the Salary Reduction/Furlough Plan, September 1, 2009 through August 31, 2010. The participant must elect to participate in this program in advance. Participation must be approved prior to the service period of the research activity. Retroactive participation is not permitted.

Faculty may not earn more than his/her normal annual pre-reduced compensation. This program may not be used to supplement administrative stipends. Faculty may not reduce their teaching and/or service commitments during participation in the program. Compensation earned under this program is considered regular pay (REG) and is subject to standard payroll deductions, benefit charges, and retirement contributions.

During the period of participation, furloughs will be forfeited and may not be used for any other purpose, including additional consulting days and campus closures. Participants are expected to be in service during campus closures, with the exception of fiscal year employees on approved vacations.

### Eligibility:

This program is available to faculty who are full time (100%) and appointed to a title in a Professorial or Lecturer with Security of Employment series.

Currently this proposal does not apply to members of a Health Sciences Compensation Plan, staff employees or to members of the Senior Management program. An implementation Furlough Exchange Program is being developed for HSCP faculty.

### Requires Prior Approval:

Faculty will need to work with their Sponsored Project Office (SPO) to determine whether prior sponsor approval is needed in each case. Any charges must be compliant with Office of Management and Budget (OMB) Circular A-21 requirements.

## Furlough Exchange Program (FEP)

August 26, 2009

Page 2

In cases where effort charged to an existing extramural award is increased, prior sponsor approval may be needed if the scope of work is adversely affected, if the cost sharing commitment is reduced, or otherwise as may be required by individual contracts and grants. Although there may be cases in which prior approval is not necessary under federal rules and under agency policy, staff and Principal Investigators will need to spend time necessary to analyze the terms of an award and to obtain approvals if necessary. This same issue is true for other instances where, under the Furlough Plan, effort to an existing federal award is to be changed.

Only those extramural fund sources that have been excluded from the Salary Reduction/Furlough Plan may be exchanged under this program.

### Implementation process:

1. After consultation with the campus SPO, the participant submits a document to request participation in the FEP and forfeiture of furlough hours. It should identify the project in which the additional research effort will be worked, including the account and fund source to be charged.
2. Full year participation is mandatory.

Faculty must participate in the program for the entire 2009-10 academic year. Participation for less than a twelve month period does not provide the requisite salary savings required in the Salary Reduction/Furlough Plan approved by The Regents.

The service period for academic year faculty is mid-September through mid-June. The extramural fund source(s) will be charged for the normal academic year of July 1, 2009 through June 30, 2010 for participants on quarter campuses. Participants on semester campuses will participate from September 1, 2009 through August 31, 2010.

Since fiscal year pay and service periods match, fiscal year employees may participate for the period of September 1, 2009 through August 31, 2010.

An employee hired mid-year may only participate from the onset of his/her appointment through June 30, 2010 (academic year employees) or August 31, 2010 (fiscal year employees).

3. Once the participant receives approval (according to campus approval guidelines), the employee's record must be updated in the Payroll Personnel System (PPS) as follows.  
*Note: Do not change the FTE value associated with the 100% REG distribution*
  - Delete the salary reduction distribution (SRB DOS Code).
  - Change the current 100% REG distribution to a future distribution.
    - Set the distribution begin date to the appropriate date, i.e., the day after the exchange program ends

Furlough Exchange Program (FEP)

August 26, 2009

Page 3

- Create a new REG distribution.
    - Distribution percent is 100% less the reduction percentage.
    - Distribution begin and end dates reflect the dates applicable to the term for the furlough exchange program.
  
  - Create a new Research distribution.
    - Distribution percent equal to the reduction percentage.
    - Distribution begin and end dates reflect the dates applicable to the term for the furlough exchange program.
    - Extramural fund source.
4. Departments would need to process the appropriate cost transfer of funds for academic year appointees. They would need to be completed in the requisite 120 day limit.

Cost transfers or payments made in July and August for academic year effort will need to be made by October 31 (for July salary payments) and by November 30 (for August salary payments) in order to comply with the 120 day federal rule for cost transfers.

**Furlough/Salary Reduction Plan  
Contracts, Grants and Cooperative Agreements Table  
Accounting Codes – General Ledger  
8/4/2009 11:07:44 AM**

Fund Group Title	Fund Group Code Title	Fund Number	Group Code	Comments
State of California, Special State Appropriations	General Funds Specific State Appropriations (campus awards)	18010-18013	404110	AIDS Research*
	Special State Appropriations (campus awards)	18076-18079	404120	Tobacco Research*
		18109-18111	404120	Tobacco Research*
		18071	404120	Breast Cancer Resrch*
		18072	404120	Breast Cancer Resrch*
		18089	404120	Breast Cancer Resrch*
		18090	404120	Breast Cancer Resrch*
		18101-18103	404120	Breast Cancer Resrch*
		18104-18108	404120	Breast Cancer Resrch*
State of California, State Agencies	State Contracts, Grants & Cooperative Agreements	Open	404210	
Local Governments	Local Government Appropriations, Grants, Contracts & Cooperative Agreements	Open	405210	
U.S. Government	Federal Grants & Cooperative Agreements	Open	406210	
	Federal Grants-ARRA	Open	406230	
	Federal Contracts	Open	406310	
	Federal Contracts–DOE Labs	Open	406330	
	Federal Contracts-ARRA	Open	406340	
Private Gifts, Grants & Contracts	Restricted Grants	Open	408300	
	Restricted Contracts			
	• Private Restricted Contracts	Open	408410	
• Clinical Drug Trials	Open	408420		

\*UCOP employees who are funded from these State appropriations will be subject to the furlough/salary reduction because they are acting in the capacity of a C&G Office, not performing, or directly supporting, the research itself.



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1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-5200

September 11, 2009

CHANCELLORS  
ACADEMIC COUNCIL CHAIR POWELL

RE: Salary Exchange Program (FEP) Addendum  
Partial-Year Participation Option

Dear Colleagues:

Attached is an Addendum to the Furlough Exchange Program (FEP) that I issued on August 26, 2009, confirming eligibility for partial-year participation in the Program.

Faculty may participate in the FEP on a partial-year basis during the 2009-10 fiscal year period as an alternative to full-year participation. The attached Addendum includes tables showing the monthly pay periods associated with each quarter or semester for purposes of effort reporting.

Please direct implementation questions or comments to Interim Executive Director Patricia Price at email: [Patricia.Price@ucop.edu](mailto:Patricia.Price@ucop.edu).

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence H. Pitts".

Lawrence H. Pitts  
Interim Provost and Executive Vice President  
Academic Affairs

cc: President Yudof  
Executive Vice Chancellors  
Interim Executive Vice President Brostrom  
Vice President Beckwith  
Vice President Duckett  
Vice Provost Greenstein  
Assistant Vice President Plotts  
Interim Executive Director Price  
Manager O'Neill  
Manager Ohy  
Coordinator Ruiz

## **Salary Exchange Program (FEP) Addendum Partial-Year Participation Option**

**September 11, 2009**

Subsequent to the issuance of the Salary Exchange Program guidelines on August 26, 2009, the campuses have expressed a desire to allow faculty participation in the FEP on a partial-year basis. This is because funding from grants and contracts may not be awarded until later in the year, including ARRA funding which is being made available to the faculty throughout the year. In addition, a contract or grant may terminate prior to the end of the FEP period.

### **Partial-Year (Quarter/Semester) Participation**

Under this Addendum, faculty may participate in the FEP on a partial-year basis during the 2009-10 fiscal year period covered by the FEP as an *alternative* to full-year participation. During the period of participation, furlough days will be forfeited and may not be used for any other purpose, including additional consulting days and campus closures. With the exception of the length of participation, all other criteria and instructions outlined in the FEP guidelines apply to a partial year participant.

In order to comply with campus Effort Reporting Systems, participation must be on a quarter or semester basis. Accordingly, partial-year participation in the FEP is available during fiscal year 2009-10 as follows:

- For academic-year faculty on quarter campuses, participation may begin on November 1, 2009 or March 1, 2010.
- For academic-year faculty on semester campuses, participation may begin on January 1, 2010.
- Fiscal-year faculty may elect to begin participating on October 1, 2009, January 1, 2010 or April 1, 2010.

The tables in Attachments 1 and 2 show the monthly pay periods associated with each quarter or semester for purposes of effort reporting.

Any pay periods not covered by the FEP would be subject to the Furlough/Salary Reduction Plan (the "Plan"). No retroactive payroll adjustments would be permitted to restore pay previously cut. Furlough days accrued by a faculty member would have to be used during the FEP period in accordance with the Plan and implementing FAQs.

Since the FEP period would not cover the entire fiscal year, the effort percentage charged to extramural awards (or to eligible gifts and endowment funds) for academic-year faculty must be increased proportionately to generate the savings required under the Plan. For fiscal-year faculty, the full-year percentages would be used in establishing the FEP distributions.

Participation for the entire academic term is mandatory; participation for less than a full quarter or semester is not permitted. The tables in Attachment 3 show the effort percentages required for full-year FEP participation and the additional effort that would be required for partial year participation.

The FEP distributions must be manually established in the Payroll/Personnel System using the appropriate percentage.

**Academic-Year Faculty  
Quarter Campuses**

<b>FEP Participation Period</b>	<b>Pay Periods Corresponding to FEP Participation Period</b>	<b>Comments</b>
<p><b>Fall Quarter</b></p> <p>FEP participation in the fall quarter is available only to those making a full-year commitment to participate in the FEP</p> <p>October 2009 November 2009 December 2009</p>	<p>July 2009 August 2009 September 2009 October 2009</p>	<p><b>Full-Year FEP Only:</b> Retroactive cost transfers (or payroll adjustments) will be processed for July and August for the furlough exchange that will occur in the fall quarter.</p>
<p><b>Winter Quarter</b></p> <p>January 2010 February 2010 March 2010</p>	<p>November 2009 December 2009 January 2010 February 2010</p>	<p><b>Full-Year and Partial-Year FEP</b></p>
<p><b>Spring Quarter</b></p> <p>April 2010 May 2010 June 2010</p>	<p>March 2010 April 2010 May 2010 June 2010</p>	<p><b>Full-Year and Partial-Year FEP</b></p>

**Attachment 2**  
*(Corrected 9/15/09)*

**Academic-Year Faculty  
Semester Campuses**

<b>FEP Participation Period</b>	<b>Pay Periods Corresponding to FEP Participation Period</b>	<b>Comments</b>
<p><b>Fall Semester</b></p> <p>FEP participation in the fall semester is available only to those making a full-year commitment to participate in the FEP.</p> <p>August 2009 September 2009 October 2009 November 2009 December 2009</p>	<p>July 2009 August 2009 September 2009 October 2009 November 2009 December 2009</p>	<p><b>Full-Year FEP Only:</b> Retroactive cost transfers (or payroll adjustments) will be processed for July and August for the furlough exchange that will occur in the fall semester.</p>
<p><b>Spring Semester</b></p> <p>January 2010 February 2010 March 2010 April 2010 May 2010</p>	<p>January 2010 February 2010 March 2010 April 2010 May 2010 June 2010</p>	<p><b>Full-Year and Partial-Year FEP</b></p>

**Table 1: Full Academic Year Participation**  
*(12 Months Pay)*

<b>Salary Band</b>	<b>MCB<sup>1</sup></b>	<b>Compensation</b>	<b>Furlough – Days (Approximate)<sup>2</sup></b>	<b>Salary Reduction (Approximate)</b>
1	<=40	0 – 40,000	7	4.00%
2	41-46	40,001 – 46,000	9	5.00%
3	47-60	46,001 – 60,000	10	6.00%
4	61-90	60,001 – 90,000	12	7.00%
5	91-180	90,001 – 180,000	14	8.00%
6	181-240	180,001 – 240,000	15	9.00%
7	>240	Over 240,000	17	10.00%

**Table 2: Participation - One Quarter**  
*(4 Months Pay)*

<b>Salary Band</b>	<b>MCB<sup>1</sup></b>	<b>Compensation</b>	<b>Furlough – Days (Approximate)<sup>2</sup></b>	<b>Salary Reduction (Approximate)</b>
1	<=40	0 – 40,000	4	6.00%
2	41-46	40,001 – 46,000	5	7.50%
3	47-60	46,001 – 60,000	5	9.00%
4	61-90	60,001 – 90,000	6	10.50%
5	91-180	90,001 – 180,000	7	12.00%
6	181-240	180,001 – 240,000	8	13.50%
7	>240	Over 240,000	9	15.00%

**Table 3: Participation - Two Quarters**  
*(8 Months Pay)*

<b>Salary Band</b>	<b>MCB<sup>1</sup></b>	<b>Compensation</b>	<b>Furlough – Days (Approximate)<sup>2</sup></b>	<b>Salary Reduction (Approximate)</b>
1	<=40	0 – 40,000	6	5.00%
2	41-46	40,001 – 46,000	8	6.25%
3	47-60	46,001 – 60,000	8	7.50%
4	61-90	60,001 – 90,000	10	8.75%
5	91-180	90,001 – 180,000	12	10.00%
6	181-240	180,001 – 240,000	13	11.25%

<sup>1</sup> Medical Contribution Base as of January 1, 2009.

<sup>2</sup> Furlough days remain constant in accordance with Salary Band

7	>240	Over 240,000	14	12.50%
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Attachment 3 (cont'd)

**Table 4: Participation - One Semester**  
(6 Months Pay)

Salary Band	MCB <sup>3</sup>	Compensation	Furlough – Days (Approximate) <sup>4</sup>	Salary Reduction (Approximate)
1	<=40	0 – 40,000	5	5.33%
2	41-46	40,001 – 46,000	6	6.67%
3	47-60	46,001 – 60,000	7	8.00%
4	61-90	60,001 – 90,000	8	9.33%
5	91-180	90,001 – 180,000	9	10.67%
6	181-240	180,001 – 240,000	10	12.00%
7	>240	Over 240,000	11	13.33%

<sup>3</sup> Medical Contribution Base as of January 1, 2009.

<sup>4</sup> Furlough days remain constant in accordance with Salary Band