

FURLOUGH EXCHANGE PROGRAM (FEP) UCSD IMPLEMENTATION GUIDELINES

This program allows academic employees who are subject to the Salary Reduction/Furlough Plan to devote extra effort to research projects *instead* of using the furlough time they would be accruing under the plan. In exchange for forfeiting the furlough time, appointees may charge an equivalent amount of effort to extramural funding¹, provided this is permissible with the granting agency. In addition, restricted gifts and endowments that can be used for research support may be used to support this increased effort.²

Eligibility and Program Regulations

Full-time faculty members who are subject to the Salary Reduction/Furlough Plan and, whose effort is appropriate to be directly charged to an extramural project for the duration of the program, may participate. Currently this proposal does not apply to members of a Health Sciences Compensation Plan, staff employees, or to members of the Senior Management Group.

In exchange for the furlough time that would be accrued under the Salary Reduction/Furlough Plan (reference academic accrual charts in Appendix 2), FEP participants may charge an equivalent amount of effort to extramural awards providing this is permissible with the funding agency and campus contract and grant policies, or the terms of the gift agreement, if appropriate. The resulting salary savings must be returned to meet campus salary savings targets.

All charges must be compliant with Office of Management and Budget (OMB) Circular A-21. Appointees are responsible for obtaining agency permission prior to submission of the UCSD Furlough Exchange Program (FEP) Agreement form.

Full-year participation is recommended, however, partial-year participation is allowed according to the chart below. The additional research should be conducted and paid according to the charts below:

| Appointment Basis | FEP Participation Period (quarter/service period) | FEP Pay Period |
|---|---|---------------------|
| Academic Year (AY) | Full Year: Fall, Winter, and Spring Quarters Service Period: 09/21/09 – 06/11/10 | 07/01/09 – 06/30/10 |
| Academic Year (AY) | Fall Quarter Service period 9/21/09 – 12/12/09 | 07/01/09 – 10/31/09 |
| Academic Year (AY) | Winter Quarter Service period 01/01/10 – 03/20/10 | 11/01/09 – 02/28/10 |
| Academic Year (AY) | Spring Quarter Service Period: 03/25/10 – 06/11/10 | 03/01/10 – 06/30/10 |
| <p><i>Special note regarding partial-year participation: Individuals will be subject to the Salary Reduction/Furlough Plan when they are not participating in the Furlough Exchange Program. For example, an academic-year appointee who participates in Spring quarter only will have his/her salary reduced and accrue furlough hours for the non-FEP dates of 09/01/09 – 02/28/10 and 07/01/10 – 08/31/10.</i></p> | | |

¹ For the purpose of this program, extramural funding refers to fund sources that have been defined as “excluded” under the UC Furlough Plan.

² Restricted gifts and endowments may only be used for the limited purposes permissible under the FEP guidelines. Such funds are not currently on the list of excluded fund sources under the Salary Reduction/Furlough Plan.

| Appointment Basis | FEP Participation Period (quarter/service period) | FEP Pay Period |
|--|---|---------------------|
| Fiscal Year (FY) | Full Year Service Period: 09/01/09 – 08/31/10 | 09/01/09 – 08/31/10 |
| Fiscal Year (FY) | Fall Quarter Service Period: 10/01/09 – 12/31/09 | 10/01/09 – 12/31/09 |
| Fiscal Year (FY) | Winter Quarter Service Period: 01/01/10 – 03/31/10 | 01/01/10 – 03/31/10 |
| Fiscal Year (FY) | Spring Quarter Service Period: 04/01/10 – 06/30/10 | 04/01/10 – 06/30/10 |
| <p><i>Special note regarding partial-year participation: Individuals will be subject to the Salary Reduction/Furlough Plan when they are not participating in the Furlough Exchange Program. For example, a fiscal-year appointee who participates in Winter quarter only will have his/her salary reduced and accrue furlough hours for the non-FEP dates of 09/01/09 – 12/31/09 and 04/01/10 – 08/31/10.</i></p> | | |

Participation must be approved prior to the service period of the research activity and may not result in earning salary higher than the pre-reduced salary rate. This program may not be used to supplement administrative stipends. **Retroactive participation is not permitted. Requests must be approved and input into the Payroll/Personnel System (PPS) no later than the PPS deadline of the month the pay period begins.**

Faculty who elect this option will forfeit their furlough days and therefore will be expected to be in service during campus closures, with the exception of fiscal year employees on approved vacations. During the period of participation, furlough days forfeited may not be used for any other purpose, including additional consulting days as allowed under APM 025.

Faculty may not reduce their teaching loads in order to participate in this exchange program.

The compensation earned under this program is considered regular pay and is subject to standard payroll deductions, benefits charges, and retirement contributions.

How to Request Participation in the FEP

Complete the Furlough Exchange Program (FEP) Agreement form. The form must be signed by all applicable parties and approved by the Senior Vice Chancellor prior to the research service period (no later than September 20, 2009, for full-year [AY or FY] or Fall quarter [AY] participation). Approved FEP agreements must be entered into the Payroll/Personnel System (PPS) prior to the monthly PPS deadline of the month the pay period begins (9/24/09 for full-year and Fall quarter FEP). **Retroactive requests will not be accepted.**

In coordination with the faculty member, the department fund manager is responsible for ensuring all pre-approval obligations are met and for verifying that the faculty member has sufficient and appropriate funding to support his/her request.

Payroll/Personnel System (PPS) and Cost Transfer Instructions

Upon approval, the Academic Compensation Office will email an approved copy of the UCSD Furlough Exchange Program (FEP) Agreement to the department chair, MSO, and Dean's Office. This will serve as the necessary pre-approval for the payroll entry. The department payroll processor will update the employee's record in PPS according to the instructions below. In cases where ORU funding is used, the academic department MSO will coordinate with the ORU MSO on the funding to be used and will notify the ORU MSO when the approval is obtained. The academic department should process the entire PPS entry.

Departments will need to process the appropriate cost transfer of funds within 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 15, 2009.

The employee's payroll record must be manually adjusted to remove salary reduction distributions and reflect participation in the FEP.

1. The employee's record will be included in the Salary Reduction/Furlough Plan.
2. Prior to the monthly PPS deadline of the month the pay period begins (9/24/09 for full-year and Fall quarter FEP), the employee's record must be manually adjusted as follows (see Appendix 1 for sample PPS screen shots for an academic year faculty member):
 - Remove the SRB distribution(s) from the Payroll/Personnel System (PPS).
 - End existing REG pay distribution on 06/30/09. Enter action code '45' on this distribution.
 - Add a new REG pay distribution to reflect the reduced percent of pay on the regular pay source effective 07/01/09 – 06/30/10.
 - Add an RGS distribution for the period of 07/01/09 - 06/30/10 to hold the FTE.
 - Add a new REG distribution to reflect the return to regular pay status effective 07/01/10.
 - Add a new appointment under the appropriate research title for the dedicated research effort for the appropriate pay period (e.g. 07/01/09 – 06/30/10 for full-year participation by academic year faculty).
 - Add a new distribution with DOS code FEP to the research appointment to reflect the appropriate percent effort on the extramural project for the FEP participation pay period.
3. Enter appropriate PAN comments. Example:
 - Delete salary reduction.*
 - Does not affect pay.*
 - Furlough Exchange Program approved by SVC Drake on [insert approval date.]*
 - Effective xx/xx/xx PPE [this should be the pay period end date (PPE) of the first FEP month]*

Appendix 1

PPS Example

Professor-AY subject to an 8% reduction (salary band 5) showing participation at 8% in Furlough Exchange Program

| | | | | | |
|-------------------|--------------------------|-------------------------------|-------------|-------------------|--|
| PPEAPC0-E1595 | | SD EDB Entry/Update | | 06/12/09 17:03:36 | |
| 06/08/09 20:11:59 | | Appts./Distributions-Condense | | Userid: SDUSERID | |
| ID: 000123456 | Name: PROFESSOR, IAM A . | | Emp Stat: P | Pri Pay: MO | |
| PAF Gen No: 121 | | Stu/Reg: _ | | Page 1 of 2 | |

| Appt | Actions | Pgm | Typ | Bas | Pd | Ovr | Appt Begin | Appt End | Dur | Dept | FLSA |
|------|---------|----------|----------|-----------|-----------|-----|---------------|---------------|----------|---------------|------|
| 10 | _____ | <u>A</u> | <u>5</u> | <u>09</u> | <u>12</u> | | <u>070194</u> | <u>999999</u> | <u>T</u> | <u>000987</u> | 1 |

| Title | Grade | %Full | F/V | Ann/Hr Rate | Rt | Sch | Time | Lv |
|---------------------------------------|-------|-------------|----------|------------------|----------|-----------|----------|----------|
| <u>1100</u> PROFESSOR - ACADEMIC YEAR | ___ | <u>1.00</u> | <u>F</u> | <u>111800.00</u> | <u>A</u> | <u>MO</u> | <u>N</u> | <u>N</u> |

| Dist No | Actions | Index | Fund | Sub | FTE | Dis % | PayBeg | PayEnd | Step | OA | Rate/Amt | DOS | PRQ | D | W |
|---------------|------------------|-------|--------------------------|--------------------------|---------------------|--------------------------|--------------------------|--------------------------|---------------------|---------------------|---------------------------|------------------------|------------|---|---------------------------|
| 11 | _____ | | <u>MYFUND</u> | <u>19900A</u> | <u>0</u> | <u>1.00</u> | <u>1.0000</u> | <u>100107</u> | <u>063009</u> | <u>7</u> | <u>O</u> | <u>9316.67</u> | <u>REG</u> | | <u>ended</u> |
| 12 | _____ | | <u>MYFUND</u> | <u>19900A</u> | <u>0</u> | <u>0.0800</u> | <u>090109</u> | <u>083110</u> | <u>7</u> | <u>O</u> | <u>9316.67</u> | <u>SRB1</u> | | | <u>deleted</u> |
| 13 | _____ | | <u>MYFUND</u> | <u>19900A</u> | <u>0</u> | <u>0.9200</u> | <u>070109</u> | <u>063010</u> | <u>7</u> | <u>O</u> | <u>9316.67</u> | <u>REG</u> | | | <u>added</u> |
| 14 | _____ | | <u>MYFUND</u> | <u>19900A</u> | <u>0</u> | <u>1.00</u> | <u>0.0000</u> | <u>070109</u> | <u>063010</u> | <u>7</u> | <u>O</u> | <u>9316.67</u> | <u>RGS</u> | | <u>added</u> |
| 15 | _____ | | <u>MYFUND</u> | <u>19900A</u> | <u>0</u> | <u>1.00</u> | <u>1.0000</u> | <u>070110</u> | <u>999999</u> | <u>7</u> | <u>O</u> | <u>9316.67</u> | <u>REG</u> | | <u>added</u> |

| | | | | | |
|-------------------|--------------------------|-------------------------------|-------------|-------------------|--|
| PPEAPC0-E1595 | | SD EDB Entry/Update | | 06/12/09 17:03:36 | |
| 06/08/09 20:11:59 | | Appts./Distributions-Condense | | Userid: SDUSERID | |
| ID: 000123456 | Name: PROFESSOR, IAM A . | | Emp Stat: P | Pri Pay: MO | |
| PAF Gen No: 121 | | Stu/Reg: _ | | Page 2 of 2 | |

| Appt | Actions | Pgm | Typ | Bas | Pd | Ovr | Appt Begin | Appt End | Dur | Dept | FLSA |
|------|---------|----------|----------|-----------|-----------|-----|---------------|---------------|---------------|------|------|
| 20 | _____ | <u>A</u> | <u>5</u> | <u>09</u> | <u>12</u> | | <u>070109</u> | <u>063010</u> | <u>000987</u> | | 1 |

| Title | Grade | %Full | F/V | Ann/Hr Rate | Rt | Sch | Time | Lv |
|--|-------|-------------|----------|------------------|----------|-----------|----------|----------|
| <u>3203</u> RESEARCHER - ACADEMIC YEAR | ___ | <u>0.08</u> | <u>F</u> | <u>111800.00</u> | <u>A</u> | <u>MO</u> | <u>N</u> | <u>N</u> |

| Dist No | Actions | Index | Fund | Sub | FTE | Dis % | PayBeg | PayEnd | Step | OA | Rate/Amt | DOS | PRQ | D | W |
|---------|---------|-------|---------------|---------------|----------|---------------|---------------|---------------|----------|----------|----------------|------------|-----|---|--------------|
| 21 | _____ | | <u>GRTFND</u> | <u>35670A</u> | <u>0</u> | <u>0.0800</u> | <u>070109</u> | <u>063010</u> | <u>7</u> | <u>O</u> | <u>9316.67</u> | <u>FEP</u> | | | <u>added</u> |

¹Distribution 12 will be system-generated during the Salary Reduction/Furlough Plan implementation process. It will be manually deleted by the departmental payroll contact when the SRREP research appointment and distribution are added.

PAN Comments:

*Delete salary reduction.
 Does not affect pay.
 Furlough Exchange Program approved by SVC Drake on [insert approval date.]
 Effective xx/xx/xx PPE [this should be the pay period end date (PPE) of the first FEP month]*

Appendix 2

UC Furlough/Salary Reduction Band Tables for Academics

| Banding Table 2A Academic Year Faculty | | | | | |
|---|---------|---------------------|---------------------|---------------|---|
| Salary Band | MCB-NY | Annual Compensation | Hourly Accrual Rate | Furlough Days | Total Equivalent Salary Reduction (Approximate) |
| 1 | <=40 | < =\$40,000 | 0.026923 | 7 | 4% |
| 2 | 41-46 | \$40,001- \$46,000 | 0.034615 | 9 | 5% |
| 3 | 47-60 | \$46,001-\$60,000 | 0.038462 | 10 | 6% |
| 4 | 61-90 | \$60,001-\$90,000 | 0.046154 | 12 | 7% |
| 5 | 91-180 | \$90,001-\$180,000 | 0.053846 | 14 | 8% |
| 6 | 181-240 | \$180,001-\$240,000 | 0.057692 | 15 | 9% |
| 7 | >240 | >\$240,000 | 0.065385 | 17 | 10% |

| Banding Table 2B: Fiscal Year Faculty | | | | | |
|--|---------|---------------------|---------------------|---------------|---|
| Salary Band | MCB-NY | Annual Compensation | Hourly Accrual Rate | Furlough Days | Total Equivalent Salary Reduction (Approximate) |
| 1 | <=40 | < =\$40,000 | 0.038462 | 10 | 4% |
| 2 | 41-46 | \$40,001- \$46,000 | 0.046154 | 12 | 5% |
| 3 | 47-60 | \$46,001-\$60,000 | 0.053846 | 14 | 6% |
| 4 | 61-90 | \$60,001-\$90,000 | 0.061538 | 16 | 7% |
| 5 | 91-180 | \$90,001-\$180,000 | 0.073077 | 19 | 8% |
| 6 | 181-240 | \$180,001-\$240,000 | 0.084615 | 22 | 9% |
| 7 | >240 | >\$240,000 | 0.092308 | 24 | 10 |