

June 29, 2015

Supersedes:

Advisory to Deans #AA2015-06 dated June 18, 2015

**DEANS, EXECUTIVE ASSOCIATE DEANS, ASSOCIATE DEANS, ASSISTANT DEANS,
CHAIRS, AND ACADEMIC PERSONNEL ANALYSTS**

Re: Use of Academic Enrichment Fund Accounts (formerly termed 'research accounts')

Dear Colleagues,

This message is a follow-up to my [Advisory to Deans #AA2013-03](#) regarding Compensation for Service and Limitation on Recall Employment and Additional Compensation in the Off-Duty Period. Based on recent advice received from the Office of General Counsel at the UC Office of the President and reminders about University accounting rules, I am writing to provide you with additional information regarding the creation and use of Academic Enrichment Funds (AEFs), which are also known as "research accounts". This advisory refers to any such account that is solely associated with additional compensation for additional work, as outlined in APM 600-4.d., rather than to accounts established for salary savings from grants or other types of general research support funds.

- As the tax treatment of funds received in an AEF may depend on the specific circumstances applicable to each faculty member, we strongly recommend that faculty members who do elect to accept AEFs from an established program be advised to consult with their personal tax professionals about any tax implications.
- For those University programs that provide AEFs, practices should be consistent. *All* participants performing service for a particular program should *either* receive salary dollars *or* an Academic Enrichment Fund, rather than having some participants receive salary dollars, while others receive an AEF.
- As a reminder, academic appointees eligible to receive additional summer compensation (per policy [APM 661-16](#), [APM 667-18](#) and [UCD 660-16](#)) may not receive additional compensation in the form of money deposited in an AEF beyond the summer compensation limitations set in policy. For example, a faculty member earning 3/9ths in additional summer compensation is not eligible for any further additional summer compensation either in the form of salary or money deposited into an AEF. Similarly, a faculty member earning 1/9th in additional summer compensation would only be eligible for 2 additional 1/9ths as either salary or AEF monies.
- Funds deposited into an AEF may not be used at a later date for additional salary, such as summer compensation. Funds in these accounts are to be used to support University-approved activities that are reimbursable, University-related business expenses in support of academic or professional endeavors. Strong justification is required when using these funds for professional travel, and all current review and approval processes must be followed.

- When an academic appointee retires from University employment, any remaining AEF balance is the property of the University. However, deans may consider creating a Memorandum of Understanding (MOU) for retiring faculty who may wish to use their existing AEF accounts for a specified period of time (e.g., two-three years) after retirement during recall. After that period, if no new MOU is established, the account reverts to the Dean's Office.
- As previously advised, faculty serving on recall appointments may only be compensated with salary and not through AEFs. In other words, new AEF accounts may not be established for retired faculty serving on recall appointments.
- For other appointees who separate from the University (non-retirement) and have existing AEFs, any balance remaining in the AEF upon separation reverts to the Dean's Office.
- Please know that some schools or colleges may charge an OP tax for use of these funds. This will be a decision based on the school/college/division's regular accounting practices.

For any questions about this information, please contact my office.

Sincerely,



Maureen L. Stanton
Vice Provost—Academic Affairs
Distinguished Professor, Department of Evolution and Ecology

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