

UNIVERSITY OF KENTUCKY ADMINISTRATIVE REGULATIONS	IDENTIFICATION AR II-7.0-4	PAGE 1
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**PROVISIONS FOR FACULTY SALARY SUPPLEMENTAL
COMPENSATION UNDER THE DENTAL SERVICES PLAN
(APPROVED BY THE BOARD OF TRUSTEES)**

I. Objectives

The specific objectives of the proposed salary supplementation plan include the following:

A. To increase faculty income over and beyond that available through State support to the College of Dentistry in an effort to remain competitive with other institutions;

B. To increase faculty incentive to participate in income-producing activities which will normally be beneficial to the College of Dentistry, the University of Kentucky, and the State; and

C. To maintain primary emphasis on the teaching and research programs of the College of Dentistry.

II. Basis

The proposal is based on a system allowing the Dean and Department Chairpersons to reward faculty members for unusual productivity and effort. The rewards will be derived from income generated by faculty activity but will not necessarily be directly related to the fiscal productivity of each individual. The system should allow maintenance of College balance without overcompensation for one segment of activity to the exclusion of other equally important commitments.

III. Applicable Provisions

A. Supplemental compensation salary, fringe benefits, etc. will be estimated for the ensuing fiscal year during the annual operating budget process; the amount budgeted will be included as a separate nonrecurring, supplemental budget item. This supplemental budget will be submitted to the THE FUND Board and the Board of Trustees for approval as part of the annual operating budget. The appropriation of funds for expenditures will be equal in amount to additional income to the University provided by a grant by the Board of Directors of THE

FUND to the University specifically for the purpose of financing the supplementary operating budget. Such a grant will be in addition to that made by THE FUND in support of salaries provided in the basic operating budget of the College of Dentistry.

B. FUND grants for the purpose of supplemental compensation will constitute non-recurring funds, and approval of the supplementary operating budget based thereon will not constitute an increase in the budget base of the College of Dentistry. Supplemental compensation payable to participating individuals in accordance with approved supplementary operating budgets will be distributed quarterly by the University based on equity determinations on September 30, December 31, March 31, and June 30 of each fiscal year. Supplemental compensation will be paid at the end of the month following the equity determinations. Individuals no longer in the employment of the University are eligible to receive supplemental compensation at the first distribution following termination based on equity determinations through the last day of their employment.

C. The Chancellor of the Medical Center is delegated the authority to approve the percentage of net revenue to be allocated for supplemental compensation. The amount of the grant to the University by THE FUND for the purpose of supplemental compensation or increases to individual discretionary accounts will be calculated quarterly based on the approved percentage to individual faculty members on the basis of net revenues collected from professional fees and other sources. Criteria utilized in determining the percentage will be submitted by the Dean of the College of Dentistry for review by the faculty prior to preparation of the supplementary operating budget. Changes in the criteria may be made by the Dean if necessary to reconcile differences between the actual figures and the projected supplemental budget. Disbursements for the first quarter of a fiscal year will be based on the prorata revenues collected from July 1 - September 30th. Disbursements for the second quarter of a fiscal year will be based on pro rata revenues collected from October 1 - December 31st. Disbursements for the third quarter of a fiscal year will be based on pro rata revenues collected from January 1 - March 31st. Disbursements for the fourth quarter of a fiscal year will be based on prorata revenues collected from April 1-June 30th. Supplemental compensation and increases to individual discretionary accounts are predicated on and subject to pro rata reductions based on: (a) projected availability of cash on the disbursement dates; (b) availability of net revenues to meet projected annual DSP budget; (c) a projected positive cash balance at the end of the fiscal year; and (d) sufficient projected fund balance to have allocated fund balance to cover Accounts Receivable in accordance with University policy. To the extent distributions have been made for supplemental compensation and increases to individual discretionary accounts, this constitutes full and final payment.

D. If the actual amounts generated and required for the supplementary expenses are greater than the approved annual supplementary operating budget, a revised budget should be

prepared and submitted in accordance with university budgetary procedures, before the established budgetary authority is reached.

E. In preparation of the supplementary operating budget, the Dean of the College of Dentistry will allocate THE FUND grant for supplemental compensation based on generation of income from professional fees and other sources and based on performance.

F. Following adoption of the provisions herein, recommendations may be made by the Faculty Advisory Committee from time to time for modifications deemed to be appropriate and desirable.