

**RESOLUTION OF
THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA SYSTEM**

**DELEGATED AUTHORITIES REGARDING
NON-BASE SALARY COMPENSATION FOR UNIVERSITY EMPLOYEES EXEMPT
FROM THE STATE HUMAN RESOURCES ACT**

May 26, 2022

WHEREAS, the Board of Governors may authorize the president, the boards of trustees, the chancellors, and/or their designees to approve compensation actions to employees exempt from most provisions of the NC Human Resources Act (G.S. 126) pursuant to Sections 200.6 and 600.3.4 of the UNC Policy Manual;

WHEREAS, the Board of Governors previously approved Section 300.2.14 of the UNC Policy Manual to provide the president and the constituent institutions authority to provide non-salary and deferred compensation programs to university employees; and

WHEREAS, the North Carolina State Human Resources Commission approved on April 14, 2022, sign-on and retention bonus authority for employees subject to the NC Human Resources Act, effective June 1, 2022, to address a competitive recruitment and retention environment;

NOW, THEREFORE, BE IT RESOLVED, that notwithstanding any university policies or regulations to the contrary, the UNC Board of Governors delegates authority to the president of the University of North Carolina System to issue or amend any necessary regulations and/or guidelines as deemed necessary by the president to implement the following related to employees exempt from most provisions of the State Human Resources Act:

I. The boards of trustees for the constituent institutions, and the president for the UNC System Office, may provide in writing for sign-on bonuses and/or retention bonuses to recruit and retain needed talent to support the operations of the University in accordance with the provisions herein.

A. The use of a sign-on bonus shall be based on a specific demonstrated recruitment issue or when it is determined to be customary in the labor market for a particular position or group of positions. It may also be used on an exceptional basis when necessary to obtain acceptance by a candidate of an offer for a position deemed of critical importance to the University. Any such use must be accompanied by documented need which is reviewed and approved by the board of trustees or the chancellor or designee when so delegated by the board of trustees. A sign-on bonus may not exceed the lesser of \$25,000 or 20 percent of the annualized base salary of the new position without seeking the approval of the president or his designee.

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- B. The use of a retention bonus must be based on a demonstrated risk of the loss of the employee to an outside entity external to the University. This includes conditions in the labor market which demonstrate heightened risk for loss of critical talent in a particular position or group of positions which would negatively impact the institution. Such bonuses however are not intended to be used in an across-the-board manner, which is reserved for bonuses awarded by the General Assembly. A retention bonus may not exceed the lesser of \$25,000 or 20 percent of the employee's current base salary without seeking the approval of the president or his designee.
 - C. An employee may receive either a sign-on bonus or a retention bonus, but not both, within any 24-month period.
 - D. The boards of trustees may delegate authority to approve sign-on and/or retention bonuses pursuant to this resolution to the chancellor and/or his/her designees with the exclusion of such bonuses for Tier I SAAOs, which may not be delegated.
 - E. Bonuses may be provided using either state funds or non-state funds. For State funds, such use must be permissible under the policies of the Office of State Budget and Management.
 - F. Institutions may establish rules to require an employee to pay back all or part of any bonus payments already received if the employee separates from the institution less than 12 months after payment of the bonus award.
 - G. The institution must establish specific procedures for reviewing and monitoring sign-on and retention bonuses including facilitating approval of such compensation by the chief human resources officer for non-faculty, the chief academic officer for faculty, or their authorized designees. Periodic reporting on this form of compensation will be required by the UNC System Office.
- II. The boards of trustees for the constituent institutions, and the president for the UNC System Office, may provide in writing for performance-based bonus compensation in accordance with the provisions herein.
- A. The award of performance-based bonus compensation shall be tied to an annual performance review for non-faculty employees and the provisions of a written incentive compensation plan for covered faculty. Performance-based pay for clinical faculty is subject to the relevant approved clinical incentive pay plans and is exempt from these provisions.
 - B. Performance-based bonus compensation awarded in a single fiscal year that exceeds either 20 percent of an individual employee's current base salary or \$50,000 must receive approval from the president and the Committee on University Personnel of the Board of Governors.
 - C. Performance-based bonus compensation may be provided using either state funds or non-state funds. For State funds, such use must be permissible under the policies of the Office of State Budget and Management.

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D. The boards of trustees may delegate authority to approve performance-based bonus compensation under this resolution to the chancellor and/or designees with the exclusion of such compensation for Tier I SAAOs, which may not be delegated.

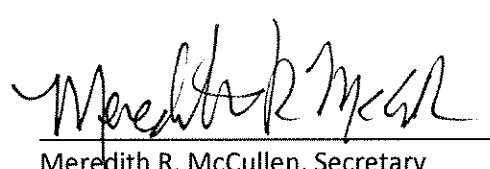
E. The institution must establish specific procedures for reviewing and monitoring performance-based bonus pay. Periodic reporting on this form of compensation will be required by the UNC System Office.

III. Section 300.2.14 of the UNC Policy Manual, *Policy on Non-Salary and Deferred Compensation* addresses, in part, University Policy on Non-Salary and Deferred Compensation. In certain instances, Section 300.2.14 requires the Board of Governors' review and approval for prescribed compensation actions and Paragraph V thereof requires consideration by the Committee on University Personnel for other policy revisions. Those requirements are deemed satisfied by this resolution and the president is hereby delegated the authority to approve non-salary compensation as provided by this resolution for employees of the UNC System Office, without further review or approval by the UNC Board of Governors, except as specified in Section II (D) above.

Adopted this 26th day of May, 2022



Randall C. Ramsey, Chair



Meredith R. McCullen, Secretary