

## AGENDA ITEM

4. Policy Review Project -- Expanded Delegation of Authority to the President for Human Resources Matters ..... Mr. Matthew Brody

**Situation:** As part of the Board of Governors' Policy Review Project, the Committee will consider proposed policy changes to Sections 200.6 and 600.3.4 of the UNC Policy Manual, and Chapter 500 of *The Code*, that will expand delegated authority to the president for human resources matters and programs.

**Background:** The Committee on University Governance is coordinating a broad review of *The Code* and UNC Policy Manual ("Policy Review Project") which includes ensuring that responsibility for administrative matters is assigned to the President and streamlining reporting and eliminating low-value reporting. As part of the Policy Review Project, the Committee on Personnel and Tenure is responsible for examining an expansion to the president's delegated authority in Human Resources-related matters. Discussions began with the Committee at the April meeting, at which point General Administration staff were asked to begin to present proposed changes as early as May 2016.

The proposed changes that will expand the president's delegated authority for human resources matters are found in the following provisions of *The Code* and UNC Policy Manual:

1. Section 200.6 of the UNC Policy Manual, "Delegation of Authority to the President."
2. Section 600.3.4 of the UNC Policy Manual, "Granting of Management Flexibility to Appoint and Fix Compensation."
3. Chapter 500 of *The Code*, "Election of Officers."

These proposed changes assign final authority for most day-to-day University human resources matters, including salary adjustment pre-authorizations, with the President. It also affirms the President's authority to further delegate these matters, as she deems appropriate, to the Boards of Trustees and Chancellors, within defined limits. Human resources matters that directly affect certain senior officer positions, including the President, the Chancellors, and the Chief Executive Officer of UNC Healthcare, will continue to be approved directly by the Board of Governors. In addition, human resources actions which affect the senior officers who report directly to the President will require advance consultation with the Committee. These proposed policy changes also require the President to provide periodic summary reports to the Board of Governors on various delegated human resources actions, including implemented salary adjustments for EHRA employees. The redlined versions of the policies and addendums summarizing and explaining the changes are included with these materials.

**Assessment:** The Committee will consider the policy revisions, and make appropriate recommendations to the Board of Governors for approval.

**Action:** This item requires a vote by the Committee, with the full Board vote through the Consent Agenda.

## **AGENDA ITEM 4:**

### **Policy Review Project – Expanded Delegation of Authority to the President for Human Resources Matters**

#### **ADDENDUM 1:**

#### **Summary of Changes Related to Proposed Revisions of UNC Policy Manual § 200.6 and § 600.3.4 and Chapter 500 of *The Code***

#### **EXECUTIVE SUMMARY**

This document lists the significant changes proposed to expand delegation of authority to the president for human resources matters. Key elements of these revisions include:

**1. Chapter 500 of *The Code*, “Election of Officers”**

- a. Adds that the Board of Governors may delegate human resources authority to the boards of trustees and to the president.

**2. Section 200.6 of The UNC Policy Manual, “Delegation of Authority to the President”**

- a. Expands the delegation of authority allowed to the president for establishing and administering a human resources program for EHRA employees.
- b. Retains the Board’s authority:
  - i. For appointments and compensation for the president, the chancellors, the UNC TV general manager, and the CEO of UNC Health Care.
  - ii. To approve certain contract terms for athletic directors and head coaches.
  - iii. For the Committee on Personnel and Tenure to be consulted by the president for appointment and compensation action for the senior officers who report directly to the president.
- c. Gives authority for the president to approve management flexibility plans and also to delegate limited human resources actions to all constituent institutions.
- d. Reduces the frequency for reporting human resource actions to the Board to at least annually.

**3. Section 600.3.4. of The UNC Policy Manual, “Granting of Management Flexibility to Appoint and Fix Compensation”**

- a. Delegates Authority to the President:
  - i. To delegate human resources actions within UNC General Administration to certain senior officers.
  - ii. To delegate limited human resources actions to all constituent institutions (in practice, these have already been allowed, but were not clearly articulated in policy).
  - iii. To approve management flexibility plans that provide additional delegation (shifts approval process to president from Board).
- b. Articulates types of delegations allowed for types of EHRA positions (see Addendum 2 for a chart that maps these delegations).
- c. The president determines the content of annual management flexibility reporting from the institutions (no longer defined within the policy) and may modify any specific delegations or limitations on human resources actions such as setting dollar amount or percentage thresholds on salary increases (specific terms are no longer written into the policy to increase flexibility in addressing these actions) or setting mandatory salary ranges.

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Policy	Section	Current Language	Proposed Changes
The Code	500 A. (2)	“The Board of Governors, on nomination of the president, shall elect and fix the compensation of such professional members of the presidential staff as may be deemed necessary to administer the affairs and execute the policies of the University of North Carolina. These staff members shall include a senior vice president and such other vice presidents and officers as may be deemed desirable.”	“The Board of Governors, on nomination of the president, shall elect and fix the compensation of such professional members of the presidential staff as may be deemed necessary to administer the affairs and execute the policies of the University of North Carolina, <u>unless the Board has otherwise delegated this authority to the president</u> . These staff members shall include <u>such senior vice presidents</u> and such other vice presidents and officers as may be deemed desirable.”
	500 B. (2)	“Unless the Board of Governors has delegated this authority to an institutional board of trustees, the Board of Governors shall, on recommendation of the president and of the appropriate institutional chancellor, appoint and fix the compensation of all vice chancellors, senior academic and administrative officers, and persons having permanent tenure.”	“Unless the Board of Governors has delegated this authority <u>to the president or</u> to an institutional board of trustees, the Board of Governors shall, on recommendation of the president and of the appropriate institutional chancellor, appoint and fix the compensation of all vice chancellors, senior academic and administrative officers, and persons having permanent tenure.”

**General Note:** Certain formatting edits for consistency across policies have been excluded from the redline drafts for readability. These include:

- *Consistent outline structure (I.A.1.a.)*
- *Consistent practice of capitalization*
- *Consistent citation of statute, The Code, and policies/regulations/guidelines*
- *Page formatting*

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Policy	Section	Current Language	Proposed Changes
200.6	<b>Old:</b> A.1. <b>New:</b> I.A.	"Personnel"	Updated to "Human Resources"
	<b>Old:</b> A.1.a-e. <b>New:</b> I.A.1-2.	<p>"a. Authority to appoint and set the salaries of Senior Academic and Administrative Officers (§300.1.1 and §600.3.4) and other employees exempt from the State Personnel Act (§300.2.1) serving within the UNC General Administration.</p> <p>"b. Authority to set salary ranges for Senior Academic and Administrative Officers of the constituent institutions of University (§600.3.4).</p> <p>"c. Authority to approve conferrals of tenure and to set salaries of faculty, Senior Academic and Administrative Officers, except the chancellors, and other employees exempt from the State Personnel Act at campuses that do not have Management Flexibility to Appoint and Fix Compensation as long as those salaries are within the established salary ranges and are not raises in excess of 15 percent and \$10,000 higher than the salary in effect at the end of the last fiscal year. (Sections 300.1.1 and 600.3.4; The Code §602). [...]</p> <p>"e. Authority to approve salary increases in excess of \$10,000 and 15% for faculty members who are receiving salary increases funded through the Faculty Recruitment and Retention Fund."</p>	<p>Reorganizes and expands delegation for human resources programs.</p> <ul style="list-style-type: none"> <li>Delegates authority for most EHRA personnel programs and actions to the president.</li> <li>Retains BOG authority for actions regarding president, chancellors, UNC-TV general manager, and UNC HealthCare CEO.</li> <li>Also retains BOG authority for actions regarding athletic directors and head coaches for certain contract terms and conditions.</li> <li>Requires the president to consult with the Committee on Personnel and Tenure for appointments and compensation for the senior officers at GA who report directly to the president.</li> <li>Allows president to make determinations of management flexibility for Special Responsibility Constituent Institutions and allows president to delegate limited personnel actions to institutions without flexibility (detailed in revision of 600.3.4).</li> <li>Removes references to specific salary rules (that may periodically change or need to change quickly).</li> <li><i>See also Addendum 2.</i></li> </ul>
	<b>Old:</b> B. <b>New:</b> I.A.2. and <b>Old:</b> B. <b>New:</b> II.	"The president will report all actions taken under the authority of these delegations to the appropriate Committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors."	<ul style="list-style-type: none"> <li>Split into two placements: one that specifically addresses human resources delegation (new I.A.2.) and one that addresses all other delegations (new II.)</li> <li>Modified human resources delegation reporting requirements to be in writing at least annually rather than by next meeting.</li> </ul>
	<b>Old:</b> A.3. <b>New:</b> I.C.	"or any other State agency or officer."	<ul style="list-style-type: none"> <li>"or any other State <u>or federal</u> agency or officer."</li> </ul>

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NOTE: The specific delegated authorities are listed in brief in the delegation table in Addendum 2.			
Policy	Section	Current Language	Proposed Changes
600.3.4	Old: A. New: I.	“delegates to the Boards of Trustees for institutions designated as Special Responsibility Constituent Institutions with management flexibility the authority to administer personnel actions as described in this policy”	<ul style="list-style-type: none"> <li>Pursuant to revisions to Policy 200.6, states that the president has the delegated authority to establish a human resources program and authorize management flexibility plans.</li> <li>I.B. adds authority for president to delegate certain personnel actions to the board of trustees at each constituent institution.</li> <li>I.C. adds authority for president to approve management flexibility plans.</li> </ul>
	Old: B New: II.	Old Section B (submitting management flexibility plans) has been moved to new Section V.	<ul style="list-style-type: none"> <li>Section II is new content for the policy.</li> <li>II.A. defines president’s delegation of authority to the board of trustees for each institution for SAAO Tier 2 and EHRA non-faculty and Instructional, Research and Public Service (IRPS) positions for appointments, salary, and salary increases.</li> <li>II.B. allows president to delegate authority for HR matters within UNC GA.</li> <li>II.C. allows board of trustees to delegate authority to chancellor or chancellor’s designee.</li> <li>II.D. notes that president can establish further restrictions on these delegations (for example, limits on salary adjustments or salary ranges).</li> <li>(See Addendum 2 as reference for delegations.)</li> </ul>
	Old: C.1. New: III.A.	<p>Management Flexibility Delegated to Board of Trustees (not delegated further)</p> <p>“C.1.a. Upon recommendation of the chancellor, appoint and fix the salary and non-salary compensation for all vice chancellors and senior academic and administrative officers [...] for which the Board of Governors establishes salary ranges. Any salary set by the Board of Trustees shall be established consistent with the salary</p>	<ul style="list-style-type: none"> <li>III.A. gives board of trustees delegation for: <ul style="list-style-type: none"> <li>A.1-2. Appointment, salary, promotion, and salary adjustments for SAAO Tier 1, except chancellor. (President retains authority for salary ranges and establishing positions.)</li> <li>A.3. Establish salary ranges for Tier 2 or adopt ranges established by UNC GA.</li> </ul> </li> </ul>

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Policy	Section	Current Language	Proposed Changes
		<p>ranges and the policies of the Board of Governors and the regulations and guidelines established by the Office of the President.</p> <p>“b. Upon recommendation of the chancellor, establish salary ranges for deans and other similarly situated administrators that are not included in the annual Board of Governors’ study establishing salary ranges. These salary ranges must be based upon available relevant data.</p> <p>[...]</p> <p>“d. Upon recommendation of the chancellor and consistent with the approved tenure policies and regulations of each institution, confer permanent tenure.”</p>	<ul style="list-style-type: none"> <li>• A.4. Confer tenure (unchanged).</li> <li>• (See Addendum 2 as reference for delegations.)</li> </ul>
	<p><b>Old:</b> C.2. <b>New:</b> III.B.</p>	<p>Management Flexibility Board of Trustees may Delegate to Chancellor</p> <p>“a. Establish salary ranges within different disciplines based on relevant data, and fix the compensation for faculty with permanent tenure;</p> <p>“b. Appoint and fix the compensation for faculty awarded the designation of Distinguished Professors.</p> <p>“c. Appoint and fix salary of deans and other similarly situated administrators that are not included in the annual Board of Governors’ study establishing salary ranges. These salary ranges must be based upon available relevant data. The compensation shall be consistent with established ranges, equity studies, and relevant policies, regulations, and guidelines.</p> <p>“d. Award compensation from non-state sources consistent with policies established by the Board of Governors.” <i>[See V.C.1]</i></p>	<ul style="list-style-type: none"> <li>• III.B. allows board of trustees to delegate to chancellor (or designee) to: <ul style="list-style-type: none"> <li>• B.1. Establish faculty salary ranges</li> <li>• B.2. Appoint and fix salary for distinguished professors.</li> <li>• B.3. Establish SAAO Tier II positions and establish Instructional, Research and Public Service (IRPS) positions and salary ranges.</li> </ul> </li> <li>• III.C. notes that president may establish limits on these delegations (such as salary increase limits).</li> <li>• (See Addendum 2 as reference for delegations.)</li> </ul>
	<p><b>Old:</b> C.3.a. <b>New:</b> III.D.</p>	<p>“a. Shall, prior to the effective date of implementation, file with the Office of the President the salary ranges and relevant documentation for the administrators for whom the campus has authority for setting</p>	<ul style="list-style-type: none"> <li>• “1. Shall submit to the president or president’s designee new or revised salary ranges for positions covered by this</li> </ul>

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Policy	Section	Current Language	Proposed Changes
		<p>ranges or salaries. Such documentation shall be based on relevant data.</p> <p>“b. Shall provide an annual summary to the Board of Governors on personnel actions covered by this delegation. That annual report shall include information regarding: [... <i>specifies elements of summary</i>]”</p>	<p>delegation on a schedule determined by the president or president’s designee.</p> <ul style="list-style-type: none"> <li>• “2. Shall submit to the president or president’s designee an annual summary on personnel actions covered by this delegation. The president shall determine the content of the annual summary as deemed appropriate and necessary to monitor delegations.”</li> </ul>
	<p><b>Old:</b> D.1-3. <b>New:</b> IV.A-C.</p>	<p>“D.1. In consultation with the President, the Board of Governors shall:</p> <p>“a. Issue a resolution each year interpreting legislative action regarding salaries. Annually set salary ranges for chancellors, vice chancellors, and members of the Office of the President senior staff. These ranges will be based upon relevant available data. <i>[See A.1. in right column]</i></p> <p>“b. Establish the salary range of any new vice chancellors. Any significant changes in the organizational structure of a constituent institution, such as re-organization resulting in the creation of a new vice-chancellor, dean or equivalent administrative position, shall be approved by the President. <i>[See B.1. and B.2]</i></p> <p>“c. Annually review the salaries set by the medical schools at the University of North Carolina at Chapel Hill and East Carolina University to ensure that the salaries are coordinated and are consistent with relevant data in a national medical labor market. <i>[See B.3.]</i></p> <p>“d. Review and approve proposed salary increases in instances in which the salary of any employee exempt from the State Personnel Act or faculty member (1) exceeds the established salary range or (2) exceeds, the salary in effect at the end of the last fiscal year both by ten thousand</p>	<p>IV.A. lists only the Board of Governors’ retained authority (rather than mixing it with president’s authority, moved to IV.B.)</p> <ul style="list-style-type: none"> <li>• “A.1. Issue a resolution each year that (a) interprets legislative action regarding salaries and (b) sets annually the salary range for the president and, in consultation with the president, the salary ranges for the chancellors. These ranges will be based upon relevant available data.</li> <li>• “A.2. Authorize the president’s salary and, based on recommendations from the president, the chancellors’ salaries.</li> <li>• “A.3. Authorize appointments and employment contracts for the chancellors, the president, the general manager of UNC-TV, and the chief executive officer of the UNC Health Care System as well as authorize certain contract terms and conditions for athletic directors and head coaches at constituent institutions as defined in §1100.3.</li> </ul> <p>IV.B. President’s authority (separated from Board of Governors’ retained authority in IV.A.)</p> <ul style="list-style-type: none"> <li>• “B.1. Establish SAAO Tier 1 positions and their salary ranges, with the exclusion of those defined in IV.A. above. In addition, the president will consult with the Board’s Committee on Tenure and Promotion for appointments and compensation for senior officers who report directly to the president.</li> </ul>



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Policy	Section	Current Language	Proposed Changes
		<p>dollars or more and by fifteen percent or more. <i>[See B.4.]</i></p> <p>“e. Establish chancellors’ salaries and salaries of the President’s senior staff based on recommendations from the President. <i>[See A.2 and B.1]</i></p> <p>“f. Provide periodic faculty salary studies based on peer data. <i>[See B.5.]</i></p> <p>“g. Approve contracts for the chancellors and the President. <i>[See A.3.]</i></p> <p>“h. Consistent with the Board of Governor’s responsibility for ensuring accountability, conduct performance audits on policies, practices, and other matters related to Management Flexibility implementation and operation at constituent institutions to which this flexibility has been granted. <i>[See C.1.]</i></p> <p>“D.2. For institutions designated as institutions with management flexibility the President and the Board of Governors shall have the same responsibilities and authority as set forth in the policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions. <i>[See C.2.]</i></p> <p>“D.3. The Personnel and Tenure Committee of the Board of Governors reserves the right to withdraw the granting of management flexibility to any institution that does not adhere to the policies and procedures set forth in this policy [...] This will mean another review process will have to be conducted and flexibility reinstated under the original procedure.” <i>[Withdrawal of flexibility is delegated to the president. See B.6]</i></p>	<ul style="list-style-type: none"> <li>• “B.2. The president may authorize any significant changes in the organizational structure of a constituent institution, such as re-organization resulting in the creation of a new vice chancellor, dean, or equivalent administrative position.</li> <li>• “B.3. Review annually the salaries set by the medical schools at the University of North Carolina at Chapel Hill and East Carolina University to ensure that the salaries are coordinated and are consistent with relevant data in a national medical labor market.</li> <li>• “B.4. Provide at least annually to the constituent institutions guidelines regarding EHRA appointments and salary actions.</li> <li>• “B.5. Provide periodic faculty salary studies based on peer data.</li> <li>• “B.6. Withdraw or further limit the delegation of management flexibility from any institution that does not adhere to the policies and procedures set forth in this policy. The president will notify the institution of the discrepancies, and if these are not adequately addressed in the judgment of the president, then the president shall withdraw the delegation. The president may reinstate delegation or remove restrictions to a constituent institution upon further review and following the requirements established in section V of this policy.”</li> </ul> <p>IV.C. lists shared responsibilities of the Board of Governors and president.</p> <ul style="list-style-type: none"> <li>• “C.1. Conduct performance audits on policies, practices, and other matters related to delegation of management flexibility.</li> <li>• “C.2. For institutions with management flexibility, the president and the Board of Governors shall have the same responsibilities and authority as set forth</li> </ul>

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Policy	Section	Current Language	Proposed Changes
			in the policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions.”
	<b>Old:</b> B. <b>New:</b> V.	<p>“1. Policies and procedures for the recruitment and selection of senior academic and administrative officers. <i>[See B.2.]</i> A campus policy for promotion and tenure that complies with the Code of the University of North Carolina and current federal law, provides for periodic pre-tenure, tenure and promotion review at multiple levels, and provides clear requirements for promotion and the conferral of permanent tenure. <i>[See A.1.]</i></p> <p>“2. A schedule and process for periodic review of promotion and tenure policies and a process for amending promotion and tenure policies that includes a review by the Office of the President. <i>[See A.2]</i></p> <p>“3. Salary ranges, based on relevant data, for vice chancellors, provosts, deans, and other similarly situated administrators that are not included in the annual Board of Governors’ study establishing salary ranges. <i>[Delegation retained by president for SAAO Tier I; See B.1. for SAAO Tier II and IRPS.]</i></p> <p>“4. Evidence of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data. <i>[See C.2.]</i></p> <p>“5. Policies governing the compensation of faculty and non-faculty EPA (exempt from the State Personnel Act) from non-state sources such as grants, endowment funds, practice plan funds, etc. <i>[See C.1.]</i></p> <p>“6. Policies governing any non-salary compensation of faculty and non-faculty EPA. <i>[See C.1.]</i></p> <p>“7. Documentation that the campus has not had audit findings related to personnel practices, salary or payroll for the previous</p>	<p>Institutions submit flexibility plan to the president for approval rather than Board of Governors. Plan items are listed in different order from current policy.</p> <p>“V.A. Policies and procedures for promotion and tenure of faculty.</p> <ul style="list-style-type: none"> <li>• “A.1. An institutional policy for promotion and tenure that complies with The Code of the University of North Carolina, complies with current federal and state law, and provides clear requirements for promotion and the conferral of permanent tenure.</li> <li>• “A.2. A schedule and process for periodic review of promotion and tenure policies, including and a process for amending promotion and tenure policies subject to review by the president or president’s designee.</li> </ul> <p>“V.B. Policies and procedures for senior academic and administrative officers (SAAO) and EHRA non-faculty.</p> <ul style="list-style-type: none"> <li>• “B.1. Establishment of salary ranges for SAAO Tier 2 and for Instructional, Research and Public Service (IRPS) EHRA non-faculty positions, consistent with the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.</li> <li>• “B.2. Policies and procedures for the recruitment and selection of senior academic and administrative officers and other EHRA non-faculty positions.</li> </ul>

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		<p>three years or evidence that any findings have been remedied. <i>[See D.1.]</i></p> <p>“8. Evidence of appropriate accountability procedures in the event that the Board of Trustees delegates the authority granted pursuant to this policy to the chancellor. <i>[See D.2.]</i>”</p>	<p>“V.C. Policies and procedures for compensation policies for faculty and EHRA non-faculty.</p> <ul style="list-style-type: none"> <li>• “C.1. An institutional policy on non-salary compensation of faculty and EHRA non-faculty and on compensation from non-state sources such as grants, endowment funds, practice plan funds, etc.</li> <li>• “C.2. Documentation of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data and for EHRA non-faculty.</li> <li>• “C.3. Documentation of EHRA salary-setting guidelines provided to institutional management.</li> </ul> <p>“V.D. Policies and procedures for audits and accountability.</p> <ul style="list-style-type: none"> <li>• “D.1. Documentation that the institution has not had audit findings related to personnel practices, salary, or payroll for the previous three years or, if there have been audit findings in this period, documentation supporting that any findings have been remedied.</li> <li>• “D.2. Documentation of appropriate accountability procedures in the event that the board of trustees delegates the authority granted pursuant to this policy to the chancellor.”</li> </ul>
	<p><b>Old:</b> E. <b>New:</b> VI.</p>	<p>Section E. included an original implementation date for flexibility plans and that the Committee on Personnel and Tenure was designated to approve flexibility plans.</p>	<p>Section VI. revised to state that president will set the effective date for flexibility plans and that the president will report to the Board of Governors any flexibility plans that have been approved prior to the effective date of implementation.</p>

**Note:** The footnoting in the redline version may be incompatible with the footnotes in the proposed policy and may not capture the revisions to the footnotes. Refer to the clean copy of the proposed revisions for current footnotes.

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### ADDENDUM 2: Table of Proposed Levels of Delegated Authority for EHRA Human Resources Actions

	Position Type	Authority Retained by Board of Governors	Delegated Authority Retained by the President	Delegated Authority only to Institutions with Management Flex	Delegated Authority to All Constituent Institutions
SAAO TIER 1	<ul style="list-style-type: none"> <li>President</li> <li>Chancellors</li> <li>CEO, UNC Health Care</li> <li>General Manager, UNC TV</li> </ul>	<ul style="list-style-type: none"> <li>Establish/modify positions</li> <li>Establish/modify salary ranges</li> <li>Appointment / Initial salary</li> <li>Appointment changes</li> <li>Salary adjustments</li> </ul>			
	<ul style="list-style-type: none"> <li>Athletic Directors</li> <li>Head Coaches</li> </ul>	<ul style="list-style-type: none"> <li>Certain contracts **</li> </ul>			
	<ul style="list-style-type: none"> <li>President's Senior Officers ***</li> <li>Vice Presidents</li> <li>Vice Chancellors</li> <li>Provosts</li> <li>Deans</li> <li>Associate/Assistant Vice Presidents</li> <li>Other SAAO Tier 1</li> </ul>		<u><b>For All Institutions</b></u> <ul style="list-style-type: none"> <li>Establish/modify positions</li> <li>Establish/modify salary ranges</li> </ul> <u><b>For Institutions without Flexibility</b></u> <ul style="list-style-type: none"> <li>Appointment / Initial salary</li> <li>Appointment changes</li> <li>Salary adjustments</li> </ul>	<u><b>BOT only</b></u> <ul style="list-style-type: none"> <li>Appointment / Initial salary</li> <li>Appointment changes</li> <li>Salary Adjustments *</li> </ul>	
SAAO TIER 2	<ul style="list-style-type: none"> <li>Associate/Assistant Vice Chancellors</li> <li>Associate/Assistant Deans</li> <li>Other SAAO Tier 2</li> </ul>		<u><b>For Institutions without Flexibility</b></u> <ul style="list-style-type: none"> <li>Establish/modify positions</li> <li>Establish/modify salary ranges</li> </ul>	<u><b>BOT only</b></u> <ul style="list-style-type: none"> <li>Establish/modify salary ranges *</li> </ul> <u><b>BOT may delegate to Chancellor</b></u> <ul style="list-style-type: none"> <li>Establish/modify positions</li> </ul>	<ul style="list-style-type: none"> <li>Appointment / Initial salary</li> <li>Appointment changes</li> <li>Salary adjustments *</li> </ul>
IRPS	<ul style="list-style-type: none"> <li>Instructional</li> <li>Research</li> <li>Public Service</li> </ul>		<u><b>For Institutions without Flexibility</b></u> <ul style="list-style-type: none"> <li>Establish/modify positions</li> <li>Establish/modify salary ranges</li> </ul>	<u><b>BOT may delegate to Chancellor</b></u> <ul style="list-style-type: none"> <li>Establish/modify positions</li> <li>Establish/modify salary ranges *</li> </ul>	<ul style="list-style-type: none"> <li>Appointment / Initial salary</li> <li>Appointment changes</li> <li>Salary adjustments *</li> </ul>
FACULTY			<u><b>For Institutions without Flexibility</b></u> <ul style="list-style-type: none"> <li>Establish/modify salary ranges</li> <li>Confer Tenure</li> <li>Confer distinguished professorships</li> </ul>	<u><b>BOT only</b></u> <ul style="list-style-type: none"> <li>Confer tenure</li> </ul> <u><b>BOT may delegate to Chancellor</b></u> <ul style="list-style-type: none"> <li>Establish/modify salary ranges *</li> <li>Confer distinguished professorships</li> </ul>	<ul style="list-style-type: none"> <li>Establish/modify positions</li> <li>Appointment / Initial salary</li> <li>Appointment changes</li> <li>Salary adjustments *</li> </ul>

\* **Modifying Delegations:** The president (or designee) may modify delegations as necessary (for example, set approval thresholds for salary increases or set mandatory salary ranges).

\*\* **ADs/Head Coaches:** The Board of Governors approves contracts for athletic directors and head coaches only if certain terms and conditions are included in the contract (Section 1100.3 of the UNC Policy Manual).)

\*\*\* **President's Senior Officers:** The president consults with the BOG Committee on Promotion & Tenure on the appointments and compensation for UNC GA senior officers who report directly to the president.

## CHAPTER V - OFFICERS OF THE UNIVERSITY

## SECTION 500. ELECTION OF OFFICERS.

## 500 A. President and Staff.

(1) The Board of Governors shall elect a president of the University of North Carolina [See G.S. 116-14(a)], whose compensation shall be fixed by the Board of Governors.

(2) The Board of Governors, on nomination of the president, shall elect and fix the compensation of such professional members of the presidential staff as may be deemed necessary to administer the affairs and execute the policies of the University of North Carolina. ~~unless the Board has otherwise delegated this authority to the president.~~ These staff members shall include ~~such~~ senior vice presidents and ~~other~~ vice presidents and officers as may be deemed desirable. [See G.S. 116-14(b)]

(3) In addition, the president shall employ such other personnel, subject to the provisions of Chapter 126 of the [North Carolina](#) General Statutes ("State ~~Human Resources Act~~"), as may be deemed necessary to assist the officers of the University in administering the affairs and executing the policies of the University of North Carolina. [See G. S. 116-14(b)]

(4) The professional staff complement shall be established by the board on recommendation of the president to ensure that there are persons on the staff who have the professional competence and experience to carry out the duties assigned and to ensure that there are persons on the staff who are familiar with the problems and capabilities of all of the principal types of institutions represented in the University of North Carolina. Provision shall be made for persons of high competence and strong professional experience in such areas as academic affairs, public-service programs, business and financial affairs, institutional studies and long-range planning, student affairs, research, legal affairs, health affairs and institutional development, and for state and federal programs administered by the board. [See G.S. 116-14(b)]

500 B. Chancellors and Staffs.<sup>7</sup>

(1) The Board of Governors shall elect, on nomination of the president, the chancellor of each of the constituent institutions and fix the chancellor's compensation. The president shall make a nomination from a list of not fewer than two names recommended by the institutional board of trustees. [See G. S. 116-11(4)]

(2) Unless the Board of Governors has delegated this authority to ~~the president or to~~ an institutional board of trustees, the Board of Governors shall, on recommendation of the

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<sup>7</sup> The merger of an institution into the University of North Carolina under Chapter 1244 of the 1971 Session Laws or the establishment of the North Carolina School of Science and Mathematics as a constituent institution under S.L. 2006-66 shall not impair any term of office, appointment, or employment of any administrative, instructional, or other personnel of the institution. Effective July 1, 1972, the title president and vice president of each constituent institution shall be changed to chancellor and vice chancellor, and the tenures of persons occupying these positions shall continue subject to the other provisions of this Code. [See Sec. 18, Ch. 1244, 1971 Session Laws]

president and of the appropriate institutional chancellor, appoint and fix the compensation of all vice chancellors, senior academic and administrative officers, and persons having permanent tenure. [See G.S. 116-11(5) and 116-40.22(b)]

SECTION 501. PRESIDENT OF THE UNIVERSITY.

501 A. General Authority.

The president of the University of North Carolina shall be the chief administrative and executive officer of the University. [See G.S. 116-14(a)] The president shall have complete authority to manage the affairs and execute the policies of the University of North Carolina and its constituent institutions, subject to the direction and control of the Board of Governors and the provisions of this Code. The president shall personally represent before the state, the region and the nation the ideals and the spirit of the University of North Carolina. As the chief executive, the president shall be the official administrative spokesperson for and the interpreter of the University to the alumni and alumnae as a whole, the news media, the educational world, and the general public. The president shall be responsible for the presentation and interpretation of all University policies, recommendations, and requests to the General Assembly, the governor, state officers and commissions, and the federal government.

501 B. Relation of the President to the Board of Governors.

(1) The president, as the chief executive officer of the University, shall perform all duties prescribed by the Board of Governors. The president shall be responsible to the Board of Governors for the prompt and effective execution of all laws relating to the University of North Carolina and of all resolutions, policies, rules, and regulations adopted by the board for the operation of the University of North Carolina and for the government of any and all of its constituent institutions, and the president's discretionary powers shall be broad enough to meet the extensive responsibilities of the presidency.

(2) The president shall make recommendations to the Board of Governors with respect to the adoption, modification, revision or reversal of policies, rules, and regulations applicable to the University of North Carolina and any or all of its constituent institutions. To this end, the president shall establish and maintain agencies of inquiry and administrative lines of communication, which include the constituent institutions, to ensure prompt perception of needs for problem identification and analysis, decision, and policy formulation.

(3) The president shall prepare and submit to the Board of Governors such reports and recommendations concerning the University of North Carolina and its constituent institutions as the president may deem wise or as the board may require.

(4) The president shall attend and may participate in, without the privilege of voting, the meetings of the Board of Governors and its various committees, and the president may attend the meetings of all the boards of trustees.

(5) The president shall be the official administrative medium of communication between the Board of Governors and all individuals, officials, agencies, and organizations, both within and without the University and its constituent institutions.

(6) The president, consistent with the provisions of Section 500 B(2), shall make nominations for all appointments that are to be acted upon by the Board of Governors and shall make recommendations for all promotions, salaries, transfers, suspensions, and dismissals that are to be acted upon by the board. The board reserves the right, in all instances, to act on its own initiative.

(7) The president shall assume, and retain at all times, control over the budget of the University of North Carolina, subject to the direction and control of the Board of Governors. The president shall prepare the proposed budget of the University of North Carolina and shall submit such proposed budget to the Board of Governors for approval; administrative procedures uniformly applicable to all institutions shall be established by the president to ensure that each institution has full opportunity to provide information and advice concerning the formulation of such proposed budget. The president shall be responsible for the presentation and explanation of budget requests approved by the Board of Governors to the director of the budget and the Advisory Budget Commission, the General Assembly and its committees, officers, and members. The president shall be responsible for the execution of the budget of the University of North Carolina as approved by the General Assembly. All revisions of the budget which require approval of the Advisory Budget Commission shall be acted upon by the Board of Governors on recommendation of the president.

(8) The president, with the approval of the Board of Governors, shall appoint an advisory committee composed of representative presidents of the private colleges and universities of the state. [See G.S. 116-14(c)]

501 C. Relation of the President to the University.

(1) The president shall be the leader of the University of North Carolina and its constituent institutions and shall coordinate the activities of all constituent institutions in accordance with the principle of allocated functions prescribed by the Board of Governors. The president shall promote the general welfare and development of the University in its several parts and as a whole.

(2) The president shall be a member of, and shall have the privilege of attending meetings of, all faculties of the constituent institutions of the University of North Carolina.

(3) In the absence of policies prescribed by the Board of Governors, the president shall resolve all issues of jurisdiction and dispute among the constituent institutions of the University.

(4) Repealed.

(5) The president may refer for investigation, report, and advice any question of University concern to any council, faculty, or scientific, extension, or administrative staff.

(6) The medium for official communications between the president and the constituent institutions of the University shall be the respective chancellors.

(7) The president shall establish administrative organizations to carry out the policies of the University and shall interpret these organizations to the Board of Governors and to the officers and faculties of the University. The president shall ensure that the University and its constituent institutions are properly staffed with personnel competent to discharge their responsibilities effectively. In carrying out the president's duties and responsibilities, the president shall be assisted by staff officers and by the chancellors of the constituent institutions. The president shall prescribe the duties and assignments of the staff officers reporting to the president. The president may establish and define the duties of all-University councils and committees to advise and assist the president in the execution of the president's duties. The president may delegate to other officers portions of the president's duties and responsibilities, with the required authority for their fulfillment. However, such delegation shall not reduce the president's overall responsibility for those portions of duties which the president may choose to delegate.

SECTION 502. CHANCELLORS OF CONSTITUENT INSTITUTIONS.

502 A. General Authority.

The administrative and executive head of each constituent institution shall be the chancellor, who shall exercise complete executive authority therein, subject to the direction of the president. The chancellor shall be responsible for carrying out policies of the Board of Governors and of the board of trustees. [See G.S. 116-34(a)]

502 B. Relation of the Chancellor to the Board of Governors and the President.

(1) It shall be the duty of the chancellor to keep the president, and through the president the Board of Governors, fully informed concerning the operations and needs of the institution. Upon request, the chancellor shall be available to confer with the president or with the Board of Governors concerning matters that pertain to the institution. [See G.S. 116-34(c)] As of June 30 of each year, the chancellor shall prepare for the Board of Governors a detailed report on the operation of the institution for the preceding year. [See G.S. 116-34(a)] The chancellor shall make such additional reports to the president or the Board of Governors as the president or the Board of Governors may require.

(2) The chancellor shall make recommendations for development of the educational programs of the institution [See G.S. 116-34(d)] and shall serve as general adviser to the president, and through the president the Board of Governors, with respect to all programs and activities of the institution.

(3) The chancellor shall be responsible to the president for the administration of the institution, including the enforcement of the decisions, actions, policies, and regulations of the Board of Governors applicable to the institution.

(4) Subject to policies prescribed by the Board of Governors and by the institutional board of trustees, the chancellor shall make recommendations for the appointment of personnel within the institution. [See G.S. 116-34(d)] With respect to all personnel matters, including appointments, promotions, removals, and compensation for the institution's academic, administrative, and other staffs, which are required to be acted upon by the Board of Governors, the chancellor shall make recommendations to the president.

(5) The chancellor shall present to the president all matters concerning the institution which are to be considered by the Board of Governors or any of its committees. In accordance with prescribed administrative procedures uniformly applicable to all institutions, the chancellor shall participate in the development of the proposed budget of the University of North Carolina.

(6) The chancellor shall be the official medium of communication between the president and all deans, heads or chairs of departments, directors, and all other administrative officers, faculty members, students, and employees.

502 C. Relation of the Chancellor to the Board of Trustees.

(1) It shall be the duty of the chancellor to attend all meetings of the board of trustees and to be responsible for keeping the board of trustees fully informed on the operation of the institution and its needs. [See G.S. 116-34(b)]

(2) As of June 30 of each year, the chancellor shall prepare for the board of trustees a



detailed report on the operation of the institution for the preceding year. [G.S. 116-34(a)] The chancellor shall also submit such additional reports to the board of trustees as the chancellor may deem wise or as the board may require. The chancellor shall seek the counsel of the board of trustees concerning the affairs of the institution.

(3) The chancellor shall be responsible to the board of trustees for enforcing all policies, rules, and regulations of the board of trustees.

(4) The chancellor shall be the official medium of communication between the board of trustees and all individuals, officials, agencies, and organizations, both within and without the institution.

502 D. Relation of the Chancellor to the Constituent Institution.

(1) Subject to policies established by the Board of Governors, the ~~institutional~~ board of trustees, or the president, the chancellor, ~~shall be the leader of and the official spokesperson for the institution; shall promote the educational excellence and general development and welfare of the institution; shall define the scope of authority of faculties, councils, committees, and officers of the institution; and all projects, programs, and institutional reports to be undertaken on behalf of the institution shall be subject to the chancellor's authorization and approval.~~

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(2) The chancellor shall be a member of all faculties and other academic bodies of the institution and shall have the right to preside over the deliberations of any legislative bodies of the faculties of the institution.


The chancellor shall be responsible for ensuring that there exists in the institution a faculty council or senate, a majority of whose members are elected by and from the members of the faculty. The general faculty, however, which shall include at least all full-time faculty and appropriate administrators, may function as the council or senate. The faculty shall be served by a chair elected either by the general faculty or by the council or senate. However, the chancellor may attend and preside over all meetings of the council or senate. The council or senate may advise the chancellor on any matters pertaining to the institution that are of interest and concern to the faculty.

In addition to ensuring the establishment of a council or senate, the chancellor shall ensure the establishment of appropriate procedures within the institution to provide members of the faculty the means to give advice with respect to questions of academic policy and institutional governance, with particular emphasis upon matters of curriculum, degree requirements, instructional standards, and grading criteria. The procedures for giving advice may be through the council or senate, standing or special committees or other consultative means.

(3) Subject to any policies or regulations of the Board of Governors or of the board of trustees, it shall be the duty of the chancellor to exercise full authority in the regulation of student affairs and student conduct and discipline. In the discharge of this duty, delegation of such authority may be made by the chancellor to faculty committees and to administrative or other officers of the institution, or to agencies of student government, in such manner and to such extent as may by the chancellor be deemed necessary and expedient. In the discharge of the chancellor's duty with respect to matters of student discipline, it shall be the duty of the chancellor to secure to every student the right to due process. Appeals from these disciplinary decisions are allowable only on the following grounds:

- 1) ~~A~~ violation of due process; or

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- 2)  material deviation from Substantive and Procedural Standards adopted by the Board of Governors.

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Where the sanction is suspension or expulsion, an appeal may be made to the board of trustees. No appeal to the president is permitted. When the sanction is expulsion, the final campus decision is appealable to the Board of Governors.

### Delegation of Authority to the President

I. Pursuant to N.C.G.S. §116-11(13) and other North Carolina law as referenced herein, and notwithstanding *The Code* or any other Board of Governors policy,<sup>1</sup> the Board of Governors delegates the following authorities to the President of the University:

#### A. Human Resources

1. ~~Authority to establish and administer a human resources program for employees exempt from the State Human Resources Act, (N.C.G.S. Chapter 126).~~

~~a. "Human resources program" shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, and salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes (§300.1.1, §300.1.2, and §300.2.1).~~

~~1. Notwithstanding the above provision, unless otherwise delegated, the Board of Governors shall retain authority over the appointments and compensation for the president, for the chancellors of the constituent institutions, for the chief executive officer of the UNC Health Care System, and for the UNC-TV executive director and general manager. (§300.1.1, *The Code* §500, N.C.G.S. §116-37(c), *The Code* §900, N.C.G.S. §116-37.1(c), and §1200.1).~~

~~2. Notwithstanding the above provision, unless otherwise delegated, the Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions (§1100.3).~~

~~3. Notwithstanding the above provision, the president shall consult with the Board's Committee on Personnel and Tenure on appointments and compensation for the senior officers of the UNC General Administration who report directly to the president.~~

~~b. The president may approve management flexibility plans for Special Responsibility Constituent Institutions and may delegate limited authority for human resources actions to constituent institutions that are not authorized as Special Responsibility Constituent Institutions (§600.3.4).~~

~~2. Authority to approve all actions relating to the administration of the Optional Retirement Program (N.C.G.S. §135-5.1) and the Phased Retirement Program (§300.7.2).~~

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a. .

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Deleted: b. Authority to set salary ranges for Senior Academic and Administrative Officers of the constituent institutions of University (§600.3.4).¶

c. Authority to approve conferrals of tenure and to set salaries of faculty, Senior Academic and Administrative Officers, except the chancellors, and other employees exempt from the State Personnel Act at campuses that do not have Management Flexibility to Appoint and Fix Compensation as long as those salaries are within the established salary ranges and are not raises in excess of 15 percent and \$10,000 higher than the salary in effect at the end of the last fiscal year. (Sections 300.1.1 and 600.3.4; *The Code* §602).¶

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Deleted: e. Authority to approve salary increases in excess of \$10,000 and 15% for faculty members who are receiving salary increases funded through the Faculty Recruitment and Retention Fund.¶

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<sup>1</sup> The Secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

3. The president shall report in writing on actions taken under the authority of these delegations to the appropriate committee of the Board of Governors no less than annually, or as otherwise requested by the Chair of the Board of Governors or the Chair of the Committee on Personnel and Tenure.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than \$250,000. (§200.5)

2. The authority to settle a lawsuit that has been filed by or against a constituent institution or the University of North Carolina, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than \$250,000 or, if the University is to receive a payment, the amount the University claimed is less than \$250,000. (§200.5)

3. Authority to approve the political activities of employees of the University who are candidates for or serving in public office (§300.5.1).

C. Reports

The authority to approve and submit any report the University or the Board of Governors is required to submit to the General Assembly, the State Board of Education or any other State or federal agency or officer.

D. Real Property

1. Except as authorized by b. below, authority to approve leases with at least \$50,000<sup>2</sup> but less than \$350,000 annual rental for a term of up to five years, subject to approval by the Department of Administration and the Governor and Council of State (§§600.1.3 and 600.1.4[R]).

2. Authority to approve the acquisition or disposition of real property by lease without the approval of the Department of Administration, the Governor and Council of State if the lease is for a term of not more than 10 years. The president's authority may be exercised in the president's discretion on behalf of General Administration, University affiliates or the constituent institutions. (N.C.G.S. §116-31.12, and §600.1.3.1 and 600.1.3.1[R]).

3. Authority to approve acquisition or disposition of an interest in real property, other than a lease, for an amount of at least \$50,000 but less than \$500,000 (§600.1.3 and §600.1.4[R]).

4. Authority to approve capital improvement projects that are projected to cost \$500,000 or less. The president must provide notice of projects the president intends to

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<sup>2</sup> Note that leases with annual rent less than \$50,000 may be approved by the boards of trustees or the chancellors without further approval by the Board of Governors or the president. See Regulation §600.1.4[R].

The UNC Policy Manual  
200.6  
Adopted 11/13/06

Amended 06/08/07  
Amended 04/08/11  
Amended 08/10/12  
Amended 10/11/12  
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approve under this provision to the Committee on Budget and Finance at least one week prior to authorizing the project. (§600.1.1).

E. Institutional Trust Funds

Authority to delegate to the chancellors management of institutional trust funds (§600.2.4 and §600.2.4.1).

II. The president will report all actions taken under the authority of the delegations in sections I.B. through I.E. to the appropriate committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

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III. These delegations will remain in effect unless and until the Board of Governors rescinds them in whole or in part.

## **Granting of Management Flexibility to Appoint and Fix Compensation**

### **I. Purpose**

A. Pursuant to N.C.G.S. §116-11(13), and other North Carolina law as referenced herein, and in an effort to enhance the administrative efficiency of the University, the Board of Governors has delegated to the president the authority to establish a human resources program and to approve management flexibility plans at constituent institutions for faculty and EHRA non-faculty (those employees exempt from Chapter §126 of the North Carolina General Statutes. (Section 200.6 of the UNC Policy Manual.)

B. In accordance with this authority, the president may further delegate authority for approving human resources matters within the UNC General Administration<sup>1</sup>.

C. Also In accordance with this authority, the president hereby further delegates the authority to administer certain human resources actions as described in Section II of this policy to the boards of trustees for all constituent institutions.

D. Also in accordance with this authority, the president hereby further delegates additional authority to administer certain human resources actions as described in Section III of this policy to the boards of trustees for institutions with management flexibility (Special Responsibility Constituent Institutions).

E. The authority granted by the Board of Governors through the president is subject to the *Code* of the University of North Carolina, policies of the Board of Governors, and all applicable federal and state laws, policies, regulations, and rules. Along with any other rules and regulations the Board of Governors and/or the president adopt, this policy requires each constituent institution to comply with all rules and regulations concerning equal employment opportunity; to act in recognition of funding availability and constraints within each institution's budget; and to take into account the actions of the Governor, the Office of State Budget and Management, and the General Assembly.

### **II. Authority Delegated to All Constituent Institutions**

A. The president delegates to the board of trustees for each constituent institution the authority to execute the following personnel actions for faculty, EHRA non-faculty Tier 2 Senior Academic and Administrative Officers (SAAO Tier 2), and EHRA non-faculty instructional, research, and public service (IRPS) employees:

1. Permanent and temporary appointments and salaries
2. Promotion, including faculty rank changes but excluding tenure
3. Permanent and temporary salary increases or stipends

B. The president further authorizes the boards of trustees for the constituent institutions to delegate any of these actions to their chancellors, or to specific designees of the chancellor by title, as they deem appropriate.

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<sup>1</sup> The president may delegate approval authority only to the senior vice president for academic affairs, the chief operations officer, and/or the vice president for human resources.

C. Notwithstanding the delegations above, the president may establish regulations and guidelines that limit delegation for certain actions (for example, salary adjustments) within these categories.

### III. Delegation of Authority to Boards of Trustees of Institutions with Management Flexibility

A. Simultaneous with the president's authorization of an institution's management flexibility plan, the board of trustees of that institution is delegated the authority to execute the following personnel actions, which it shall not delegate further unless the president or the Board of Governors shall allow:<sup>2</sup>

1. Upon recommendation of the chancellor, appoint<sup>3</sup> and fix the salary and non-salary compensation<sup>4</sup> for all vice chancellors and other Tier 1 senior academic and administrative officers (as defined in Section I.A. of Policy 300.1.1) with the exclusion of the chancellor.

2. Approve appointments and salary changes for SAAO Tier 1 appointments, with the exclusion of the chancellor.

3. Upon recommendation of the chancellor, establish salary ranges for SAAO Tier 2 positions, consistent with both the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.

4. Upon recommendation of the chancellor, and consistent with the approved tenure policies and regulations of each institution, confer permanent tenure.

B. Simultaneous with the president's authorization of an institution's management flexibility plan, the board of trustees of that institution is also delegated the authority for the following personnel actions, which it may further delegate to the chancellor and may authorize the chancellor to further delegate on a limited basis.<sup>5</sup>

1. Establish faculty salary ranges within different academic disciplines, based on relevant data.

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<sup>2</sup> The delegation authorized by this policy is in addition to the delegation by the Board of Governors to the boards of trustees contained in the Appendix to *The Code of the University of North Carolina*.

<sup>3</sup> For the purpose of this policy the term "appoint" means the initial appointment, reappointment, or an appointment that constitutes a promotion or a significant change in position responsibilities.

<sup>4</sup> Throughout this policy, all actions of a board of trustees of a Special Responsibility Constituent Institution to "fix the compensation" of employees are subject to the limitations contained in Sections II and III of this policy, the policies of the Board of Governors, guidelines and regulations established by the president, and institutional plans, policies and procedures.

<sup>5</sup> The chancellor may delegate approval authority only to the executive vice chancellor, provost, chief financial officer/chief business officer, and/or chief human resources officer or any other director-level or senior officer with responsibility for campus-wide EHRA human resources actions.

2. Appoint and fix the compensation for faculty awarded the designation of Distinguished Professors.

3. Establish SAAO Tier 2 positions and IRPS positions and salary ranges.

C. Salaries and salary ranges shall be consistent with salary ranges established or authorized by the UNC General Administration and consistent with guidelines established by the president. Notwithstanding the delegations above and the provisions of any existing approved management flexibility plan, the Board of Governors and/or the president may establish policies, regulations, or guidelines that limit delegation for certain actions (such as establishing mandatory salary ranges or salary adjustments) within the delegations listed in III.A. and III.B.

D. The chancellor, or chancellor's designee, on behalf of each board of trustees of each institution with management flexibility:

1. Shall submit to the president or president's designee new or revised salary ranges for positions covered by this delegation on a schedule determined by the president or president's designee.

2. Shall submit to the president or president's designee an annual summary of personnel actions covered by this delegation. The president shall determine the content of the annual summary as deemed appropriate and necessary to monitor delegations.

#### IV. Responsibility of the Board of Governors and the President

##### A. The Board of Governors shall:

1. Issue a resolution each year that (a) interprets legislative action regarding salaries and (b) sets annually the salary range for the president and, in consultation with the president, the salary ranges for the chancellors. These ranges will be based upon relevant available data.

2. Authorize the president's salary and, based on recommendations from the president, the chancellors' salaries.

3. Authorize appointments and employment contracts for the chancellors, the president, the general manager of UNC-TV, and the chief executive officer of the UNC Health Care System as well as authorize certain contract terms and conditions for athletic directors and head coaches at constituent institutions as defined in §1100.3.

##### B. The president shall:

1. Establish SAAO Tier 1 positions and their salary ranges, with the exclusion of those defined in IV.A. above. In addition, the president will consult with the Board's Committee on Personnel and Tenure for appointments and compensation for senior officers who report directly to the president.

2. The president may authorize any significant changes in the organizational structure of a constituent institution, such as re-organization resulting in the creation of a new vice chancellor, dean, or equivalent administrative position.



3. Review annually the salaries set by the medical schools at the University of North Carolina at Chapel Hill and East Carolina University to ensure that the salaries are coordinated and are consistent with relevant data in a national medical labor market.

4. Provide at least annually to the constituent institutions guidelines regarding EHRA appointments and salary actions.

5. Provide periodic faculty salary studies based on peer data.

6. Withdraw or further limit the delegation of management flexibility from any institution that does not adhere to the policies and procedures set forth in this policy. The president will notify the institution of the discrepancies, and if these are not adequately addressed in the judgment of the president, then the president shall withdraw the delegation. The president may reinstate delegation or remove restrictions to a constituent institution upon further review and following the requirements established in section V of this policy.

C. The Board of Governors and/or the president shall:

1. Conduct performance audits on policies, practices, and other matters related to delegation of management flexibility.

2. For institutions with management flexibility, the president and the Board of Governors shall have the same responsibilities and authority as set forth in the policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions.<sup>5</sup>

#### V. Submitting Institutional Plans for Management Flexibility for Personnel Appointments

The president has the authority to approve institutional management flexibility plans for personnel appointments. Upon approval, the board of trustees of a Special Responsibility Constituent Institution<sup>6</sup> shall have the authority delegated by this policy. An institutional plan shall include the following:

A. Policies and procedures for promotion and tenure of faculty.

1. An institutional policy for promotion and tenure<sup>7</sup> that complies with *The Code* of the University of North Carolina, complies with current federal and state law, and provides clear requirements for promotion and the conferral of permanent tenure.

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<sup>5</sup> See Section 600.3.1 of the UNC Policy Manual and in particular Section 600.3.1.A.2.

<sup>6</sup> In order for an institution to have management flexibility for personnel appointments, the institution must be designated and maintain the status of a Special Responsibility Constituent Institution.

<sup>7</sup> As applied to the North Carolina School of the Arts and the North Carolina School of Science and Mathematics, the terms “tenure policy” or “policy for promotion and tenure,” as used herein, refer to the institution’s policy governing the appointment of faculty.

2. A schedule and process for periodic review of promotion and tenure policies, including and a process for amending promotion and tenure policies subject to review by the president or president's designee.

B. Policies and procedures for senior academic and administrative officers (SAAO) and EHRA non-faculty.

1. Policies and procedures for establishing salary ranges for SAAO Tier 2 and for instructional, research, and public service (IRPS) EHRA non-faculty positions, consistent with the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.

2. Policies and procedures for the recruitment and selection of senior academic and administrative officers and other EHRA non-faculty positions.

C. Policies and procedures for compensation policies for faculty and EHRA non-faculty.

1. An institutional policy on non-salary compensation of faculty and EHRA non-faculty, and on compensation from non-state sources such as grants, endowment funds, practice plan funds, etc.

2. Documentation of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data and for EHRA non-faculty, including methodology and relevant data.<sup>8</sup>

3. Documentation of EHRA salary-setting guidelines provided to institutional management.

D. Policies and procedures for audits and accountability.

1. Documentation that the institution has not had audit findings related to personnel practices, salary, or payroll for the previous three years or, if there have been audit findings in this period, documentation supporting that any findings have been remedied.

2. Documentation of appropriate accountability procedures in the event that the board of trustees delegates the authority granted pursuant to this policy to the chancellor.

## VI. Implementation of the Delegated Authority under Management Flexibility

A. The president shall determine the effective date of the delegation authorized by this policy upon approval of the institution's management flexibility plan.

B. The president shall report to the Board of Governors those institutions approved for management flexibility prior to the effective date of the delegation.

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<sup>8</sup> When used in this policy, the phrase "relevant data" indicates that the institution shall draw comparisons to peer institutions as approved by the Board of Governors. Data from peer institutions will be used when available except in instances in which a campus can demonstrate legitimate labor market differences that justify the use of a supplemental or alternative set of peer institutions.

## Granting of Management Flexibility to Appoint and Fix Compensation

### I. Purpose

A. Pursuant to N.C.G.S. §116-11(13), and other North Carolina law as referenced herein, and in an effort to enhance the administrative efficiency of the University, the Board of Governors has delegated to the president the authority to establish a human resources program and to approve management flexibility plans at constituent institutions for faculty and EHRA non-faculty (those employees exempt from Chapter §126 of the North Carolina General Statutes. (Section 200.6 of the UNC Policy Manual.)

B. In accordance with this authority, the president may further delegate authority for approving human resources matters within the UNC General Administration.

C. Also In accordance with this authority, the president hereby further delegates the authority to administer certain human resources actions as described in Section II of this policy to the boards of trustees for all constituent institutions.

D. Also in accordance with this authority, the president hereby further delegates additional authority to administer certain human resources actions as described in Section III of this policy to the boards of trustees for institutions with management flexibility (Special Responsibility Constituent Institutions).

E. The authority granted by the Board of Governors through the president is subject to the Code of the University of North Carolina, policies of the Board of Governors, and all applicable federal and state laws, policies, regulations, and rules. Along with any other rules and regulations the Board of Governors and/or the president adopt, this policy requires each constituent institution to comply with all rules and regulations concerning equal employment opportunity, to act in recognition of funding availability and constraints within each institution's budget, and to take into account the actions of the Governor, the Office of State Budget and Management, and the General Assembly.

### II. Authority Delegated to All Constituent Institutions

A. The president delegates to the board of trustees for each constituent institution the authority to execute the following personnel actions for faculty, EHRA non-faculty Tier 2 Senior Academic and Administrative Officers (SAAO Tier 2), and EHRA non-faculty instructional, research, and public service (IRPS) employees:

1. Permanent and temporary appointments and salaries
2. Promotion, including faculty rank changes but excluding tenure
3. Permanent and temporary salary increases or stipends

B. The president further authorizes the boards of trustees for the constituent institutions to delegate any of these actions to their chancellors, or to specific designees of the chancellor by title, as they deem appropriate.

C. Notwithstanding the delegations above, the president may establish regulations and guidelines that limit delegation for certain actions (for example, salary adjustments) within these categories.

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The Board of Governors shall review and approve plans for management flexibility for personnel appointments. Upon approval the Board of Trustees

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Deleted: 1. Policies and procedures for the recruitment and selection of senior academic and administrative officers. A campus policy for promotion and tenure<sup>2</sup> that complies with the Code of the University of North Carolina and current federal law, provides for periodic pre-tenure, tenure and promotion review at multiple levels, and provides clear requirements for promotion and the conferral of permanent tenure.¶  
2. A schedule and process for periodic review of promotion and tenure policies and a process for amending promotion and tenure policies that includes a review by the Office of the President.¶  
3. Salary ranges, based on relevant data, for vice chancellors, provosts, deans, and other similarly situated administrators<sup>3</sup> that are not included in the annual Board of Governors' study establishing salary ranges.¶  
4. Evidence of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data.4 ¶  
5. Policies governing the compensation of faculty and non-faculty EPA (exempt from the State Personnel Act) from non-state sources such as grants, endowment funds, practice plan funds, etc.¶  
6. Policies governing any non-salary compensation of faculty and non-faculty EPA.¶  
7. Documentation that the campus has not had audit findings related to personnel practices, salary or payroll for the previous three years or evidence that any findings have been remedied. ¶

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### III. Delegation of Authority to Boards of Trustees of Institutions with Management Flexibility

A. Simultaneous with the president's authorization of an institution's management flexibility plan, the board of trustees of that institution is delegated the authority to execute the following personnel actions, which it shall not delegate further unless the president or the Board of Governors shall allow:<sup>5</sup>

1. Upon recommendation of the chancellor, appoint<sup>6</sup> and fix the salary and non-salary compensation<sup>7</sup> for all vice chancellors and other Tier 1 senior academic and administrative officers (as defined in Section I.A. of Policy 300.1.1) with the exclusion of the chancellor.

2. Approve appointments and salary changes for SAAO Tier 1 appointments, with the exclusion of the chancellor.

3. Upon recommendation of the chancellor, establish salary ranges for SAAO Tier 2 positions, consistent with both the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.

4. Upon recommendation of the chancellor, and consistent with the approved tenure policies and regulations of each institution, confer permanent tenure.

B. Simultaneous with the president's authorization of an institution's management flexibility plan, the board of trustees of that institution is also delegated the authority for the following personnel actions, which it may further delegate to the chancellor, and may authorize the chancellor to further delegate on a limited basis.<sup>4</sup>

1. Establish faculty salary ranges within different academic disciplines, based on relevant data.

<sup>5</sup> The delegation authorized by this policy is in addition to the delegation by the Board of Governors to the boards of trustees contained in the Appendix to The Code of the University of North Carolina.

<sup>6</sup> For the purpose of this policy the term "appoint" means the initial appointment, reappointment, or an appointment that constitutes a promotion or a significant change in position responsibilities.

<sup>7</sup> Throughout this policy, all actions of a board of trustees of a Special Responsibility Constituent Institution to "fix the compensation" of employees are subject to the limitations contained in Sections II and III of this policy, the policies of the Board of Governors, guidelines and regulations established by the president, and institutional plans, policies and procedures.

<sup>4</sup> The chancellor may delegate approval authority only to the executive vice chancellor, provost, chief financial officer/chief business officer, and/or chief human resources officer or any other director-level or senior officer with responsibility for campus-wide EHRA human resources actions.

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The UNC Policy Manual  
600.3.4  
Adopted 01/11/02

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2. Appoint and fix the compensation for faculty awarded the designation of Distinguished Professors.

3. ~~Establish SAAO Tier 2 positions and JRPS positions and salary ranges.~~

C. ~~Salaries and salary ranges shall be consistent with salary ranges established or authorized by the UNC General Administration and consistent with guidelines established by the president. Notwithstanding the delegations above and the provisions of any existing approved management flexibility plan, the Board of Governors and/or the president may establish policies, regulations, or guidelines that limit delegation for certain actions (such as establishing mandatory salary ranges or salary adjustments) within the delegations listed in III.A. and III.B.~~

D. ~~The chancellor, or chancellor's designee, on behalf of each board of trustees of each institution with management flexibility:~~

1. ~~Shall submit to the president or president's designee new or revised salary ranges for positions covered by this delegation on a schedule determined by the president or president's designee.~~

2. ~~Shall submit to the president or president's designee an annual summary of personnel actions covered by this delegation. The president shall determine the content of the annual summary as deemed appropriate and necessary to monitor delegations.~~

IV. Responsibility of the Board of Governors and the President

A. ~~The Board of Governors shall:~~

1. ~~Issue a resolution each year that (a) interprets legislative action regarding salaries, and (b) sets annually the salary range for the president and, in consultation with the president, the salary ranges for the chancellors. These ranges will be based upon relevant available data.~~

2. ~~Authorize the president's salary and, based on recommendations from the president, the chancellors' salaries.~~

3. ~~Authorize appointments and employment contracts for the chancellors, the president, the general manager of UNC-TV, and the chief executive officer of the UNC Health Care System as well as authorize certain contract terms and conditions for athletic directors and head coaches at constituent institutions as defined in §1100.3.~~

B. ~~The president shall:~~

1. ~~Establish SAAO Tier 1 positions and their salary ranges, with the exclusion of those defined in IV.A. above. In addition, the president will consult with the Board's Committee on Personnel and Tenure for appointments and compensation for senior officers who report directly to the president.~~

2. ~~The president may authorize any significant changes in the organizational structure of a constituent institution, such as re-organization resulting in the creation of a new vice chancellor, dean, or equivalent administrative position.~~

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i. The EPA appointments of all:¶  
a. . vice chancellors and provosts ¶  
b. . senior academic and administrative officers for which the Board of Governors establishes salary ranges¶  
c. . deans, and other similarly-situated administrators¶  
ii. The conferral of tenure:¶  
iii. The salary and non-salary compensation for all positions listed in subpart C. (3) (b) (i) above:¶ ... [9]

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The UNC Policy Manual  
600.3.4  
Adopted 01/11/02

Amended 07/12/02  
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3. Review annually the salaries set by the medical schools at the University of North Carolina at Chapel Hill and East Carolina University to ensure that the salaries are coordinated and are consistent with relevant data in a national medical labor market.

4. Provide at least annually to the constituent institutions guidelines regarding EHRA appointments and salary actions.

5. Provide periodic faculty salary studies based on peer data.

6. Withdraw or further limit the delegation of management flexibility from any institution that does not adhere to the policies and procedures set forth in this policy. The president will notify the institution of the discrepancies, and if these are not adequately addressed in the judgment of the president, then the president shall withdraw the delegation. The president may reinstate delegation or remove restrictions to a constituent institution upon further review and following the requirements established in section V of this policy.

C. The Board of Governors and/or the president shall:

1. Conduct performance audits on policies, practices, and other matters related to delegation of management flexibility.

2. For institutions with management flexibility, the president and the Board of Governors shall have the same responsibilities and authority as set forth in the policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions.<sup>12</sup>

V. Submitting Institutional Plans for Management Flexibility for Personnel Appointments

The president has the authority to approve institutional management flexibility plans for personnel appointments. Upon approval, the board of trustees of a Special Responsibility Constituent Institution<sup>13</sup> shall have the authority delegated by this policy. An institutional plan shall include the following:

A. Policies and procedures for promotion and tenure of faculty.

1. An institutional policy for promotion and tenure<sup>14</sup> that complies with *The Code of the University of North Carolina*, complies with current federal and state law, and provides clear requirements for promotion and the conferral of permanent tenure.

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Deleted: d. Review and approve proposed salary increases in instances in which the salary of any employee exempt from the State Personnel Act or faculty member (1) exceeds the established salary range or (2) exceeds, the salary in effect at the end of the last fiscal year both by ten thousand dollars or more and by fifteen percent or more.<sup>10¶</sup>  
e. Establish chancellors' salaries and salaries of the President's senior staff based on recommendations from the President. <sup>11¶</sup>  
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Deleted: g. Approve contracts for the chancellors and the President.<sup>¶</sup>  
h. Consistent with the Board of Governor's responsibility for ensuring accountability, conduct

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<sup>12</sup> See Section 600.3.1 of the UNC Policy Manual and in particular Section 600.3.1.A.2.

<sup>13</sup> In order for an institution to have management flexibility for personnel appointments, the institution must be designated and maintain the status of a Special Responsibility Constituent Institution.

<sup>14</sup> As applied to the North Carolina School of the Arts and the North Carolina School of Science and Mathematics, the terms "tenure policy" or "policy for promotion and tenure," as used herein, refer to the institution's policy governing the appointment of faculty.



2. A schedule and process for periodic review of promotion and tenure policies, including and a process for amending promotion and tenure policies subject to review by the president or president's designee.

B. Policies and procedures for senior academic and administrative officers (SAAO) and EHRA non-faculty.

1. Policies and procedures for establishing salary ranges for SAAO Tier 2 and for instructional, research, and public service (IRPS) EHRA non-faculty positions, consistent with the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.

2. Policies and procedures for the recruitment and selection of senior academic and administrative officers and other EHRA non-faculty positions.

C. Policies and procedures for compensation policies for faculty and EHRA non-faculty.

1. An institutional policy on non-salary compensation of faculty and EHRA non-faculty, and on compensation from non-state sources such as grants, endowment funds, practice plan funds, etc.

2. Documentation of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data and for EHRA non-faculty, including methodology and relevant data.<sup>15</sup>

3. Documentation of EHRA salary-setting guidelines provided to institutional management.

D. Policies and procedures for audits and accountability.

1. Documentation that the institution has not had audit findings related to personnel practices, salary, or payroll for the previous three years or, if there have been audit findings in this period, documentation supporting that any findings have been remedied.

2. Documentation of appropriate accountability procedures in the event that the board of trustees delegates the authority granted pursuant to this policy to the chancellor.

VI. Implementation of the Delegated Authority under Management Flexibility

A. The president shall determine the effective date of the delegation authorized by this policy upon approval of the institution's management flexibility plan.

B. The president shall report to the Board of Governors those institutions approved for management flexibility prior to the effective date of the delegation.

<sup>15</sup> When used in this policy, the phrase "relevant data" indicates that the institution shall draw comparisons to peer institutions as approved by the Board of Governors. Data from peer institutions will be used when available except in instances in which a campus can demonstrate legitimate labor market differences that justify the use of a supplemental or alternative set of peer institutions.

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The UNC Policy Manual  
600.3.4

Adopted 01/11/02

Amended 07/12/02

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1. Policies and procedures for the recruitment and selection of senior academic and administrative officers. A campus policy for promotion and tenure <sup>1</sup>that complies with the *Code* of the University of North Carolina and current federal law, provides for periodic pre-tenure, tenure and promotion review at multiple levels, and provides clear requirements for promotion and the conferral of permanent tenure.
2. A schedule and process for periodic review of promotion and tenure policies and a process for amending promotion and tenure policies that includes a review by the Office of the President.
- 3 Salary ranges, based on relevant data, for vice chancellors, provosts, deans, and other similarly situated administrators <sup>2</sup> that are not included in the annual Board of Governors' study establishing salary ranges.
4. Evidence of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant data.<sup>3</sup>
- 5 Policies governing the compensation of faculty and non-faculty EPA (exempt from the State Personnel Act) from non-state sources such as grants, endowment funds, practice plan funds, etc.
6. Policies governing any non-salary compensation of faculty and non-faculty EPA.
7. Documentation that the campus has not had audit findings related to personnel practices, salary or payroll for the previous three years or evidence that any findings have been remedied.
8. Evidence of appropriate accountability procedures in the event that the Board of Trustees delegates the authority granted pursuant to this policy to the chancellor.

C

salary ranges and the policies of the Board of Governors and the regulations and guidelines established by the Office of the President. Once appointed, all vice chancellors and senior academic and administrative officers will be responsible to the chancellor or the chancellor's designee and will serve at the pleasure of the chancellor

deans and other similarly situated administrators that are not included in the annual

Governors' study establishing salary ranges. These

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chancellor and consistent with the approved tenure policies and regulations of each

set forth below. Any of the authority set forth below

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<sup>1</sup>As applied to the North Carolina School of the Arts and the North Carolina School of Science and Mathematics, the terms "tenure policy" or "policy for promotion and tenure," as used herein, refer to the institution's policy governing the appointment of faculty.

<sup>2</sup>This would include directors of major administrative, educational, research, and public service activities.

<sup>3</sup>When used in this policy, the phrase "relevant data" indicates that the institution shall draw comparisons to peer institutions as approved by the Board of Governors. Data from peer institutions will be used when available except in instances in which a campus can demonstrate legitimate labor market differences that justify the use of a supplemental or alternative set of peer institutions.

, and fix the compensation for faculty with permanent tenure;

That annual report shall include information regarding:

- i. The EPA appointments of all:
  - a. vice chancellors and provosts
  - b. senior academic and administrative officers for which the Board of Governors establishes salary ranges
  - c. deans, and other similarly-situated administrators
- ii. The conferral of tenure;
- iii. The salary and non-salary compensation for all positions listed in subpart C.(3)(b)(i) above;

iv. The most recent analysis of equity issues relevant

v. Audit findings related to weaknesses in the internal control structure, deficiencies in the accounting records, and noncompliance with rules and regulations or any other instances where significant findings are identified. The report should specifically detail any findings regarding personnel practices, salary or payroll for the previous year and remedial action taken in response to audit findings.

c. Shall submit to the Board of Governors for review, at least 30 days prior to a regularly scheduled meeting, all new or modified compensation policies and salary ranges established for faculty with permanent tenure and senior academic and administrative officer positions.

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, vice chancellors, and members of the Office of the President senior staff.<sup>4</sup>

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<sup>4</sup>Pursuant to NCGS §116-11(13), and notwithstanding *The Code* or any other Board of Governors policy, the Board of Governors has delegated certain authorities to the President of the University. See Policy 200.6, *Delegation Authority to the President of the University*, adopted 11/13/06.