

**UC Riverside, School of Medicine Policies and Procedures****Policy Title:** Residual Accounts**Policy Number:** 950-01-004

<b>Responsible Officer:</b>	CFAO
<b>Responsible Office:</b>	Dean's Office
<b>Origination Date:</b>	5/17/2017
<b>Date of Revision:</b>	07/01/2018
<b>Scope:</b>	Ladder Rank Faculty Unrestricted Accounts

**I. Policy Summary**

UCR School of Medicine ("SOM") will maintain policies and procedures to ensure that unrestricted funds accumulated by ladder rank faculty will be created, managed and used in accordance with SOM and university policy. This policy is intended to enforce a process for managing faculty released 19900 salary as a result of charging a portion of the salary to contracts & grants (C&G).

**II. Definitions**

Full Accounting Unit (FAU) – UCR's chart of accounts structure used to record, control and summarize financial data.

Ladder Rank Faculty – Faculty members holding tenured titles or tenure track titles in a series in which tenure may be conferred. *See APM-110 and Academic Ladder Rank Tables for a list of title codes.*

**III. Policy Text****A. UCR SOM Exchange of Funds by Ladder Rank Faculty**

UCR SOM will support the exchange of funds by ladder rank faculty into a 19900 unrestricted FAU, which will be tied specifically to the faculty member releasing the funds. This FAU will be managed in accordance with university policy and subject to the general fund restrictions as defined by the Office of the President. Although unrestricted in nature, since originally gleaned from funds specifically designated by the Office of the President for ladder rank faculty use, expenditures associated with these funds will be at the discretion of the faculty member. Funds cannot be automatically used for faculty salary, unless exceptional approval is granted by the Division Chair.

**B. Faculty Requesting a Residual Account**

Faculty requesting a residual account will fall under one of two eligibility categories, as shown below:

1. Faculty member is under 100% salary guarantee –  
Residual account may be up to 85% of X value.

2. Faculty member is not under 100% salary guarantee –  
Since faculty member is responsible for covering his/her X' and Y, a residual account may be up to 85% of the X value only after C&G funding is already covering X' and Y.

#### **IV. Responsibilities**

Faculty Investigators, Contracts and Grants Administration, B.A.S.

#### **V. Procedures**

##### **A. Establish a Residual Account**

Fully funded ladder rank faculty may establish a residual account by completing "residual account request form".

1. Once a form is completed and approved, an FAU for the purposes of the fund exchange will be established by the SOM Controller.
2. Approval for the fund exchange must be gained from the Chair of the Division to ensure that the faculty member does not place his/herself in deficit.
  - a. The amount of the exchange must not exceed the 85% of the faculty member's base salary X component one fiscal year.

##### **B. Validation of C&G Funding**

Prior to originating a released salary fund exchange, the Controller, in partnership with the Sponsored Research Programs (SPR) unit and the Division Chair, must validate the availability of the C&G funding that will be used to direct-charge the corresponding salary portion of the faculty member who is requesting the fund exchange.

1. Fund exchanges can only be authorized when a C&G fund is actually executed/awarded.
2. Upon approval, the C&G budget will be used to project the available funds for the fund exchange and based on a 6-month period outlook.
3. The actual released salary amount will be evaluated and trued-up accordingly.

##### **C. Use of Funds**

1. Funds may be used for general funds approved purposes such as
  - a. Self-bridging
  - b. Hiring post-doctoral fellows and research staff
  - c. Bio statistics
  - d. Research-related equipment, etc.
2. In some cases, and per exceptional approval from the Division Chair, funds can also be used to subsidize the "Y" salary component if other funding sources are not available.

- a. However, the SOM Controller will need to be notified to facilitate a fund-swap since the Y is not allowed on 19900.
3. The funds should not be used for any purpose specifically prohibited by the University.
4. The funds will carry over year to year if not used, and will remain under the control of the faculty member who initially requested the fund exchange.
5. All funds will have a one to one relationship to ladder rank faculty and will not be comingled with other fund sources.
  - a. Reporting for this fund source will be managed by the SRP unit, as part of the faculty member's portfolio.

**D. Fees**

No SOM fees for the fund exchange will be assessed, but the SOM cannot prevent or avoid any fees assessed on these funds by the Chancellor or UCOP.

**VI. Forms/Instructions**

Residual Account Request Form

**VII. Related Information**

<https://www.ucop.edu/academic-personnel-programs/files/apm/apm-110.pdf>

**VIII. Revision History**

Create Date: May 17, 2017

Chair of Compliance Committee Approval Date: June 19, 2017

Revision Date: July 1, 2018

**Approval(s):**

**COMPLIANCE COMMITTEE:**

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