

## THE UNIVERSITY OF NORTH CAROLINA

OFFICE OF THE PRESIDENT

# ADMINISTRATIVE MEMORANDUM

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**SUBJECT**      **Supplementation of Chancellor's Salaries  
from Institutionally Related Foundations  
and Prohibition of Senior Administrative  
Officers from Receiving Funds for Services  
to Institutional Related Foundations**

**NUMBER 356**

**DATE May 2, 1995**

At its meeting on April 21, 1995, the Board of Governors amended its policy on salaries of senior administrative officers (originally adopted November 14, 1986 and amended February 18, 1994, see III-A-1 of the Administrative Manual of The University of North Carolina). The amendment consists of an addition to sub-paragraph 3.

The Board of Governors is the authority that establishes the salaries of chancellors and designated senior administrative officers within salary ranges set by the Board. However, if recommended by the Board of Trustees of a constituent institution, the President may recommend to the Board of Governors that the salary of a chancellor be supplemented from non-state funds provided from institution-related foundations in amounts up to one-third of the state-funded base salary, even if the approved supplement brings the total salary of a chancellor beyond the top of the state-funded base salary range. Funds for an approved supplement with associated benefits will be transferred to the institution by the donor and paid to the chancellor by the institution.

You will also note that no chancellor or other senior administrative officer may be paid in addition to his or her salary as set by the Board of Governors for any services rendered to any institution-related foundation, endowment, or other university-related enterprise. This incorporates into the Administrative Manual the policy statement transmitted to the chancellors by letter from me dated October 24, 1988.

  
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C. D. Spangler, Jr.

Adopted 11/14/86  
Amended 2/18/94

#### SENIOR ADMINISTRATIVE OFFICERS

The duties and responsibilities of the President and the Chancellors, and of their respective senior staff members, and their relationships to one another, to the Board of Governors, to the Boards of Trustees, and to all other officers and agencies within and without the University are set forth in Chapter Five of the Code of The University of North Carolina. To complement the provisions of Chapter Five and further to clarify these duties, responsibilities, and relationships, the following regulations are adopted by the Board of Governors:

1. Definition of "Senior Administrative Officers"

Senior administrative officers of The University of North Carolina consist of the President [N.C.G.S. 116-14(a)]; those members of the presidential staff designated as senior administrative officers and elected by the Board of Governors on nomination of the President [N.C.G.S. 116-14(b)]; the Chancellors of the constituent institutions [N.C.G.S. 116-11(4)]; and the vice chancellors, provosts, deans, and such other officers of equivalent rank and responsibility as may be designated by the Board of Governors as senior academic and administrative officers of the constituent institutions [N.C.G.S. 116-11(5)].

2. Appointments and discontinuation of appointments of senior administrative officers

All senior administrative officers are employed in their administrative positions pursuant to these policies. No contract or other writing (except for the Code) may vary these terms, nor may any oral agreement modify these provisions. The appointments of all senior administrative officers are subject to the approval of the Board of Governors, or of such other officers or agencies of the University as the Board of Governors may designate by delegation of authority. Such officers do not have tenure in their administrative positions. They serve at the pleasure of their employer and are not appointed to serve for specified periods of time. "Employer" in this context means, respectively, the official or entity designated in paragraphs a. through d., below. The continuance of these administrators in office therefore is at all times subject to determination by the appropriate authority, as follows:

a. The President's continuance in office is determined by the Board of Governors.

b. The continuance in office of members of the President's senior staff is determined by the President.

c. The continuance in office of the Chancellor of a constituent institution is determined by the Board of Governors, which may act to terminate such an appointment upon its own initiative or upon recommendation of the President. The Board of Governors in all instances

shall consult the appropriate Board of Trustees prior to terminating the appointment of a Chancellor.

d. The continuance in office of vice chancellors, provosts, deans and other senior academic and administrative officers of the constituent institutions shall be determined by the Chancellor of the institution; however, these officers may have recourse from the Chancellor's action to the appeal of grievances set forth in Section 501C(4) of the Code.

e. Notwithstanding the provisions of b. and d. above, the Board of Governors, in accordance with the provisions of Section 501B(6) of the Code, reserves the right to initiate action to terminate appointment of those officers when it deems such action to be necessary in the best interests of the University.

Senior academic and administrative officers of a constituent institution are subject to the direction and control of the Chancellor and serve at his pleasure. They are employees at will; thus, the Chancellor may not purport to confer on any such officer a period of employment of fixed duration or otherwise confer any property interest in such employment. However, such an officer may be appointed to a period of employment not to exceed a specified number of years, so long as the instrument accomplishing such an appointment states clearly that the incumbent officer is subject to removal at any time, during that period, at the option of the Chancellor.

Tenure status as a member of the faculty of a constituent institution, held concurrently by any senior administrative officer of the University, is separate and distinct from the administrative office, and such tenure status is governed by the provisions of Chapter Six of the Code and by the tenure policies of the relevant constituent institution. Those tenure policies have no bearing upon and do not govern the administrative appointments covered by these policies.

### 3. Compensation

The compensation of senior administrative officers shall be set by the Board of Governors.

The Board of Governors will establish salary ranges for all senior academic and administrative officers as defined in section 1 above. The salaries of all senior academic and administrative officers will be set by the Board within these ranges. The base salaries of the chancellors paid from state sources will be set within the established ranges, but upon the recommendation of the President and approval of the Board of Governors salaries of the chancellors may be supplemented from non-state funds provided by institution-related foundations by amounts up to one-third of the state-funded base salaries, provided that any supplements and benefits will be first transferred to the institution and paid by the institution.

No chancellor and no senior academic and administrative officer may be paid, in addition to his or her salary as established pursuant to the foregoing requirements, for any services rendered to any institution-related foundation, endowment, or other University-related enterprise.

4. Annual leave, sick leave, and leaves of absence

a. Annual leave

A senior administrative officer shall be entitled to 24 work days of annual leave each year. The maximum number of unused days of annual leave that may be accrued and carried forward from one year to the next shall be 30 work days. A senior administrative officer who has accrued such unused annual leave as of the date of discontinuation of employment shall be paid for such unused annual leave, subject to the prescribed maximum of 30 days.

b. Sick leave and other authorized leave

A senior administrative officer shall be entitled to such sick leave, maternity leave, civil leave, military leave and child involvement leave as may be prescribed for employees subject to the State Personnel Act.

c. Miscellaneous leaves of absence

A senior administrative officer who desires a leave of absence for an interval of 90 days or less must obtain the approval of the President, who shall report all such arrangements to the Board of Governors. A leave of absence for a period exceeding 90 days shall require the approval of the Board of Governors.

d. Retirement

Senior administrative officers of the University shall be retired from those appointments on July 1 coincident with or next following their seventieth birthday.

e. Voluntary Shared Leave

A permanent senior administrative officer shall be subject to the same provisions concerning shared leave as are applicable to employees subject to the State Personnel Act with the exception that the donation and acceptance of such leave shall be computed on the basis of days rather than hours.



# The University of North Carolina

GENERAL ADMINISTRATION

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C. D. SPANGLER, JR. *President*

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October 24, 1988

## MEMORANDUM

TO: The Chancellors

FROM: C. D. Spangler, Jr. *C. D. Spangler, Jr.*

SUBJECT: Review of Consulting by Senior Administrative Officers

In May I asked each of you to send me copies of all "notices of intent" currently in effect that had been filed by senior administrative officers at your institution. This information was needed for a review of certain aspects of our "Policy on External Professional Activities for Pay" that I had been asked to make by the Board of Governors' Committee on Personnel and Tenure.

This review led to the identification of one significant problem. There have been instances in which a senior administrative officer was authorized to serve as a paid consultant to the board of trustees of the institution's endowment fund. Since the consulting policy pertains only to work done for organizations external to The University of North Carolina and its constituent institutions, this practice is inconsistent with the Board policy. Further, it is the view of the Committee on Personnel and Tenure, and it is my own view, that it is inappropriate for a number of reasons for a senior administrative officer to be paid for services to the entity that has responsibility for the institution's endowment fund. Among other problems this practice is not consistent with the statutory responsibility of the Board of Governors to "appoint and fix the compensation" of senior administrative officers.

Accordingly, senior officers may not be paid for service to the institution's endowment board, or any entity organized under the aegis of the institution, such as foundations or associations.

Please insure that your institution is in compliance with this policy.

Appalachian State University

East Carolina University

Elizabeth City State University

Fayetteville State University

North Carolina Agricultural and Mechanical State University

North Carolina Central University

North Carolina State University

North Carolina State University

Pembroke State University

University of North Carolina at Asheville

University of North Carolina at Chapel Hill

University of North Carolina at Charlotte

University of North Carolina at Greensboro

University of North Carolina at Wilmington

Western Carolina University

Wilmington University

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