

UNIVERSITY OF KENTUCKY  <b>ADMINISTRATIVE REGULATIONS</b>	IDENTIFICATION <b>AR II-7.0-12</b>		PAGE <b>1</b>
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**COLLEGE OF PHARMACY FACULTY PRACTICE PLAN**  
(Approved by the Board of Trustees)

**ARTICLE I. NAME OF THE PLAN**

The plan shall be known as the College of Pharmacy Faculty Practice Plan.

**ARTICLE II. POLICY AND PURPOSE**

A. Income generating activities that relate to the professional expertise, scientific acumen, and/or credentials of the faculty and professional staff of the College of Pharmacy are facilitated by their employment at the University of Kentucky. The Plan is established to provide a system for collection and disbursal of funds generated by such activities and to insure accountability of these activities by the University.

B. The plan is designed to further the mission of the College of Pharmacy by more effectively integrating its teaching, research, practice, and service programs. Its specific objectives are to: (1) enhance College programs; (2) integrate practice, research, and teaching roles; (3) foster academic excellence and balance in teaching, research, University and public service, and patient care; (4) provide a mechanism for incentives, recognition, and directions; (5) provide resources for initiating new programmatic directions; and (6) provide a clear and workable mechanism to promote technology transfer and economic development.

**ARTICLE III. DEFINITIONS**

A. "PROFESSIONALLY GENERATED INCOME," as herein used, means the following income attributable to members of the Plan:

1. All compensation, income and payments (direct or in kind, and whether characterized as fees, retainers, or otherwise) for professional services rendered or to be rendered, including, but no limited to, those relating to (a) the diagnosis, treatment, and evaluation of patients, (b) the provision of therapeutic products for patients or others, and (c) consultation;

2. All direct and in-kind payments (excluding actual out-of pocket costs) for providing (a) advice, (b) consultation, (c) service on boards, committees, commissions, or the like, and (d) oversight, supervision, or other participation with any entity or person involved with health or medical care;

3. All witness fees and payments relating to depositions, testimony, or other evaluations in the capacity of a witness;

4. Professional fees and compensation for educational consulting in medical and pharmacy focused programs in conjunction with the pharmaceutical industry and/or other external agencies;

5. All other income which relates to or would not exist but for the professional education, experience, or training of members of the Plan.

B. "EXCLUSIONS TO PROFESSIONALLY GENERATED INCOME," as herein used, means income from the following sources:

1. Royalties, as allowed under the University's copyright and patent policies;

2. Prizes for personal past achievements and not for services rendered;

3. Special administrative stipends paid by the University for the performance of administrative assignments beyond those normal to academic appointments;

4. Income for a profession or activity unrelated to the professional education, experience, or training that qualifies members of the Plan for a University appointment;

5. Payments for service to NIH or other governmental peer review research project site visits or review activities;

6. Any reimbursement and fees associated with regular continuing education programs funded by the College of Pharmacy.

C. THE FUND, as herein used, means THE FUND for Advancement of Education and Research in the University of Kentucky Chandler Medical Center, a non-profit corporation organized in 1959 under the laws of Kentucky to promote, advance, and support the educational, research, and other purposes of the University of Kentucky Chandler Medical Center.

D. "COLLEGE OF PHARMACY FACULTY PRACTICE PLAN ACCOUNT," as herein used, means that separate depository account to be established as provided in Article IV of this Plan.

E. "FACULTY PRACTICE PLAN COMMITTEE," as herein used, means the Committee that is selected in accordance with the provisions of Article VI of this Plan.

F. **NOTE:** Income generated from the above-mentioned non-plan activities remain subject to all University policies and regulations, including but not limited to University internal and external overload policies.

#### ARTICLE IV. GENERAL TERMS OF THE PLAN

A. Membership in the plan shall be limited to individuals who hold full-time (9, 10, 11, or 12 months) or less than full-but greater-than-half-time faculty appointments in the College of Pharmacy at the rank of Instructor or higher in the following academic series -- regular title, special title, research title, clinical title series, or other University-approved title series appointments. Membership is mandatory for all new faculty and is a condition of their employment. Faculty should provide written notification to the Dean of their decision not to participate in the Plan. However, individuals holding joint appointments in two or more Colleges of the Medical Center shall be members of the practice plan in the College where they hold primary appointments. Membership shall not extend beyond the termination of faculty appointment nor beyond the reduction of an appointment to one that is half-time or less.

B. Unless exemption is granted under Article V of the Plan, members of the Plan are obligated to conduct all activities that produce “professionally generated income” under the Plan, except for activities identified in Article III as “Exclusions To Professionally Generated Income.” Members are also obligated to facilitate the collection of income from such activities by THE FUND, and to transmit any payments directly received for such activities to the University of Kentucky Chandler Medical Center for inclusion in the “College of Pharmacy Faculty Practice Plan Account.” Members shall submit to the Dean of the College, upon request, a written acceptance of the terms of the Plan and an agreement to adhere to the terms thereof.

C. “Professionally Generated Income” produced by members of the Plan shall be collected under billing procedures negotiated by THE FUND administrator and shall be promptly transmitted to and received by THE FUND. Such income shall be segregated upon receipt by depositing the same in an account designated for the College of Pharmacy. Such separate account shall be designated and known as the College of Pharmacy Faculty Practice Plan Account of THE FUND. Unexpended balances from year to year will remain in the account designated for the College of Pharmacy.

D. As a standing policy, THE FUND will use and expend all monies deposited in the College of Pharmacy Faculty Practice Plan Account to the extent available for the following purposes:

1. Such purposes which are proposed by the Dean to be included in the annual budget as outlined in Article VII of the Plan;

2. Compensation to members of the faculty of the College of Pharmacy in such amounts as may be necessary to provide the difference between other University compensation and the total compensation as established by the Board of Trustees, in the operating budget of the U.K. Chandler Medical Center. The operating budget will show the amounts to be paid from the College of Pharmacy Faculty Practice Account, which amounts are dependent upon the availability of funds.

3. Such other purposes in the College of Pharmacy as from time to time may be recommended to the Board of Directors of THE FUND by the "Faculty Practice Plan Committee," provided that such funds may not at any time be used for payment to members of the faculty of the College of Pharmacy of income in excess of the total compensation level established for the individual members thereof by the Board of Trustees in the operating budget of the U.K. Chandler Medical Center.

#### ARTICLE V. EXEMPTIONS FROM PLAN

A. A member may request exemption from the operation of the Plan for specific activities. Such request must be made in writing to the member's Division Director and must state specific grounds for the granting of such an exemption. The Division Director will make a recommendation on the request and forward it to the Dean of the College for action.

B. The Dean of the College has authority to grant exemptions from the operation of the Plan. For any exemption granted, the Dean must document the precise nature of the exemption and the grounds for granting it.

C. A decision denying a request for exemption may be appealed to the Chancellor of the Medical Center. Such appeal must be made in writing and submitted to the Chancellor within one (1) month of the Dean's decision. The decision of the Chancellor will be final.

#### ARTICLE VI. THE FACULTY PRACTICE PLAN COMMITTEE

A. The "Faculty Practice Plan Committee" shall consist of five (5) members of the plan and the Dean of the College of Pharmacy, who will be an 'ex-officio' member of the committee (without voting privileges). Each division of the College will elect from its members (in the plan) one person to serve on the committee; three members from the faculty of the College of Pharmacy (who are in the plan) will be elected to serve on the Committee by the faculty practice plan members.

B. One member from the Pharmaceutical Sciences (PS) Division shall be elected for a three (3) year term, one member of the Pharmacy Practice and Science (PPS) Division shall be elected for a three (3) year term, and three members of the faculty at large shall be elected for two (2) year terms. All succeeding elections for membership on the Committee shall be for three (3) year terms, except that

individuals who fail to complete their terms shall be replaced by election for only the remainder of their terms.

C. The Committee shall meet periodically to review the operation of the Plan, including matters related to the applicability of the Plan to sources of income, standard schedules of charges for health and other professional services, promotion of services of members of the Plan, and any other aspect of the operation of the plan. The Committee shall make such recommendations as it may deem appropriate to the Dean of the College with respect to the modification of the policies and procedures provided by the Plan or utilized in its operation. The Committee shall set the level of reimbursement/fees for professional services under the Plan. The Committee can recommend termination of the practice plan.

#### ARTICLE VII. FUND ADMINISTRATOR AND BUDGET

A. The Dean of the College, in consultation with the faculty, shall appoint a FUND administrator. THE FUND administrator will be responsible for the day-to-day operation of the Plan and its funds and for the preparation of quarterly reports to the Dean and the Faculty Practice Plan Committee on the financial status of the Plan (including projections of Plan income generation and disbursements for the year). THE FUND administrator will also be responsible for preparing the annual budget of the Faculty Practice Plan for the Dean.

B. The annual budget for the Plan will include the following:

1. Funding for an account (or accounts) to enhance College programs;
2. Funding for estimated administrative expenses to manage the Faculty Practice Plan;
3. Funding for expenses associated with program implementation;
4. Funding for operating expenses to support faculty efforts to secure and manage contracts;
5. Funding for a grant to the University to provide for the payment of: (a) salary funding of all faculty lines to the extent supported by income generated by the Faculty Practice Plan: and (b) salary support for staff involved in assisting faculty in generation of professional income;
6. Funding for a contingency FUND reserve, which will be established to meet potential shortfalls.

C. The proposed annual budget for the Plan shall be submitted by the Dean to Division Directors and to the Faculty Practice Plan Committee for review and comment.

#### ARTICLE VIII. MISCELLANEOUS PROVISIONS

A. The Dean of the College of Pharmacy or the Faculty Practice Plan FUND administrator will provide a quarterly summary report to the faculty and the Chancellor of the Medical Center detailing the types of activities included in the Plan, exemptions granted and denied, and the amounts of funds received and disbursed.

B. The effective date of the Faculty Practice Plan is July 1, 1996. On or before the effective date of the plan, each faculty member participating in the Plan shall sign a "Faculty Practice Plan Agreement" statement indicating his/her understanding and agreement with the terms and conditions of the Plan.

C. Amendments to the Pharmacy Faculty Practice Plan must be made in accordance with the University's Governing and Administrative Regulations.

D. All conditions of participation in the Plan shall be approved by the Dean upon recommendation of the Faculty Practice Plan Committee and the Division Directors.

PROVISIONS FOR FACULTY SALARY SUPPLEMENTAL  
COMPENSATION UNDER THE COLLEGE OF PHARMACY  
FACULTY PRACTICE PLAN

ARTICLE I. OBJECTIVES

The specific objectives of salary supplementation under the College of Pharmacy Faculty Practice Plan are the following:

1. To use professional practice by faculty members as a vehicle for education and training of pharmacy students and graduate students.
2. To enhance practice opportunities to strengthen the primary emphasis on the teaching and research programs of the College of Pharmacy.
3. To increase faculty incentive to participate in income producing activities that are beneficial to the missions of the College of Pharmacy, the U.K. Chandler Medical Center, the University of Kentucky, and the Commonwealth of Kentucky.
4. To increase faculty compensation over and beyond that available through state support to the College of Pharmacy in an effort to remain competitive with other nationally ranked pharmacy programs and to continue to retain quality faculty who may otherwise be attracted to the private industry or other institutions.

ARTICLE II. BASIS

Salary supplementation under the Plan is based on a direct relationship to the participant's contribution to the Plan. Participants will receive not less than 70% of the amount they contribute to the Plan. The remaining 30% of the participant's contribution will be provided to the College to operate the Plan and to enhance the Division and College Programs.

ARTICLE 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 Faculty Practice Plan FUND Board and 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 Pharmacy.

B. 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 and will be the amount by which payments received in the College of Pharmacy Faculty Practice Plan Account since the prior quarterly date are in excess of the sum of (1) prorata requirements for coverage of THE FUND grant in support of salaries provided in the basic operating budget; and (2) requirements for coverage of other expenditures which have been budgeted or are reserved in the College of Pharmacy Faculty Practice Plan Account pursuant to recommendations by the Faculty Practice Plan Committee of the College. 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 prorata revenues collected from October 1 - December 31st. Disbursements for the third quarter of a fiscal year will be based on prorata 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.

C. 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.

D. In preparation of the supplementary operating budget, the Dean of the College of Pharmacy will allocate not less than 70 percent of the total amount of THE FUND grant for supplemental compensation among College faculty who participate in the Plan. In order to receive supplemental compensation, faculty participating in the Plan must receive approval from their Division Director. This approval is contingent upon satisfactory performance of the individual in their regular DOE responsibilities as a College faculty member.

E. The budget for the remaining 30% of the amount of the grant for the supplemental operating budget will be prepared by the Dean of the College of Pharmacy with funds available being devoted to (1) covering the operating costs of the Plan; (2) enhancement of College programs; and (3) enhancement of Division programs.

F. Data on the factors to be utilized in determining division allocations will be submitted by the Dean of the College of Pharmacy for review by the Faculty Practice Plan Committee prior to preparation of the supplementary operating budget. Upon recommendation of the Committee, adjustments in the factors used may be made by the Dean if deemed necessary to avoid inequities due to limitations of available data. Computations of the amount of allocations for individual divisions will be provided to the directors of the divisions.

G. Following adoption of the provisions herein, recommendations may be made from time to time by the Faculty Practice Plan Committee through the Dean to the Chancellor for modifications deemed to be appropriate and desirable.

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