

APPENDIX V

ACADEMIC ENRICHMENT ACCOUNTS

Guidelines for the establishment of an Academic Enrichment Account using income from Occasional Outside Professional Activities as described in Section V.A.3.b. of the Implementing Procedures

By May 31 of each fiscal year, each Plan Participant shall discuss with his/her Chair and with the Chair's written approval shall select in writing one of the following options for income accumulated in the plan in excess of financial requirements that will remain in effect for the forthcoming fiscal year (July 1 – June 30). Changes are not permitted under any circumstances until the following fiscal year. After the Plan Participant selects one of the following options, the Chair shall review his/her selection. If approved, the Chair shall issue written approval of the Plan Participant's selection.

The options are:

Option A: Z Payment

Income is paid as a "Z" payment on a quarterly basis following the close of each quarter (September 30, December 31, March 31 and June 30). A "Z" payment may be paid earlier in the quarter if the Plan Participant retires or separates from University employment or upon approval of the Chair/Director. **This is the default option and it will be implemented each year for Plan Participants who do not select in writing an option.**

Option B: Academic Enrichment Account

Income is allocated to an academic enrichment account and is never eligible to be taken as a "Z" payment or as salary by the Plan Participant. Unexpended balances remain the property of the University when the Plan Participant retires or separates from University employment.

Option C: Designated Academic Enrichment Account and Z Payment

A Plan Participant may submit a request to his/her Chair to designate a specific amount of income for the forthcoming period July 1 – June 30 that is to be allocated to an academic enrichment account and is never eligible to be taken as a "Z" payment or as salary by the Plan Participant. The amount designated to be allocated to an academic enrichment account must be discussed with and approved by the Chair. Unexpended balances in the academic enrichment account remain the property of the University when the Plan Participant retires or separates from University employment. Additional income beyond the specific amount designated by the Plan Participant that is to be allocated as an academic enrichment account is paid as a "Z" payment on a quarterly basis following the close of each quarter (September 30, December 31, March 31 and June 30). A "Z" payment may be paid earlier in the quarter if Plan Participant retires or separates from University employment or upon approval of the Chair/Director. Academic Enrichment Accounts are established for the purpose of supporting the academic activities of the Plan Participant by allowing direct charge or reimbursement for business-related expenses. Funds allocated to an Academic Enrichment Account may be used to support University-approved academic professional activities that are allowed direct charge or reimbursable University-related business expenses of an individual Plan Participant consistent with University accounting guidelines. Once funds are allocated to an Academic Enrichment Account, these funds cannot subsequently be used for faculty salary support. Funds are allocated to an Academic Enrichment Account under the following conditions:

- The Academic Enrichment Account may be allocated from a portion of a Plan Participant's academic outside professional activity income due to the Compensation Plan.
- On an annual basis, if allowed by his/her department guidelines, a Plan Participant may request that funds be allocated to an Academic Enrichment Account for the forthcoming academic year July 1 through June 30 and such a request **must always occur in writing prior to July 1 of the forthcoming academic year in which the income will be earned.**
- The Chair or his/her designee reviews the Plan Participant's allocation request and if approved, written approval shall be given to the Plan Participant.

- Chairs may submit a written request to the Dean's Office to allocate funds for the upcoming fiscal year to an Academic Enrichment Account. The request shall be reviewed by the Dean or his/her designee and if approved, approval shall be in writing.
- Disposition of the funds in an Academic Enrichment Account is under the auspices of the Department. UCI, through the Chair, has final authority over the use and distribution of funds held in an Academic Enrichment Account
- Once funds have been allocated to an Academic Enrichment Account, the Plan Participant cannot change the designation of these funds as Academic Enrichment Account funds.
- The department must maintain detailed records that are readily available for audit and other appropriate reviews that support the allowable nature of the reimbursable academic professional expenses that are paid from the Academic Enrichment Account. Plan Participants must submit all required supporting documentation for reimbursement consistent with University accounting guidelines. Unspent travel advances or any other disallowed amounts charged to the Academic Enrichment Account must be repaid by the Plan Participant consistent with University accounting guidelines.
- An Academic Enrichment Account can maintain a positive balance at the end of an academic year that may be carried forward to the next academic year, at the discretion of the Chair. Disposition of year-end positive balance is communicated annually to the Plan Participant at the time requests for allocations to an Academic Enrichment Accounts are made.

In the event of termination of employment, any outstanding account receivables shall be treated in accordance with the compensation arrangement of the individual Plan Participant. Specifically, receivables originated by Plan Participants without Incentive/Bonus Compensation shall be the property of the University. Academic Enrichment Account funds remain the property of the University. Receivables of Plan Participants with Incentive/Bonus Compensation shall be handled in accordance with department/unit guidelines. All Incentive/Bonus Compensation, including payments for outstanding account receivables, shall be paid through the University of California payroll system.