In 2005, SIO established a salary savings (“banking”) program to enable PIs with state support to conserve funding when opportunities arise to pay a portion of their salary from extramural funding sources. Participation is voluntary and is limited to faculty and researchers. Each PI who participates has a virtual account that is managed by his/her business office. Banked funds are maintained centrally in the Vice Chancellor Marine Sciences (VCMS) business office.

If a PI has the opportunity to “bank” salary, the respective divisional business office notifies the VCMS business office at fiscal year-end and the relevant amount of state funds are transferred to the VCMS business office where they are held in reserve.

At the discretion of the PI, funds can be transferred back to the division to be used at any time during the year. When requested, banked funds will be transferred from the VCMS business office using indices provided by the division business office. The fund source returned can change, depending on the intended use of the funds. Returned funds may be used for any purpose within University policy, including academic or staff salaries, student support, equipment, supplies or travel.

Banked funds are like savings accounts that can be accumulated over time and withdrawn as needed. There is no time limit on using the funds. There are no COLA or merit adjustments on banked funds and the accounts do not earn interest.

The banking program benefits PIs, SIO and the campus in various ways. PIs can cover salaries and other expenses in the event of a "rainy day" such as a hiatus in sponsored project funding. SIO and the campus benefit when state funded PIs pay a portion of their salary from sponsored projects, i.e., additional overhead is generated and recovered.

SIO guarantees all account balances using a reserve fund that will always be available for withdrawals. The “bank” is currently capitalized at 100%; however, the VCMS reserves the right to borrow funds from the bank if/when necessary.
Effective July 1, 2011, the VCMS established a 10% “tax” on all salary funds banked after that date. Therefore, if a PI chooses to bank his/her state-funded salary, 10% of the amount goes to a central VCMS index and the remaining 90% is recorded to the PI’s bank account.

In the past, when a PI spent banked salary funds on sub-0 (academic) salaries, the corresponding benefits were covered through the central benefits pool, i.e., benefits were never allocated to the VCMS to “bank” along with salaries. Examples of employees paid with sub-0 funds include professors, researchers, specialists, curators, academic administrators, project scientists, and post-docs.

Effective July 1, 2012, UCSD decentralized the campus benefits pool and no provision was made to cover benefits on banked salaries. However, SIO will continue to cover benefits on all sub-0 salaries paid on banked funds, regardless of the year in which they were banked. Actual benefit costs associated with sub-0 salaries paid from banked funds will be provided from the VCMS benefits pool at the end of each fiscal year.

Emeritus Faculty or Research PIs with RTAD appointments may continue to use their bank accounts for as long as they remain research active. Banked funds are not transferable to other individuals. All banking balances revert to the SIO Director when a PI dies, separates, or retires from SIO, i.e., banking balances are not part of a deceased individual’s "estate."

*Note for General Campus Compensation Plan (GCCP) participants: A minimum of 50% of a participant’s compensation (scale-rate plus off-scale) must be charged on core funds throughout the year.*