

ADMINISTRATIVE MEMORANDUM

SUBJECT **Modification of Policy for Supplementing** **NUMBER 365**
 Chancellor's Salaries from Institutionally
 Related Foundations

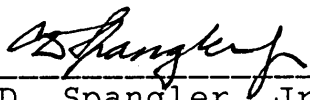
DATE November 18, 1996

The Board of Governors establishes the salaries of chancellors and designated senior administrative officers, within salary ranges set by the Board, consistent with the terms of its policy on Senior Administrative Officers (see Attachment A).

An amendment to that policy, dated April 21, 1995, authorizes the Board of Trustees of each constituent institution to recommend and, subject to the approval of the President and the Board of Governors, to implement a salary supplement for the chancellor with non-state funds provided from institution-related foundations in an amount not to exceed one-third of the chancellor's state-appropriated base salary. To date, six institutions have utilized that authorization to supplement the salaries of chancellors.

The Board now intends to seek increases in the state-appropriated base salaries for all chancellors to levels that ultimately will eliminate the need for such salary supplements, while maintaining a strong competitive position. In order to begin gradually reducing dependence on such supplements, the Board amended its policy on November 8, 1996, to provide that the maximum permissible supplement shall be calculated thereafter on the basis of the state-appropriated base salary for 1996-1997. That modification is accomplished by the underlined portions of item 3 entitled "Compensation" of the attached copy of the Board policy (which appears as Section III-A-1 in the Administrative Manual of The University of North Carolina).

Note that no other changes were made in the policy concerning privately funded supplements to chancellors' salaries. Thus, the chairperson of the Board of Trustees of an institution that has provided such an approved salary supplement must notify the President in writing by June 1 of each year if the trustees wish to continue the supplement for the coming fiscal year and, if so, at what proposed level. Any supplemental funds authorized for that use are to be transferred to the institution by the donor foundation and are to be paid to the chancellor by the institution.


C. D. Spangler, Jr.

Adopted 11/14/86
Amended 2/18/94
Amended 4/21/95
Amended 11/8/96

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 respective state-funded base salaries authorized for the chancellors for the 1996-1997 fiscal year, 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 family leave as may be prescribed for employees subject to the State Personnel Act.