UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO   SANTA BARBARA • SANTA CRUZ

EXECUTIVE VICE PRESIDENT — CHIEF OPERATING OFFICER

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200
510/987-0500

May 31, 2017

PRESIDENT NAPOLITANO
PROVOST DORR
EXECUTIVE VICE PRESIDENT STOBO
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER BROSTROM
INTERIM SENIOR VICE PRESIDENT AND CHIEF COMPLIANCE OFFICER LOHSE
SENIOR VICE PRESIDENT GULBRANSON
SENIOR VICE PRESIDENT PEACOCK
INTERIM SENIOR VICE PRESIDENT HOLMES
SECRETARY AND CHIEF OF STAFF SHAW
GENERAL COUNSEL AND VICE PRESIDENT ROBINSON
CHIEF INVESTMENT OFFICER AND VICE PRESIDENT BACHHER
VICE PRESIDENT HUMISTON
VICE PRESIDENT BUDIL

Subject: New restrictions on the use of UCOP funds for UCOP retirement events, morale building events and the STAR Program, effective immediately

Colleagues,

I know you work hard to recognize our dedicated UCOP employees for their service and achievements, while already exercising a prudent restraint on our budget. I want you to know that I appreciate your efforts.

Given fiscal constraints and our current operating climate, we are revising our UCOP procedures regarding how retirement appreciation events, morale building activities and the STAR Award Program are funded and what will now be permitted under these policies and programs. We expect all managers to exercise good judgment about individual and cumulative expenditures related to these activities and programs.

The following are effective as of today:

- **Retirement appreciation events and gifts**: All retirement recognition events and retirement gifts for any UCOP employee, including senior leaders and managers, must be paid for through personal funds. Use of UCOP funds is not allowed.

- **Morale building activities:**
  - Morale building events funded by UCOP should be held on UCOP property, unless there are special circumstances. Any special circumstances must be documented and pre-approved by Executive Director of UCOP Operations Thera Kalmijn before UC funds are committed.
  - Use of UCOP funds is limited to either $19 per person or $500 total, whichever is less. These UCOP funds must only be used for food and beverages, or for room rental if an exception is approved to hold the event offsite.
  - UCOP funds may not be used for any form of entertainment as part of a morale-building event, such as tickets to sporting or fine arts events.
  - As has been the case in prior years, no morale-building activities scheduled between November 15 and December 31 will be reimbursed due to the conflict with the management paid and sponsored End of the Year events.
  - Morale-building events should be limited to one per fiscal year per department. Managers may attend more than one event per year if they have multiple large departments reporting to them.

- **STAR Program**: Team and individual awards are limited to a maximum of $500 per person and capped at one per person or team per fiscal year. STAR awards must be in recognition of a specific project or event that is above and beyond the normal scope of an employee's regular job scope. STAR awards to recognize work within the normal scope of employee's job will not be approved. To assist you, new detailed guidance will be posted for the UCOP STAR award program. All STAR awards will receive additional review and must be approved by the Executive Director of UCOP Operations Thera Kalmijn.

- **Spot Awards**: Spot awards will be limited to a maximum of $75 per person per fiscal year.

If you have questions about these new procedures, please contact Thera Kalmijn, Executive Director of UCOP Operations. A "Frequently Asked Questions" document is attached, to aid you and your staff in understanding these new guidelines. Please distribute this notice as warranted throughout your organization.

Thank you for your continued leadership and collaboration.

Rachael Nava

Executive Vice President
Chief Operating Officer

cc: Chief of Staff Grossman
        Executive Director Kalmijn