



TRANSMITTAL LETTER

Transmittal Number 152

February 16, 2024

Policy Manual Number	Title	Action
100.1	<i>The Code</i> Chapter VI Academic Freedom and Tenure	Amended 1/25/24 Redline version attached
200.1	Policy on Dual Memberships and Conflicts of Interest	Amended 1/25/24 Redline version attached
200.5	Policy on Legal Affairs; Initiating and Settling Potential and Pending Litigation	Amended 1/25/24 Redline version attached
200.6	Policy on Delegation of Authority to the President	Amended 1/25/24 Redline version attached
300.1.1	Policy on Employees Exempt from the North Carolina Human Resources Act	Amended 1/25/24 Redline version attached
300.1.2	Policy on Evaluation of Positions for Designation as a Senior Academic and Administrative Officer	Repealed 1/25/24 Redline version attached
300.1.5	Policy on Occupation of Official Residents of the Chancellors and the President	Amended 1/25/24 Redline version attached
300.1.6.1	Policy on Administrative Separation	Repealed 1/25/24 Redline version attached
300.1.6.2	Policy on Administrative Separation of the President and the Chancellor	Amended 1/25/24 Redline version attached
300.2.1	Policy on Employees Exempt from the North Carolina Human Resources Act	Repealed 1/25/24 Redline version attached
300.2.2	Policy on Conflict of Interest and Commitment	Amended 1/25/24 Redline version attached
300.2.8	Policy on Faculty Military Leave	Repealed 1/25/24 Redline version attached
300.2.10	Policy on Faculty Community Service Leave	Repealed 1/25/24 Redline version attached

300.2.11	Policy on Serious Illness and Disability Leave for Faculty	Repealed 1/25/24 <i>Redline version attached</i>
300.2.13	Supplemental Pay Policy for Employees Exempt from the North Carolina Human Resources Act	Amended 1/25/24 <i>Redline version attached</i>
300.2.14	Policy on Non-Salary and Deferred Compensation	Amended 1/25/24 <i>Redline version attached</i>
300.2.22	Policy on Leave Programs for Faculty and Staff Exempt From the North Carolina Human Resources Act	Adopted 1/25/24
300.5.1	Policy on Political Activities of Employees	Amended 1/25/24 <i>Redline version attached</i>
300.7.4	Policy on Offering Roth 403(b) Accounts	Repealed 1/25/24 <i>Redline version attached</i>
400.3.1	Policy on Teaching Effectiveness in the University of North Carolina	Adopted 1/25/24
400.3.3	Policy on Performance Review of Tenured Faculty (Post-Tenure Review)	Adopted 1/25/24
600.3.4	Policy on the Delegations of Authority and Granting of Management Flexibility on Human Resources Matters	Amended 1/25/24 <i>Redline version attached</i>
1100.1	Policy on Intercollegiate Athletics	Amended 1/25/24 <i>Redline version attached</i>

The actions taken on the above policies were reviewed and approved by the Board of Governors for inclusion in the UNC Policy Manual following the January 2024 Board of Governors meetings.

The entire UNC Policy Manual is accessible at: <https://www.northcarolina.edu/apps/policy/index.php>

CHAPTER VI- ACADEMIC FREEDOM AND TENURE

SECTION 600. FREEDOM OF INQUIRY AND RESPONSIBILITY WITHIN THE UNIVERSITY COMMUNITY.

(1) The University of North Carolina System is dedicated to the transmission and advancement of knowledge and understanding. Academic freedom is essential to the achievement of these purposes. The University therefore supports and encourages freedom of inquiry for faculty members and students, to the end that they may responsibly pursue these goals through teaching, learning, research, discussion, and publication, free from internal or external restraints that would unreasonably restrict their academic endeavors.

(2) The University and each constituent institution shall protect faculty and students in their responsible exercise of the freedom to teach, to learn, and otherwise to seek and speak the truth.

(3) Faculty and students of the University of North Carolina System shall share in the responsibility for maintaining an environment in which academic freedom flourishes and in which the rights of each member of the academic community are respected.

SECTION 601. ACADEMIC FREEDOM AND RESPONSIBILITY OF FACULTY.

(1) It is the policy of the University of North Carolina System to support and encourage full freedom, within the law, of inquiry, discourse, teaching, research, and publication for all members of the academic staffs of the constituent institutions. Members of the faculty are expected to recognize that accuracy, forthrightness, and dignity befit their association with the University and their position as faculty members. They should not represent themselves, without authorization, as spokespersons for the University of North Carolina System or any of its constituent institutions.

(2) The University and its constituent institutions shall not penalize or discipline members of its faculties because of the exercise of academic freedom in the lawful pursuit of their respective areas of scholarly and professional interest and responsibility.

SECTION 602. ACADEMIC TENURE; NON-DISCIPLINARY SEPARATION.¹

(1) To promote and protect the academic freedom of its faculty, the board of trustees of each constituent institution shall adopt policies and regulations governing academic tenure. Policies adopted by a board of trustees regarding academic tenure and promotion shall be effective upon review by the senior vice president for academic affairs and the vice president and general counsel and approved by the president. The chancellor, or their designee, shall review the constituent institution's tenure policies periodically, but at least every five years, and shall report to the president whether or not amendments or revisions are appropriate. The chancellor shall involve the faculty in this review; however, the chancellor shall make the final decision regarding any proposed amendments or revisions.

(2) In all instances, the tenure conferred on a faculty member is held with reference to

employment by a constituent institution, rather than to employment by the University of North Carolina System.

(3) The tenure policies and regulations of each constituent institution² shall prescribe the procedures by which decisions concerning appointment, reappointment, promotion, and the conferral of permanent tenure shall be made. The length of terms of appointment that do not carry permanent tenure and those faculty ranks or titles whose holders shall be eligible for permanent tenure shall be prescribed. The institutional policies and regulations also shall prescribe the intervals at which the review of candidates for reappointment and promotion, including the conferral of permanent tenure, shall occur. The tenure policies and regulations of each institution, which shall include the complete text of Chapter VI of *The Code*, shall be published by the institution in a manner accessible to faculty members.

(4) The tenure policies and regulations of each institution shall set forth the general considerations upon which appointment, reappointment, promotion, and permanent tenure are to be recommended. The institutional regulations shall provide that these considerations shall include an assessment of at least the following: the faculty member's demonstrated professional competence, the faculty member's potential for future contribution, and institutional needs and resources.

(5) The institutional policies and regulations shall specify that permanent tenure may be conferred only by action of the president and the Board of Governors, or by such other agencies or officers as may be delegated such authority by the Board of Governors, which may include the constituent institution's board of trustees.³

(6) Institutional tenure policies and regulations shall distinguish among the following:

(a) The nonreappointment (or nonrenewal) of a faculty member at the expiration of a specified term of service;

(b) The discharge for cause of a faculty member with permanent tenure or of a faculty member appointed to a specified term of service before that term expires for reasons of (i) incompetence, (ii) neglect of duty, or (iii) misconduct of such a nature as to indicate that the individual is unfit to continue as a member of the faculty, as specified in Section 603 of *The Code*;

(c) The termination of employment for reasons of institutional financial exigency or major curtailment or elimination of a teaching, research, or public-service program of a faculty member who has permanent tenure, or of a faculty member who has been appointed to a specified term of service before that term expires; and

(d) The non-disciplinary separation from employment of a faculty member with permanent tenure or of a faculty member appointed to a specified term of service before the term expires when:

(i) the faculty member is unable to perform the essential functions of the job due to a medical condition or the vagueness of a medical prognosis and the university and the faculty member are unable to reach agreement on a return-to-work arrangement that meets both the needs of the university and the faculty member's condition, and the university has demonstrated a business or operational need to fill the faculty member's position; or

(ii) notwithstanding any unexhausted leave credits and leave benefits, the faculty member is unable to perform all of the position's essential duties due to a court order, or due to the loss of credentials or certification required for the position and that would render the faculty member unable to perform all of the essential functions of the job.

A separation under this subsection (d) is not considered to be disciplinary. A faculty member may file a grievance pursuant to Section 607 with respect to a non-disciplinary separation under this subsection. In the event that such a grievance is filed, the burden shall be on the university (rather than the grievant) to demonstrate that the faculty member was unavailable based on one of the grounds listed in (d)(i) and (ii) and that the university took reasonable steps to avoid separation.

(e) Retirement or Phased Retirement.

(7) Institutional tenure policies and regulations shall provide that the appointment, reappointment, or promotion of a faculty member to a position funded in whole or in substantial part from sources other than continuing state budget funds or permanent trust funds shall specify in writing that the continuance of the faculty member's services, whether for a specified term or for permanent tenure, shall be contingent upon the continuing availability of such funds. The institutional tenure policies and regulations may make one or more of the following exceptions to the foregoing contingency requirement:

(a) That such a contingency shall not be included in a promotion to a higher rank if, before the effective date of that promotion, the faculty member had permanent tenure and no such condition is attached to the tenure.

(b) That such a contingency shall not be attached to the faculty member's contract if the faculty member held permanent tenure in that institution on July 1, 1975, and the contract was not contingent upon the continuing availability of sources other than continuing state budget or permanent trust funds.

(c) That such a contingency may be waived for health affairs faculties because of the unusual dependence of programs in the health professions on income from sources such as clinical receipts.

If a faculty member's appointment is terminated because of the nonavailability of these funds, the institution will make every reasonable effort to give the same notice as set forth in Section 605 B(1). This notice shall include the pertinent data upon which the termination is based.

(8) The tenure policies and regulations of each institution shall be subject to approval by the president. The president periodically shall review and re-evaluate these policies and regulations and report findings and recommendations, if any, to the Committee on University Personnel and through the committee to the Board of Governors.

SECTION 603. DISCIPLINARY DISCHARGE, SUSPENSION OR DEMOTION⁴.

(1) A faculty member who is the beneficiary of institutional guarantees of academic tenure shall enjoy protection against unjust and arbitrary application of formal discharge, suspension, or demotion. During the period of such guarantees the faculty member may be discharged from employment, suspended without pay, or demoted in rank for reasons of:

(a) Incompetence, including significant, sustained unsatisfactory performance after the faculty member has been given an opportunity to remedy such performance and fails to do so within a reasonable time;

(b) Neglect of duty, including but not limited to, the sustained failure to: meet assigned classes, respond to communications from individuals within the faculty member's supervisory chain, report to their employment assignment and by continuing to be absent for fourteen (14) consecutive calendar days without being excused by their supervisor, or to perform other essential duties of their position or

(c) Misconduct of such a nature as to indicate that the individual is unfit to continue as a member of the faculty, including violations of professional ethics or engaging in other unethical conduct; violation of university policy or law; mistreatment of students or employees; research misconduct; financial or other fraud; or criminal, or other illegal or inappropriate conduct. To justify formal discharge, suspension, or demotion, such misconduct should be either (i) sufficiently related to a faculty member's responsibilities as to disqualify the individual from effective performance of job duties, or (ii) sufficiently serious as to adversely reflect on the individual's honesty, trustworthiness or fitness to be a faculty member.

Formal discharge, suspension, or demotion may be imposed only in accordance with the procedures prescribed in this section. For impositions of formal discharge, suspension, or demotion under this section of *The Code*, a faculty member serving a stated term shall be regarded as having tenure until the end of that term. These procedures shall not apply to Non-Reappointment, Denial of Tenure, and Denial of Promotion as provided in Section 604, Separation Due to Financial Exigency or Program Curtailment as provided in Section 605, a grievance as provided in Section 607, or any other lesser employment action that is not a formal discharge, suspension, or demotion.

(2) Procedures for the Imposition of Discharge, Suspension, or Demotion.

(a) "Notice of Intent to Discharge, Suspend, or Demote"

The chief academic officer of the institution, however titled, shall send the faculty member a written notice of intention to discharge, suspend, or demote a faculty member. The letter must include: (i) the proposed date of discharge, suspension, or demotion; (ii) specific reasons for discharge, suspension, or demotion; (iii) the faculty member's right to request a disciplinary hearing; and (iv) the deadline and process for the faculty member to request a disciplinary hearing in writing. The notice shall be provided in such a manner that provides proof of delivery. At any point during these procedures, the chancellor or the chief academic officer shall have the discretion to either reassign the faculty member to other duties or to place the faculty member on administrative leave with pay. Reassignment or placement of a faculty member on administrative leave with pay is not a disciplinary action.

(b) If, within 14 calendar days after receiving the notice, the faculty member makes no written request for a disciplinary hearing, the discharge, suspension, or demotion, shall be final and without recourse to any institutional grievance or appellate procedure.⁵

(c) If the faculty member makes a timely written request for a disciplinary hearing, the chancellor shall ensure a process is in place so that the hearing is timely accorded

before an elected standing committee of the institution's faculty. The hearing shall be on the written specification of reasons for the discharge, suspension, or demotion. The hearing committee shall accord the faculty member at least 30 calendar days from the time it receives the faculty member's written request for a disciplinary hearing to schedule the hearing. The hearing committee may, upon the faculty member's written request and for good cause, extend any campus-imposed deadline by written notice to the faculty member. The disciplinary hearing committee will ordinarily endeavor to complete the disciplinary hearing within 90 calendar days except under unusual circumstances such as when a disciplinary hearing request is received during official university breaks and holidays and despite reasonable efforts the disciplinary hearing committee cannot be assembled.⁶

(d) The disciplinary hearing shall be closed to the public. The faculty member shall have the right to counsel, to present the testimony of witnesses and other evidence, to confront and cross-examine adverse witnesses, to examine all documents and other evidence, and to make argument. A written transcript of all proceedings shall be kept; upon request, a copy of the transcript shall be furnished to the faculty member at the institution's expense.

(e) The chief academic officer, or designee, and/or counsel, may participate in the disciplinary hearing to present testimony of witnesses and other evidence, to cross-examine witnesses, to examine all documents and other evidence, and to make argument.

(f) The disciplinary hearing committee shall make written recommendations to the chancellor within 14 calendar days after its hearing concludes or after the full transcript is received, whichever is later. In reaching its written recommendations to the chancellor, the committee shall consider only the evidence presented at the disciplinary hearing and such written or oral arguments as the committee, in its discretion, may allow. The institution has the burden to prove by a showing of "clear and convincing" evidence that it had permissible grounds for the discharge, suspension, or demotion.

(g) Following receipt of the disciplinary hearing committee's written recommendations, the decision as to whether to discharge, suspend, or demote the faculty member is the chancellor's and shall be effective as of the date of the chancellor's decision and the institution's obligation to continue paying the faculty member's salary shall cease upon issuance of the chancellor's decision. If the chancellor decides to discharge, suspend, or demote the faculty member, the faculty member may appeal the decision to the board of trustees. An appeal to the board of trustees must contain a brief statement that alleges one or more of the following as the basis for the appeal: (1) that the process for making the decision was materially flawed; (2) that the result reached by the chancellor was clearly erroneous; or (3) that the decision was contrary to controlling law or policy. If the faculty member elects to appeal the chancellor's decision to the board of trustees, this appeal shall be transmitted through the chancellor and be addressed to the chair of the board. Notice of appeal shall be filed with the board of trustees by certified mail, return receipt requested, or by another means that provides proof of delivery, within 14 calendar days after the faculty member receives the chancellor's decision.

(3) Appeals of Decisions Imposing Discharge, Suspension, or Demotion. The appeal to the

board of trustees shall be decided by the full board of trustees. However, the board may delegate the duty of conducting an initial review to a standing or ad hoc committee of at least three members. The board of trustees, or its committee, shall consider the appeal based on the record of the proceedings below, and may, in its discretion, consider written or oral arguments, subject to any policies, regulations or guidelines as may be adopted by the Board of Governors, president, or board of trustees. The board of trustees' decision shall be made as soon as reasonably possible after the chancellor has received the faculty member's appeal to the trustees. This decision shall conclude the University's appeals process.

(4) The procedures prescribed herein shall take effect with any discharge, suspension, or demotion occurring on or after August 1, 2023.

SECTION 604. NON-REAPPOINTMENT, DENIAL OF TENURE, AND DENIAL OF PROMOTION. ⁷

604 A. Decisions Subject to Notice.

(1) The following faculty employment decisions are subject to notice as provided by this section:

- (a) Decision not to reappoint a tenure track faculty member after the initial contract period ("Non-Reappointment");
- (b) Decision not to confer tenure to a tenure track faculty member ("Denial of Tenure"); and
- (c) Decision not to promote in rank a tenure track faculty member or a tenured faculty member ("Denial of Promotion").

604 B. Notice of Decisions.

(1) Non-Reappointment. For a non-reappointment of a tenure track faculty member, the faculty employment decision shall be made by the appropriate institutional faculty and administrative officers early enough to permit reasonable notice to be given. For a full time, tenure track faculty member, timely notice shall be as follows:

- (a) During the first year of service at the institution, the faculty member shall be given not less than 60 calendar days' written notice before the specified term contract expires;
- (b) During the second year of continuous service at the institution, the faculty member shall be given not less than 90 calendar days' written notice before the specified term contract expires; and
- (c) After two or more years of continuous service at the institution, the faculty member shall be given not less than 12 months' written notice before the specified term contract expires.

(2) Denial of Tenure. For Denial of Tenure the faculty member shall be given not less than 12 months' written notice before the faculty member's appointment expires.

(3) Denial of Promotion. For Denial of Promotion in rank, the faculty member shall be given written notice within a reasonable time following the final faculty employment decision not to promote.

604 C. Review of Decisions.

(1) Campus-Based Review. Subject to limitations contained in *The Code* and the policies of the Board of Governors, each constituent institution shall have a procedure whereby a tenure track faculty member may seek review of a decision regarding non-reappointment, promotion, and tenure as provided in Section 604A. Such procedures shall at a minimum provide for the following:

(a) The faculty member shall have at least 30 calendar days upon receiving the notice of the decision to request a review of the decision on the grounds that the faculty employment decision was based on an Impermissible Basis (as defined herein). If the faculty member does not request review of the decision within the campus-defined timeframe, the decision shall be final without recourse to any further review or appeal.

(b) If the faculty member files a request for review within the campus-specified timeframe, the chancellor shall ensure a process is in place so that a review by a standing committee of the institution's faculty occurs within a reasonable time from the request for review. The institution and faculty member should endeavor to complete the review within 90 days from the request for review.

(c) In reaching written recommendations to the chancellor, the review committee shall consider only the evidence presented by the faculty member and a representative of the university, including the written record of the decision. The faculty member shall have the burden to prove by a preponderance of the evidence that the decision was based on an Impermissible Basis.

(d) Impermissible Basis. A decision under Section 604A shall not be based upon (1) the exercise by the faculty member of rights guaranteed by the First Amendment to the United States Constitution, or by Article I of the North Carolina Constitution; (2) the faculty member's membership in a group protected from discrimination under state or federal law; (3) other violation of state or federal law; or (4) material violation of applicable university policies for reappointment, promotion, and tenure that materially affected the decision. .

(2) Appeal to the Board of Trustees. If the chancellor concurs in a recommendation of the committee that is favorable to the faculty member, the chancellor's decision shall be final with no appeal available. If the chancellor either declines to accept a committee recommendation that is favorable to the faculty member or concurs in a committee recommendation that is unfavorable to the faculty member, the faculty member may appeal the chancellor's decision by filing a written notice of appeal with the board of trustees. This appeal shall be transmitted through the chancellor and be addressed to the chair of the board of trustees, by submitting such notice by certified mail, return receipt requested, or by another means that provides proof of delivery, within 14 calendar days after the faculty member's receipt of the chancellor's decision. The notice must contain a brief statement that alleges one or more of the following as the basis for the appeal: (a) that the campus-based process for reviewing the decision was materially flawed; (b) that the result reached by the chancellor was clearly erroneous; or (c) that the decision was contrary to controlling law or policy.

(3) The procedures prescribed in this section shall take effect with any faculty employment decision effective on or after August 1, 2023.

SECTION 605. SEPARATION DUE TO FINANCIAL EXIGENCY OR PROGRAM CURTAILMENT.

605 A. Definition.

The tenure policies and regulations of each institution shall provide that the employment of faculty members with permanent tenure or of faculty members appointed to a fixed term may be terminated by the institution because of (1) demonstrable, bona fide institutional financial exigency or (2) major curtailment or elimination of a teaching, research, or public-service program. "Financial exigency" is defined as a significant decline in the financial resources of the institution that is brought about by decline in institutional enrollment or by other action or events that compel a reduction in the institution's current operations budget. The determination of whether a condition of financial exigency exists or whether there shall be a major curtailment or elimination of a teaching, research, or public-service program shall be made by the chancellor, after consulting with the academic administrative officers and faculties as required by Section 605 C (1), subject to the concurrence by the president and then approval by the Board of Governors. If the financial exigency or curtailment or elimination of program is such that the institution's contractual obligation to a faculty member may not be met, the employment of the faculty member may be terminated in accordance with institutional procedures that afford the faculty member a fair hearing on that decision.⁸

605 B. Timely Notice of Termination.

(1) When a faculty member's employment is to be terminated because of major curtailment or elimination of a teaching, research, or public-service program and such curtailment or elimination of program is not due to financial exigency, the faculty member shall be given timely notice as follows:

(a) One who has permanent tenure shall be given not less than 12 months' notice; and

(b) One who was appointed to a fixed term and does not have permanent tenure shall be given notice in accordance with the requirements specified in Section 604 A(1).

(2) When a faculty member's employment is to be terminated because of financial exigency, the institution will make every reasonable effort, consistent with the need to maintain sound educational programs and within the limits of available resources, to give the same notice as set forth in Section 605 B(1).

(3) For a period of two years after the effective date of termination of a faculty member's contract for any of the reasons specified in Section 605 A, the institution shall not replace the faculty member without first offering the position to the person whose employment was terminated. The offer shall be made in such a manner that provides proof of delivery. . The faculty member will be given 30 calendar days after attempted delivery of the notice to accept or reject the offer.

605 C. Institutional Procedures.

The institution shall establish regulations governing termination procedures. These regulations shall include provisions incorporating the following requirements:

(1) If it appears that the institution will experience an institutional financial exigency or needs seriously to consider a major curtailment or elimination of a teaching, research, or public-service program, the chancellor or chancellor's delegate shall first seek the advice and recommendations

of the academic administrative officers and faculties of the departments or other units that might be affected.

(2) In determining which faculty member's employment is to be terminated for reasons set forth in Section 605 A, the chancellor shall give consideration to tenure status, to years of service to the institution, and to other factors deemed relevant, but the primary consideration shall be the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the institution.

(3) An individual faculty member whose employment is to be terminated shall be notified of this fact in writing. This notice shall include a statement of the conditions requiring termination of employment, a general description of the procedures followed in making the decision, and a disclosure of pertinent financial or other data upon which the decision was based.

(4) A reconsideration procedure shall be provided that affords the faculty member whose employment is to be terminated a fair hearing on the termination if the faculty member alleges that the decision to terminate was arbitrary or capricious.

(5) The institution, when requested by the faculty member, shall give reasonable assistance in finding other employment for a faculty member whose employment has been terminated.

(6) A faculty member whose employment is terminated pursuant to Section 605 may appeal the reconsideration decision to the board of trustees of the constituent institution.

SECTION 606. SEPARATION DUE TO RETIREMENT.

Faculty may retire in accordance with the provisions of Chapter 135 of the North Carolina General Statutes.

SECTION 607. FACULTY GRIEVANCE PROCESS.

(1) The chancellor of each constituent institution shall provide for the establishment of a faculty grievance committee. The faculty grievance committee shall be elected by the faculty with members elected from each professorial rank. No officer of administration shall serve on the committee. For purposes of this section, "officer of administration" shall be deemed to include deans, department chairs and department heads.

(2) The committee shall be authorized to hear grievances of members of the faculty.

(3) "Grievances" within the province of the grievance committee's power shall include matters directly related to a faculty member's terms and conditions of employment. Grievances must be based upon a decision made by an administrator in a supervisory role over the faculty member. The grievance must allege that the decision was in violation of federal or state law, or UNC Policy or Regulation, or constituent institution policy or regulation and that the faculty member was negatively affected by such decision. However, the grievance committee may not consider a matter that is subject to Section 603, Section 604, or Section 605 of *The Code*, or a matter that is not grievable as defined in UNC Policy 101.3.2[R].

(4) A faculty member who has a grievance may submit the grievance to the faculty grievance committee. The grievance committee shall decide whether the facts fall within the institution's grievance policy such that the grievance is reviewable by the committee; submission of a grievance shall not result automatically in consideration or review of the grievance.

(5) The chancellor shall make the final decision on a grievance. If the decision is not in favor of the faculty member, the decision may be appealed to the board of trustees of the constituent institution. The decision of the board of trustees is final.

SECTION 608. STUDENTS' RIGHTS AND RESPONSIBILITIES.

(1) The University of North Carolina System affirms that the first goal of each constituent institution is to educate the students admitted to its programs. The freedom of students to learn is an integral and necessary part of the academic freedom to which the University of North Carolina System and its constituent institutions are dedicated. Each constituent institution shall provide, within allotted functions and available resources, opportunity for its students to derive educational benefits through developing their intellectual capabilities, encouraging their increased wisdom and understanding, and enhancing their knowledge and experience applicable to the effective discharge of civic, professional, and social responsibilities. No constituent institution shall abridge either the freedom of students engaged in the responsible pursuit of knowledge or their right to fair and impartial evaluation of their academic performance.

(2) All students shall be responsible for conducting themselves in a manner that helps to enhance an environment of learning in which the rights, dignity, worth, and freedom of each member of the academic community are respected.

(3) In applying regulations in the area of student discipline, each constituent institution shall adhere to the requirements of due process as set forth in Section 502 D(3) of *The Code*.

SECTION 609. JURISDICTION OF THE BOARD OF GOVERNORS.

609 A. Discretionary Review.

The Board of Governors may make such inquiry and review into matters as it may from time to time deem appropriate; provided, however, that the Board of Governors shall not review matters or actions that are subject to separate processes under Chapter VI or any other chapter of *The Code*, or for which a designated review, grievance, or hearing process has been established by the UNC Policy Manual, including but not limited to student disciplinary matters, research misconduct matters, other employment matters, first amendment matters, misuse of state funds reports, or audit and compliance matters. Moreover, it is the Board of Governors expectation that campus matters will be appropriately addressed at the constituent institution. Therefore, it is only in extraordinary circumstances, as solely determined by the Board of Governors that the Board of Governors will exercise its discretion to review any matter that has not first been brought to the attention of the designated institutional administrator, chancellor, or president for appropriate review and handling.

609 B. Hearings.

The Board of Governors may in its sole discretion conduct hearings. Any hearing, whether before the full Board or a designated standing or special committee of the Board, shall be limited to such matters as the Board of Governors shall deem appropriate.

609 C. Transmission of Appeals

All appeals addressed to or requests for hearings by the Board of Governors, from whatever source, shall be transmitted through the president.

SECTION 610. RIGHTS OF SPECIAL FACULTY MEMBERS

- (1) Faculty members who are appointed as visiting faculty members, adjunct faculty, lecturers, artists-in-residence, writers-in-residence, or other special categories are regarded as "special faculty members" for purposes of *The Code*. Special faculty members may be paid or unpaid.
- (2) Special faculty members who are paid shall be appointed for a specified term of service, as set out in writing in the letter of appointment. The term of appointment of any paid special faculty member concludes at the end of the specified period set forth in the letter of appointment, and the letter of appointment constitutes full and timely notice that a new term will not be granted when that term expires. The continued employment of a special faculty member during the term appointment may be made expressly contingent on items such as the continued availability of funding from any source, on enrollment levels, or any other contingency established by the institution, in which case the appointment letter must state such contingency.
- (3) Special faculty members who are not paid may be appointed for a specified term of service or at will. Their pay and appointment status should be set out in the letter of appointment.
- (4) During the term of their employment, paid special faculty members are entitled to seek recourse under Section 607 of *The Code* (relating to faculty grievances).
- (5) Special faculty members, whether paid or unpaid, are not covered by Section 604 of *The Code*, and that section does not accord them rights to additional review of a decision by a constituent institution not to grant a new appointment at the end of a specified fixed term.

SECTION 611. APPOINTMENT OF AFFILIATE FACULTY

Institutions may confer honorary academic titles to outstanding individuals who have primary employment responsibility outside the university but provide professional expertise or contributions to an academic program. Such honorary academic appointments are necessary to recruit and recognize professionals, especially those in healthcare fields, to serve in critical roles such as preceptors for clinical clerkships or experiential learning. Processes for the selection and appointment of these unpaid faculty roles must reside outside the tenure policies and regulations of each constituent institution as these appointments are not eligible for permanent tenure and shall not be entitled to any rights under any other Section of this Chapter.

SECTION 612. REVIEW OF PERSONNEL ACTIONS AFFECTING SPECIFIED EMPLOYEES EXEMPT FROM THE NORTH CAROLINA HUMAN RESOURCES ACT (EHRA)

- (1) Review Processes. Certain non-faculty employees, as described in subsection (1)(b) below who are exempt from the North Carolina Human Resources Act, may seek review under procedures provided for by this section in the event that the employee is discontinued, terminated, or discharged from employment, or suffers other adverse employment action. Each constituent institution shall develop procedures applicable to employees of the constituent institution, and the UNC System Office shall develop procedures applicable to those of its employees who are covered by this section. Such procedures shall, at a minimum, provide for the following:
 - (a) A reasonable time within which an employee or former employee may file a request for review, after receiving notice of an employment action covered by this

section. If the employee or former employee does not timely file a written request for review, then the employment action is final without recourse to any institutional grievance, review, or appeal.

(b) ~~Exempt Professional Staff as defined in Section 300.1.1 I.C. who are not commissioned police officers~~ may seek review of personnel actions based on allegations;

(i) Notice

(A) ~~For violations of applicable notice requirements set out in Section 300.1.1 of the UNC Policy Manual; or~~

(ii) Equal Employment Opportunity and Protected Activity

(A) ~~For violations of any provision of subsections III.D. or E. of Section 300.1.1 of the UNC Policy Manual; or~~

(iii) Discharge for Cause, Other Formal Discipline, Policy Interpretation/ Application

(A) ~~For discharge for cause or other formal disciplinary action, or for interpretation and application of a policy provision, all pursuant to and limited by subsection III.C of Section 300.1.1 of the UNC Policy Manual, a review may be sought only if the employee alleges the discharge, formal discipline, or policy interpretation, or application was illegal or violated a policy of the Board of Governors.~~

(c) If the employee or former employee timely files a written request for review, the president (as to an employee of the UNC System Office) or chancellor (as to an employee of a constituent institution), shall ensure a process is in place so that a hearing is timely accorded before a hearing committee.

(d) In reaching decisions on which its written recommendations to the president (as to an employee of the UNC System Office) or chancellor (as to an employee of a constituent institution), as appropriate, shall be based, the committee shall consider only the evidence presented at the hearing and such written or oral arguments as the committee, in its discretion, may allow. The employee or former employee has the burden of proof. In evaluating the evidence, the committee shall use the standard of preponderance of the evidence (which is the same as the "greater weight of the evidence").

(2) Appeal to the Board of Trustees or Board of Governors.

(a) For employees of a constituent institution, if the chancellor concurs in a recommendation of the committee that is favorable to the employee, the chancellor's decision shall be final. If the chancellor either declines to accept a committee recommendation that is favorable to the employee or concurs in a committee recommendation that is unfavorable to the employee, the employee may appeal within 14 calendar days after receiving the chancellor's written decision, by filing with the chancellor for transmission to the board of trustees a written notice of appeal, including a brief statement of the basis for the appeal, by certified mail, return receipt requested, or by another means that provides proof of delivery, and alleges as set out in subsection (1)(b), above. The decision of the board of trustees is final with no further appeal.

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Deleted: (B) ~~For the other employees exempt from the North Carolina Human Resources Act defined directly above in subsection (ii), for violations of any provision of sections V., or VI., of Section 300.2.1 of the UNC Policy Manual; or~~

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(B) ~~For the other employees exempt from the North Carolina Human Resources Act defined above in subsection (ii), for discharge for cause or other formal disciplinary action, or for interpretation and application of a policy provision, all pursuant to and limited by Section 300.2.1 IV. of the UNC Policy Manual; or~~
Except that for both groups such

(b) For employees of the UNC System Office, if the president concurs in a recommendation of the committee that is favorable to the employee, the president's decision shall be final. If the president either declines to accept a committee recommendation that is favorable to the employee or concurs in a committee recommendation that is unfavorable to the employee, the employee may appeal within 14 calendar days after receiving the president's written decision, by filing with the president for transmission to the Board of Governors a written notice of appeal, including a brief statement of the basis for appeal, by certified mail, return receipt requested, or by another means that provides proof of delivery, and alleges as set out in subsection (1)(b) above. The decision of the Board of Governors is final with no further appeal.

¹ Pursuant to G.S. 116-11(13), and notwithstanding *The Code* or any other Board of Governors policy, the Board of Governors delegates certain authorities to the president of the UNC System. See Section 200.6, *Delegation Authority to the President of the University*.

² Because of the unique character and mission of the University of North Carolina School of the Arts and of the North Carolina School of Science and Mathematics, the requirement that the institution adopt tenure policies will be satisfied at those institutions by an employment system based on renewable contracts, which system need not provide for the traditional faculty ranks. Wherever the phrase "tenure policies and regulations" is used in this chapter, it shall mean, for the University of North Carolina School of the Arts and for the North Carolina School of Science and Mathematics, the faculty employment policies of those schools. Wherever the phrase "tenured faculty" is used in this chapter and in the Policies of the Board of Governors, it shall mean, for those schools, a faculty member holding a fixed-term contract.

³ See Footnote 1, above.

⁴ A demotion as defined in this Section shall not include a demotion that results in the loss of a faculty member's tenure.

⁵ In computing any period of time, the day in which notice is received is not counted but the last day of the period being computed is to be counted.

⁶ To meet this deadline, faculty are encouraged to consider scheduling hearings during the evening, weekend, or other non-class time. It is strongly recommended that several days and times be established for the hearing when scheduling the first day, for the eventuality that the hearing may take two or more sessions.

⁷ Because of the unique character and mission of the University of North Carolina School of the Arts and of the North Carolina School of Science and Mathematics, regular faculty holding fixed-term contracts at those institutions are entitled to the rights afforded in this section.

⁸ Because of the unique character and mission of the North Carolina School of Science and Mathematics, when the employment of a faculty member is to be terminated during or at the conclusion of a fixed-term contract because of major curtailment or elimination of a teaching, research, or public-service program that is not founded upon financial exigency, written notice shall be given no later than the November 1 prior to termination. When faculty employment is to be terminated during or at the conclusion of a fixed-term contract because of financial exigency, the school shall make every reasonable effort, consistent with the need to maintain sound educational programs and within the limits of available resources, to give notice no later than the November 1 prior to termination. Terminations at the end of a fixed-term contract for the reasons stated above in this footnote are not subject to Section 604 of *The Code*, but instead are subject to Section 605.

The UNC Policy Manual
200.1
Adopted 05/11/84
Amended 06/09/89
Amended 09/08/89
Amended 05/11/91
Amended 06/08/01
Amended 11/09/07
Amended 09/18/09
Amended 12/15/17
Technical Corrections 04/25/19
Amended 04/20/23
Amended __/__/23

Dual Memberships and Conflicts of Interest

The Board of Governors seeks at all times to be fair and impartial in carrying out its responsibilities and tries to avoid even the appearance of partiality or undue influence. To promote this objective the following guidelines are adopted as board policy and recommended to the members for their guidance:

1. Service on Foundation Boards or Boards of Visitors of Constituent Institutions

Members of the Board of Governors may, from time to time, be asked to serve simultaneously on a foundation board or a board of visitors or some similar board for one of the 16 constituent institutions. No matter how conscientious or successful a member may be in maintaining impartiality among constituent institutions, service on such a board will undoubtedly be construed by some as showing favoritism. It is also felt that some institutions will feel pressure to name members of the Board of Governors to such boards if service on them becomes commonplace. For these reasons members of the Board of Governors are encouraged to decline any such service.

2. Service on Boards of Private Colleges and Universities

Members of the Board of Governors may be asked to serve simultaneously on the board of a private college or university in North Carolina. While such an invitation is always an honor, there are potential areas of conflict in such dual memberships. A member should satisfy himself or herself that dual service will not interfere with his or her obligations either to the University of North Carolina or to the private institution.

3. Inquiries Concerning Admissions and Job Openings

From time to time a member of the Board of Governors may wish to inquire, either directly or through an officer of the University, about a job opening in the University or about the admission of an individual to an institution or to a program. Sometimes a Board member is asked to write a letter of recommendation on behalf of a candidate for a job or for admission. It is highly inappropriate to use one's position on the Board of Governors in an attempt to influence employment or admissions. It is not inappropriate, however, for a member to make inquiries or to write letters of recommendation on the member's personal or business stationery. It should always be clear that the Board member is not seeking a favor and understands that the decision in all cases will be made strictly on the merits.

4. Appointments by the Board of Governors

In order to avoid any appearance of undue influence, the Board of Governors will not consider for

membership on any board to which it makes appointments any person who is a spouse of a Board of Governors member, a brother or a sister or a lineal ancestor or descendant of a member, or the spouse of any such person. This policy shall not apply, however, to any person who may have been elected or appointed to any such board prior to the time the related person became a member of the Board of Governors. Nor shall the policy apply to any person who may already be serving on any such board at the time of the adoption of the policy. The boards to which this policy shall apply include the boards of trustees of the constituent institutions and all boards to which the Board of Governors make appointments.

5. Inappropriate Advantage Derived from Board Membership

a. Purpose. It is of critical importance that decisions made on behalf of the University by its governors, trustees, chief executive officers, and chief finance officers be in the best interest of the University and not be influenced by any potential financial gain to the decision-makers. Furthermore, to assure public confidence in the integrity of the University, it is important that the University not appear to be influenced by the personal financial interests of those in decision-making positions. The purpose of this policy is assure public confidence in the integrity of the University by preventing members of the governing boards and chief executive and finance officers of the University from using their positions, or appearing to use their positions, to influence the decisions of the University for their personal financial gain while at the same time allowing the University to take advantage of contracts that are advantageous to the citizens of North Carolina and to the University and also avoiding having service to the University be so restrictive that persons with substantial financial interests will be reluctant to serve.

b. Definitions

As used in this policy, the following terms have the following meanings:

- i. "Business entity" means a "business" as defined in [G.S. 138A-3\(5\)](#)¹ or a not for profit corporation.
- ii. "Person" means a member of the Board of Governors or of a board of trustees of a constituent institution, the vice president for finance, a chancellor, or the chief finance officer of a constituent institution.
- iii. "Substantial interest" means any of the following:
 - 1. A "business with which associated" as that term is defined in G.S. [138A-3\(7\)](#)², except that ownership of more than \$10,000 in a publicly traded corporation by itself is not a substantial interest; or
 - 2. A "nonprofit corporation or organization with which associated" as that term is defined in G.S. [138A-3\(54\)](#)³, except that uncompensated service as a director, officer, or trustee of a not for profit corporation is not a substantial interest.
- iv. "The University" as applied to members of the Board of Governors, the president, and the vice president for finance means the University of North Carolina System Office (UNC System Office) or any of the constituent institutions. The University as applied to members of the boards of trustees, a chancellor, or a chief finance officer of a constituent

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institution means the constituent institution on whose board of trustees the member serves or at which the chancellor or chief finance officer is employed.

c. Requirements

i. Each person must contemporaneously submit to the vice president of finance, each Statement of Economic Interests that the person files with the State Ethics Commission pursuant to G.S. [138A-22](#). These disclosure statements are public records.

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ii. Whenever a person has actual knowledge that a business entity in which the person has a substantial interest is attempting or planning to enter, is entering, or has entered into a contract with the University, the person must report the nature of the person's substantial interest and the nature of the contract to the chief finance officer of the institution that is or would be a party to the contract. If the person is a chief finance officer, then the chief finance officer must make this report to the chancellor or to the president of the institution that is or would be a party to the contract. Reports required by this paragraph shall be in writing and will be public records retained by the respective chief finance officers.

iii. The University will not enter into a contract with a value of \$10,000 or more, or with expected payments of \$10,000 or more per year, with a business entity in which a person has a substantial interest, unless one of the exceptions in paragraph c.iv., applies. A person will not in any way:

1. Participate in making a contract;
2. Attempt to cause or influence the University to make a contract; or
3. Attempt to influence the contract specifications or contracting process concerning a contract between a business entity in which the person has a substantial interest and the University.

The vice president for finance and the respective chief finance officers of the constituent institutions are responsible for determining whether the University is entering into a contract with a value of \$10,000 or more with a business entity in which a person has a substantial interest.

iv. [Unless otherwise prohibited by state or federal law](#), the restrictions on entering into a contract in paragraph c.iii., do not apply if the person with the substantial interest does not participate in making or administering the contract and:

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1. The contract results from a competitive sealed bid or a competitive request for proposals with specifications and criteria;
2. The contract is for goods or services sold or provided to the general public at a uniform price or is for goods on state contract sold to state agencies at a uniform price, unless the contract is prohibited by state law;
3. The contract is an employment contract with the dependent child or spouse of the president, the vice president for finance, a chancellor, or chief finance officer, or the dependent child of a member of the Board of Governors or

a board of trustees and the employment is allowed under Section 300.4.2 of the UNC Policy Manual;

4. The contract is with a bank or a public utility; or

5. The committee of the Board of Governors or of the relevant board of trustees designated pursuant to paragraph d.i., below, finds that the contract is in the best interest of the University. Examples of when a contract might be in the best interest of the University include, but are not limited to, when it has financially advantageous terms, when the goods or services to be provided are demonstrated to be unique, or when the contract is a continuation of a contract that was in effect before the person with the substantial interest became affiliated with the University.

v. If a person is an employee or agent of a business entity, the person shall not attempt to influence the University to enter into a contract with the business entity that employs or retains the person.

vi. A person shall not attempt to influence the administration of or payments under a contract between the University and a business entity in which the person has a substantial interest or between the University and the person's employer.

vii. No person shall disclose or use confidential information or information concerning economic development or technology research or development which the person received in the person's capacity as a board member or employee of the University for the person's financial gain.

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viii. No person shall accept a gift or favor from a business entity, or the principal in a business entity, which has entered into a contract with the University within the past year, who currently has a contract with the University, or who intends to attempt to enter into a contract with the University if the person:

1. Has or will prepare plans, specifications, criteria or estimates for the contract;
2. Awards, approves, negotiates, or administers the contract; or
3. Inspects or supervises the contract.

This paragraph does not prohibit receipt of gifts which would be permitted under G.S. 133-32 or G.S. 138A-32.

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ix. A person shall not represent, as attorney, agent, or trustee, a third party who has an adverse relationship with the University. A person shall attempt to dissuade a firm or business entity in which the person has a substantial interest from engaging in representation adverse to the University.

d. Procedures

i. The chair of the Board of Governors and each chair of a board of trustees shall designate a standing committee to determine whether a potential conflict is a permissible or impermissible activity and to make recommended findings to the respective board of trustees or Board of Governors as to whether this policy has been violated.

ii. Potential conflicts:

1. Any person who receives a report of a potential conflict shall forward that report to the chief finance officer of the institution that is or would be a party to the contract.

2. If the person with the substantial interest claims or the chief finance officer believes that the contract is permissible pursuant to paragraph c.iv.1., 2., 3., or 4., above, the determination of whether the contract is permissible or impermissible may be made by the respective president or chancellor, or the president or chancellor may request that the designated committee make the determination. Any determination by the president or a chancellor shall be in writing and shall be a public record.

3. If the person claims that the contract is permissible pursuant to paragraph c.iv.5., above, because the contract is in the best interest of the University, or if a chancellor or the president refers a conflict question to the committee, then the designated committee shall determine whether the proposed contract is a permissible or impermissible activity under this policy and shall enter its determination in the minutes of its proceedings.

4. If the person who has the potential conflict is a member of the designated committee, the person shall not participate in the deliberations of the committee, other than to present the relevant facts to the committee, and shall abstain from voting.

iii. Allegations of conflict

1. If any person or any senior academic or administrative officer (SAAO) becomes aware or alleges that a person covered by this policy has violated this policy, the person shall report the alleged violation to the chancellor or President of the institution that is or would be a party to the contract.

2. The person who receives the allegation shall forward the allegation:

a. To the designated committee of the board of trustees or of the Board of Governors if the person alleged to have violated this policy is a member of that board;

b. To the designated committee of the Board of Governors if the president is alleged to have violated this policy;

c. To the president if the person alleged to have violated this policy is a chancellor or the vice president for finance; or

d. To the respective chancellor if the person is a chief finance officer of that constituent institution.

3. If the person alleged to have violated the policy is the President or a member of a Board of Governors or of the board of trustees, then the designated committee will determine whether or not the policy has been violated. The chairperson of the designated committee will designate an individual to investigate the allegations and to make a report to the committee. After considering the report of the investigation and any response by the person alleged to have violated the policy, the committee shall make a determination as to whether the policy has been violated and, if so, a recommendation as to the appropriate sanction to the respective board of trustees or Board of Governors. The board of trustees or Board of Governors shall vote to affirm, reject, or modify the recommendation.

4. If the person who has the potential conflict is a member of the designated committee, the person shall not participate in the deliberations of the committee, other than to present the relevant facts and arguments to the committee on his own behalf, and shall abstain from voting.

5. A Board of Governors member, board of trustees member, or president who is alleged to have violated this policy is entitled to receive notice of the allegation, to be present to hear the report presented to the designated committee, and to inform the committee of any facts or arguments that demonstrate that he or she did not violate the policy.

6. If the vice president for finance, a chief finance officer or a chancellor is alleged to have violated this policy, that allegation will be investigated and acted upon in accordance with the procedures for disciplining, demoting, dismissing, or terminating the contract of employees of that position.

iv. The president will present this policy annually to the Board of Governors and will present it to new members at the beginning of their service. The chancellors will present this policy annually to their respective Boards of Trustees and will present it to new members at the beginning of their service.

e. Sanctions

i. If the Board of Governors or a board of trustees finds that one of its members has violated this policy, the Board may take one or more of the following actions:

1. Reprimand or censure the member;
2. Remove the person from any board office the person holds or from any committee chairmanship or assignment; and
3. Report the violation to the entity that appointed the member.

ii. If the Board of Governors finds that the president has violated this policy, the Board of Governors may discipline, demote or dismiss the president, as it deems appropriate.

iii. If the president finds that the vice president for finance has violated this policy, the president may discipline, demote, or dismiss the vice president, and shall report the violation and the action taken by the president to the Board of Governors.

iv. If the president finds that a chancellor has violated this policy, the president may discipline the chancellor and report the action taken to the Board of Governors and the relevant board of trustees, or the president may recommend to the Board of Governors that the employment of the chancellor be terminated and that the chancellor be demoted or dismissed.

v. If a chancellor finds that a chief finance officer has violated this policy, the chancellor may discipline, demote or dismiss the chief finance officer and shall report the violation and the action taken to the president and the board of trustees.

vi. Pursuant to North Carolina law, any contract between the University and an entity in which a person has a substantial interest which was entered into in violation of state laws governing conflicts of interest is void.

The provisions of Section 5 are effective July 1, 2001. Initial disclosure forms will be filed on or before October 1, 2001. The provisions of paragraph c.iii., will apply to all contracts entered into after January 1, 2002. The Statement of Economic Interest replaces all disclosure forms due to be filed on or after July 1, 2007; the initial Statement of Economic Interest for people employed or in office on January 1, 2008, must be submitted to the vice president for finance by April 15, 2008.

¹ G.S. ~~138A-3(5)~~ defines a "business" as, "Any of the following organized for profit:

- a. Association.
- b. Business trust.
- c. Corporation.
- d. Enterprise.
- e. Joint venture.
- f. Organization.
- g. Partnership.
- h. Proprietorship.
- i. Vested trust.
- j. Every other business interest, including ownership or use of land for income."

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² G.S. ~~138A-3(7)~~ Business with which associated. A business in which the covered person or filing person or any member of that covered person's or filing person's immediate family does any of the following:

- a. Is an employee.
- b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of the interest owned.
- c. Owns a legal, equitable, or beneficial interest of ten thousand dollars (\$10,000) or more in the business or five percent of the business, whichever is less, other than as a trustee on a deed of trust.
- d. Is a lobbyist registered under Article 8 of Chapter 163A of the General Statutes.

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For purposes of this subdivision, the term "business" shall not include a widely held investment fund, including a mutual fund, regulated investment company, or pension or deferred compensation plan, if all of the following apply:

- 1. The covered person, filing person, or a member of the covered person's or filing person's immediate family neither exercises nor has the ability to exercise control over the financial interests held by the fund.
- 2. The fund is publicly traded, or the fund's assets are widely diversified.

³ G.S. ~~138A-3(54)~~ Nonprofit corporation or organization with which associated. Any not for profit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the state primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes and of which the covered person, filing person, or any member of the covered person's or filing person's immediate family is a director, officer, governing board member, employee, lobbyist registered under Article 8 of Chapter 163A of the General Statutes or independent contractor. Nonprofit corporation or organization with which associated shall not include any board, entity, or other organization created by this State or by any political subdivision of this state.

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The UNC Policy Manual
200.5
Adopted 08/14/98
Replaced 05/14/04
Amended 09/08/05
Amended 09/09/16
Amended 11/19/20
Amended __/__/24

Policy on Legal Affairs; Initiating and Settling Potential and Pending Litigation

- I. Purpose. This policy governs legal affairs and the initiation and settlement of litigation within the University of North Carolina.
- II. Definitions. For purposes of this policy:
 - A. "Chancellor" means the administrative and executive head of a constituent institution of the University of North Carolina, as described in Section 502 of *The Code*.
 - B. "Constituent institution" means one of the 17 degree/diploma granting institutions that comprise the University of North Carolina.
 - C. "President" means the chief administrative and executive officer of the University of North Carolina, as described in Section 501 of *The Code*.
 - D. "University" means the University of North Carolina, a body politic and corporate defined as a single public multi-campus University composed of seventeen (17) constituent institutions and other educational, research, and public service organizations.
- III. Legal Counsel
 - A. The UNC System Office and the constituent institutions employ attorneys on staff, whose clients are their employing institutions, rather than individual University officers or employees in their personal capacities.
 - B. Every person employed within the University of North Carolina, including any of its constituent institutions, to serve as an attorney shall be licensed to practice law in the State of North Carolina at the time that the person is employed. If a person is licensed to practice law in another state, but is not licensed to practice law in the State of North Carolina, the person may be provisionally employed conditioned on the person's obtaining a license to practice law in North Carolina within one year after the date of the person's initial employment. The president is authorized to make an exception to this requirement if the particular position for which the person is employed requires that the person offer advice and counsel predominantly in areas of federal law.
 - C. Pursuant to N.C. Gen. Stat. § 116-11(13b) (hereinafter G.S.), the president shall, subject to University procedures, have the authority to (1) authorize the designation of legal counsel, including private counsel, to provide legal advice, counsel, and representation to the University of North Carolina, the constituent institutions, and University officers and employees in any legal

matter, case, or proceeding; and (2) authorize the expenditure of funds for private counsel or other outside counsel for the legal services they provide.

IV. Initiating and Settling Potential and Pending Litigation

A. By virtue of G.S. 116-3, the capacity and authority to initiate litigation, as well as to settle potential and pending litigation, in the name of the University, and on behalf of the constituent and affiliated institutions, lies exclusively with the Board of Governors. A constituent and affiliated institution has no independent capacity or authority to initiate litigation or to settle potential or pending litigation in its own name or in the name of the University of North Carolina.

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B. Potential or pending litigation may involve issues and claims that do not require the attention of the Board of Governors to approve their initiation or settlement. The Board of Governors therefore delegates the authority to initiate and settle potential and pending litigation only in the circumstances below:

1. A constituent institution may initiate litigation in the name of the University of North Carolina or the constituent institution if the amount in controversy is less than the jurisdictional amount for civil actions in superior court as set out in G.S. 7A-243 upon the approval of the chancellor. The University of North Carolina may initiate litigation concerning issues that do not arise at a constituent institution, or that arise at more than one constituent institution, if the amount in controversy is less than the jurisdictional amount for civil actions in superior court as set out in G.S. 7A-243 upon the approval of the president.

2. The Committee on University Governance may authorize the initiation of litigation in the name of the University of North Carolina if the amount in controversy is greater than the jurisdictional amount for civil actions in superior court, or if injunctive relief is sought.¹ A request to initiate litigation shall be made by the chancellor of a constituent institution, or by the request of the president for issues that do not arise at a constituent institution or that arise at more than one constituent institution. In an emergency, if a constituent institution or the University needs to seek an order from a court sooner than it is practical to call a meeting of the Governance Committee, the constituent institution or the University may initiate litigation on the authorization of the president or the senior vice president and general counsel of the University. The president or general counsel shall consult with the chair of the Committee on University Governance before authorizing the litigation if it is practical to do so. If emergency litigation is initiated without the authorization of the Committee on University Governance, the president, or the president's designee, shall inform the Committee on University Governance about the litigation at the committee's next regular or special meeting.

3. If a settlement of potential or pending litigation involving a constituent institution or the University of North Carolina:

a. Is for monetary relief, and if the amount that the University of North Carolina is to pay pursuant to an agreement to settle the potential or pending litigation is less than \$75,000, or if the University is to receive a payment, and the amount claimed was less than \$75,000, then the chancellor of a constituent institution is authorized to approve the settlement. If a matter did not arise at a

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constituent institution or involves more than one constituent institution, the president is authorized to approve the settlement.

b. Is for monetary relief, and if the amount that the University of North Carolina is to pay is \$75,000 or greater, or if the University will receive a payment, and the amount claimed was \$75,000 or greater, then the Committee on University Governance is authorized to approve the settlement.²

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c. Includes an agreement by the University, or one or more constituent institutions, to take, or refrain from taking, a specific action, and the agreement affects only the named parties in the litigation or parties reasonably anticipated to be named in potential litigation, such as actions that affect only named employees or students, then the president or the chancellor of the constituent institution may authorize the settlement agreement.

d. Includes an agreement by the University, or one or more constituent institutions, to take or refrain from taking a specific action which affects a group or class of people or which results in changing a University or constituent institution policy, procedure or regulation, then the Committee on University Governance is authorized to approve the settlement.

4. The Committee on University Governance may refer a request to initiate or settle potential or pending litigation to the Board of Governors, in the committee's discretion. The president may refer a request to settle potential or pending litigation to the Committee on University Governance in the president's discretion. If the president makes such a referral, the Committee on University Governance is authorized to decide the matter, or it may make a recommendation to the Board of Governors.

5. Any litigation initiated pursuant to this policy shall be reported to the Committee on University Governance and to 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.³

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6. Any settlement approved pursuant to this policy shall be reported to the Committee on University Governance and to 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 after the settlement is finalized.⁴

7. The University of North Carolina may appear as *amicus curiae* in a lawsuit or judicial proceeding only after receiving the approval of the Committee on University Governance. The committee, in its discretion, may refer the question to the Board of Governors.

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8. A constituent institution, or a school or college of a constituent institution, may appear as *amicus curiae* in a lawsuit or judicial proceeding only after receiving the approval of the chancellor of the institution and after providing advance written notice to the president. Nothing in this section is intended to limit the ability of an individual University employee or group of employees to appear as *amicus curiae* in the individual's or employee group's name.

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V. This policy applies to the UNC Health Care System, to the UNC Faculty Physicians, and to the ECU Physicians except as otherwise provided in Sections 1200.4 and 1200.5 of the UNC Policy Manual and except as otherwise provided by state law, including G.S. 116-219, *et seq.*

VI. Other Matters

A. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.

B. The foregoing policy is meant to supplement, and does not supplant or modify, those statutory enactments which may govern the initiation and resolution of legal claims.

C. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

¹Pursuant to G.S. 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 Section 200.6 of the UNC Policy Manual, *Policy on Delegation Authority to the President*.

²See Footnote 1.

³[See Footnote 1.](#)

⁴See Footnote 1.

200.6
Adopted 11/13/06
Amended 06/08/07
Amended 04/08/11
Amended 08/10/12
Amended 10/11/12
Amended 07/29/16
Amended 10/14/16
Amended 05/22/19
Amended 11/19/20
Amended 05/27/21
Technical Corrections 09/22/21
Technical Correction 01/13/22
Amended 04/07/22
Amended 11/17/22
Amended __/__/23

Policy on Delegation of Authority to the President

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

A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the North Carolina Human Resources Act.ⁱⁱ

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

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.^{iv}

c. Notwithstanding the above provisions, unless otherwise delegated:

(1) The Board of Governors shall retain authority over the appointments, compensation, and salary adjustments for: the president; the chancellors of the constituent institutions, except as provided in paragraph F. of this policy; the chief executive officer of the UNC Health Care System; and the chief executive officer of the UNC Center for Public Media.^v

(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.^{vi}

(3) The Board of Governors shall retain authority over non-promotional^{vii} salary increases for ~~Senior Academic and Administrative Officers~~ of the constituent institutions that both exceed 10 percent of the June 30 base salary as of the most recent fiscal year and exceed the 75th percentile of the applicable salary range.

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(4) The president shall consult with the Board's Committee on University Personnel on appointments, compensation, and salary adjustments for the senior officers of the UNC System Office who report directly to the president.

(5) The president shall consult with the chair of the Committee on University Personnel and may then approve an emergency retention salary increase for a ~~Senior Academic and Administrative Officer~~ of the constituent institutions in lieu of any required pre-approval by the Committee as set forth in section I.A.1.C. of this policy when necessary to avoid loss of any key senior officer to an external offer of employment. The details of such an action shall be reported to the committee at its next regularly scheduled meeting.

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d. Based on demonstrated institutional need and research activity, the president may authorize constituent institutions with special authority to directly create and/or modify ~~Exempt Professional Staff (EPS)~~ positions in accordance with UNC System Office classification procedures and guidelines. All such positions must fall within salary ranges established by the UNC System Office.

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e. All other approvals for human resources actions are delegated to the President, who may further delegate actions to the boards of trustees for the constituent institutions or the boards of trustees may further delegate such actions to the chancellors as provided in Section 600.3.4 of the UNC Policy Manual.

2. Authority to approve all actions relating to the administration of the Optional Retirement Program^{viii} and the Phased Retirement Program.^{ix}

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 University Personnel.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University, [a constituent institution or an affiliated institution](#) if the action is for monetary relief and the amount in controversy is less than \$250,000.^x

2. [The authority to approve the initiation of a lawsuit in the name of the University, a constituent institution or an affiliated institution if the action is a small claims action as provided in G.S. 7A-210.](#)^{xi}

3. The authority to settle potential or pending litigation by or against a constituent or affiliated institution, or the University of North Carolina System, if the settlement is 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.^{xii}

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4. Authority to approve the political activities of employees of the UNC System who are candidates for or serving in public office.^{xiii}

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C. Reports. The authority to approve and submit any report the UNC System 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 and Capital Improvement Projects

1. The power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors, subject to any necessary approvals from state officials and agencies:

- a. Any interest in real property, other than a leasehold, with a value less than \$750,000; and
- b. A leasehold interest in real property with annual value less than \$750,000 and a term of not more than 10 years.

The president's authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president's discretion.^{xiv}

2. Authority to approve capital improvement projects funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money^{xv} that are projected to cost less than \$750,000.^{xvi}

3. Authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money.

4. Authority to administer and execute design and construction contracts for capital improvement projects, requiring the estimated expenditure of public money of \$4,000,000 or less. This authority may be exercised on behalf of the UNC System Office, affiliates, or the constituent institutions at the president's discretion.^{xvii}

5. Authority to approve an increase of up to 10 percent of the cumulative value of an originally awarded construction contract for a System Office, affiliate, or constituent institution capital improvement project previously authorized by the Board of Governors.^{xviii}

6. After the long-term financing of a capital improvement project has been approved in accordance with statutory requirements, the president may approve interim financing or bank loans as a means of short-term financing. The president shall report any such actions to the Committee on Budget and Finance at its next meeting.^{xi}

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.^{xx}

F. Chancellors' Incentive Compensation Program

1. Authority to establish and implement an incentive compensation program to provide the president an opportunity to award performance-based compensation to the chancellors.

2. Authority to grant performance-based compensation awards to the chancellors as provided under the incentive compensation program. Awards granted under this authority shall be one-time payments per year, cannot exceed 20 percent of the chancellor's base salary, and are the responsibility of the constituent institution to fund.

3. Authority to modify the incentive compensation program as necessary to maintain alignment between performance goals established by the Board of Governors for the president and those established by the president for the chancellors.

G. Campus Safety and Security. The authority to undertake measures to enhance the safety and security of the University of North Carolina and the constituent institutions. This authority is in addition to that delegated to the president pursuant to Section 1300.7 of the UNC Policy Manual. As provided in Section XV of Appendix I of *The Code*, chancellors are responsible for the maintenance of campus security of their respective constituent institutions subject to applicable provisions of state law and such policies as may be adopted by the Board of Governors or the board of trustees.

II. The president will report all actions taken under the authority of the delegations in sections I.B., through I.F., above, 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.

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

IV. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

ⁱThe secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

ⁱⁱG.S., Chapter 126.

ⁱⁱⁱSections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.

^{iv}Section 600.3.4 of the UNC Policy Manual.

^vSection 500 of *The Code*; Sections 300.1.1 and 1200.1 of the UNC Policy Manual; and G.S. 116-37(c) and 37.1(c). The use of "UNC Center for Public Media" in the statute refers to PBS North Carolina.

^{vi}Section 1100.3 of the UNC Policy Manual.

^{vii}For the purposes of this policy, the term "non-promotional" means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.

^{viii}G.S.135-5.1

^{ix}Section 300.7.2 of the UNC Policy Manual.

^xSection 200.5 of the UNC Policy Manual.

^{xi}[Section 200.5 of the UNC Policy Manual.](#)

^{xii}Section 200.5 of the UNC Policy Manual.

^{xiii} Sections 300.5.1 and 300.5.2 of the UNC Policy Manual.

^{xiv}The Board of Governors may delegate additional authority to the president or boards of trustees for real property transactions consistent with Sections 600.1.3 and 600.1.3[R] of the UNC Policy Manual.

^{xv}This delegation shall be interpreted consistent with G.S. 143C-8-12.

^{xvi}The Board of Governors may delegate additional authority to the president or boards of trustees for approval of capital improvement projects consistent with Section 600.1.1 of the UNC Policy Manual.

^{xvii} Section 600.1.1 of the UNC Policy Manual. This delegation shall be interpreted consistent with G.S. 116-31.11.

This delegation may be further delegated.

^{xviii} Section 600.1.1 of the UNC Policy Manual

^{xix} Section 600.1.1 of the UNC Policy Manual

^{xx}Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.

The UNC Policy Manual
 300.1.1
 Adopted 11/14/86 Amended 04/12/01
 Amended 10/12/90 Amended 06/08/01
 Amended 02/18/94 Amended 01/11/02
 Amended 04/21/95 Amended 11/08/02
 Amended 11/08/96 Amended 03/21/03
 Amended 07/11/97 Amended 10/10/03
 Amended 11/13/98 Amended 11/12/04
 Amended 09/10/99 Amended 07/01/07
 Amended 08/11/00 Amended 02/08/08
 Amended 10/17/08 Amended 06/20/14
 Amended 08/07/15
 Technical Corrections 04/25/19
 Technical Correction 09/23/21
 Amended __/__/24

Policy on [Employees Exempt from the North Carolina Human Resources Act](#)

I. Definitions of Exempt University Appointment Types

A. Senior Academic and Administrative Officers (SAAO). 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 V of *The Code* of The University of North Carolina (*The Code*). Senior officers of the University of North Carolina System who are subject to the provisions of Section II of this policy are designated as SAAOs. This group includes:²

1. The president;
2. The vice presidents and other members of the president’s professional staff as determined by the president;
3. The chancellors of the constituent institutions;
4. The vice chancellors, provosts, and deans⁴ of the constituent institutions and other members of the chancellor’s professional staff as determined by the president;
5. The directors of major administrative, educational, research, and public service activities of the constituent institutions as designated by the Board of Governors or designated as otherwise delegated by the Board to the President.

B. Faculty. Employees of the constituent institutions who have a permanent faculty appointment, including employees within the “physicians or dentists” category under G.S. 126-5 who have faculty appointments.

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A. →

Deleted: Tier I SAAOs. This group includes the president [N.C. Gen. Stat. 116-14(a) (hereinafter G.S.)]; the vice presidents and other members of the president’s professional staff designated by the Board of Governors on recommendation of the president [G.S. 116-14(b)]; the chancellors of the constituent institutions [G.S. 116-11(4)]; the vice chancellors, provosts, and deans⁴ of the constituent institutions, and the directors of major administrative, educational, research and public services activities of the constituent institutions designated by the Board of Governors [G.S. 116-11(5)].

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B. → Other senior officers of the University of North Carolina System who are subject to the provisions of Section III of this policy are designated as Tier II SAAOs. This includes (1) members of the president’s professional staff other than those identified in subparagraph A, above [G.S. 116-14(b)]; and (2) associate and assistant vice chancellors; associate and assistant deans; and other administrative positions within the constituent institutions, other than those identified in subparagraph A above, that have been designated by the president. [G.S. 116-11(5)].³ ¶

II. → Tier I Senior Academic and Administrative Officers of the University of North Carolina as Defined in Section I.A., above, Shall be Subject to the Following Policies ¶

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C. Exempt Professional Staff (EPS). All other non-SHRA employees of the University of North Carolina System with a permanent appointment are designated as Exempt Professional Staff (EPS). This category includes employees who are exempt from the North Carolina Human Resources Act under G.S. 126-5. This category excludes positions within the "physicians or dentists" category under G.S. 126-5 with faculty appointments and excludes temporary appointments, which include but are not limited to university students who are employed incident to their status as students (as in graduate teaching assistantships), Post Docs, House Officers, or work-study positions.⁵ Constituent Institutions may adopt their own policies and regulations surrounding these types of employees.

II. 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 respective boards of trustees, and to all other officers and agencies within and without the University are set forth in Chapter V of *The Code of the University of North Carolina*. SAAO positions as defined in Section I.A., above, shall be subject to the following conditions of employment.

A. Appointments and Discontinuation of Appointments

1. SAAOs are employed in their administrative positions pursuant to this policy. Except with regard to the appointment of the president, the chancellors, and other employees as provided in *The Code* or the *UNC Policy Manual*, no contract or other writing may vary these conditions of employment, nor may any oral agreement modify these provisions. The appointments of SAAOs are subject to the approval of the Board of Governors unless otherwise delegated.⁶ Such SAAOs do not have tenure in their administrative positions and, except as provided in *The Code* or the *UNC Policy Manual*, they serve at the discretion of their employer and are not appointed to serve for specified periods of time. The continuance of SAAOs 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 professional 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 chair of the respective constituent institution's board of trustees prior to terminating the appointment of a chancellor. The president may place a chancellor on temporary administrative leave, with or without pay, in the president's discretion. Before placing a chancellor on temporary administrative leave, the president shall consult with the chair of the Board of Governors, the chair of the Committee on University Personnel, and the appropriate chair of the board of trustees.

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d. The continuance in office of all other SAAOs of the constituent institutions shall be determined by the chancellor of the institution, unless otherwise provided for in *The Code* or the UNC Policy Manual.

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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 act on its own initiative with respect to all promotions, salaries, transfers, suspensions, and dismissals that are to be acted upon by the Board of Governors.

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f. The Board of Governors or board of trustees for a constituent institution, as appropriate, may approve a lump sum separation payment, within the board's discretion, to an outgoing SAAO if the employee accepts an offer to receive this payment in exchange for the execution of a release, to the extent permitted by law, of any and all claims against the University through the date of discontinuation. Such a lump sum separation payment for an SAAO shall not exceed the equivalent of ninety (90) calendar days of pay and may be limited by policies adopted by a constituent institution, such as defined separation payment amounts based on years of service.

2. SAAOs of a constituent institution are subject to the direction and control of the chancellor and serve at the chancellor's discretion. They are employees "at will" unless otherwise provided for in policy or *The Code*; thus, the chancellor may not purport to confer on any such employee a period of employment of fixed duration or otherwise confer any property interest in such employment. However, an SAAO 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 SAAO is subject to discontinuation at any time, during that period, at the discretion of the chancellor.

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3. Tenure status as a member of the faculty of a constituent institution, held concurrently by any SAAO of the University, is separate and distinct from the administrative position, and such tenure status is governed by the provisions of Chapter VI 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 this policy. For the avoidance of doubt, an SAAO may be discontinued "at will" from an administrative position in accordance with this policy regardless of any concurrently held tenured faculty position or tenure policies of a constituent institution. Appointment to any full-time SAAO position shall be the primary appointment, and therefore these policies shall govern the terms and conditions of employment.

4. Appointment of the President

a. The Board of Governors shall elect a president in accordance with G.S. 116-14(a), Section 500 A of *The Code*, and any policies it adopts. The Board of Governors shall approve the salary and compensation of the president.

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b. The Board of Governors may approve a contract with the president. The contract may specify terms including, but not limited to, the president's term of employment; salary; benefits; performance-based incentives; other deferred or supplemental compensation, including endowment-funded stipends; provisions for the termination of the president's employment, including any lump sum separation payment and retreat rights; and any other terms it agrees upon.

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c. In all other regards, the employment of the president is subject to *The Code*, the policies of the Board of Governors, and the North Carolina General Statutes.

5. Appointment of Chancellors

a. The appointment of chancellors shall be made by the Board of Governors upon the recommendation of the president, in accordance with G.S. 116-11(4). All salary and non-salary compensation paid to or received by the chancellors in connection with their service as chancellors shall be approved by the Board of Governors upon recommendation of the president.

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b. The Board of Governors may approve a contract with a chancellor as recommended by the president. The contract may specify terms including, but not limited to, the chancellor's term of employment; salary; benefits; performance-based incentives; other deferred or supplemental compensation, including endowment-funded stipends; provisions for the termination of the chancellor's employment, including any separation payment and retreat rights; and any other term(s) the Board of Governors agrees to, which shall be consistent with applicable policy or regulation.

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c. In all other regards, the employment of chancellors is subject to *The Code*, the policies of the Board of Governors, and the North Carolina General Statutes.

d. Except as specifically otherwise provided in the contract, and except as provided in paragraph II.A.1(c) of this policy, after the Board of Governors has approved a contract with a chancellor, it will be the sole responsibility of the president to implement the terms of the contract.

B. Compensation

The compensation of SAOs shall be set by the Board of Governors unless otherwise delegated.⁸ No president, chancellor, or other SAO may be paid, in addition to his or her compensation as established pursuant to the foregoing requirements, for any services rendered to any institution-related foundation, endowment, or other entity that was established by the University, that is controlled by the University, or that is tax exempt based on providing support for the University, without the express approval of the Board of Governors for the president or chancellors, and express approval of the president for all other SAOs. This provision does not prohibit any institution-related foundation, endowment, or other entity that was established by officers of the University, that is controlled by the University, or that is tax exempt based on being

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a support organization for the University from providing funds to support the approved compensation of the president, chancellor, or other SAAO.

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III. Exempt Professional Staff (EPS) of the University of North Carolina System as defined in Section I.C., above, shall be subject to the following conditions of employment.

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A. Appointments

Deleted: that there be equal employment opportunity and freedom from unlawful discrimination in all employment within the University, as set out...s defined in Section 103 of The Code.⁹ Employment in a Tier ... SAAO position shall be conducted in accordance with all provisions of State or federal law or regulation prohibiting any such discrimination, and in accordance with applicable affirmative action plans.
D. Political Activity

1. Exempt Professional Staff (EPS) are employed pursuant to this policy. The Board of Governors may delegate its authority to make appointments and determine salaries for positions within this section to the president, who may further delegate certain authority as provided by university policies approved by the Board of Governors.¹¹

Employment in Tier I SAAO positions shall not be adversely affected by the exercise of rights guaranteed by the First Amendment of the United States Constitution or by Article I of the North Carolina Constitution; provided, that employees in Tier I SAAO positions ...C., above, shall be subject to any limitations on political activity established by Article 5 of G.S. 126. The Board of Governors' policies concerning political activity, ... [2]

2. EPS appointments within a constituent institution covered by this policy shall be made by the chancellor, or the chancellor's designee, by means of a letter of appointment that includes notice that the employment conferred is either for a stated definite term, is an employment "at will" subject to discontinuation at the discretion of the chancellor, or is a commissioned police officer role subject to disciplinary and discharge procedures as provided in this policy; the salary, benefits, applicable provisions for the separation of employment, including any separation payment and retreat rights; any funding contingencies applicable to the position; notice that the employment is subject to these policies or applicable institutional policies, as originally adopted and as they may be periodically revised from time to time, and a copy of the institutional policies shall be attached to the letter of appointment (or accessible through references via links in the letter of appointment); and any other term(s) the chancellor (or designee) agrees to, which shall be consistent with applicable policy or regulation. No EPS "at will" appointment may purport to confer any property interest in such employment.

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3. When an EPS employee is to serve simultaneously in both a position covered by this policy and a position of University employment not covered by this policy, with the result that two different appointments provide different conditions of employment, one position shall be designated the primary appointment to determine the conditions of employment and the rights and responsibilities of the employee.

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a. If appointment to a position covered by this policy occurs after an appointment to a position not covered by this policy, the letter of appointment to the position covered by this policy shall constitute the required designation of primary appointment; conversely, if appointment to a position covered by this policy precedes appointment to the other category of University employment, the letter of appointment or contract establishing the second employment shall constitute the required designation of primary appointment. In either case, the designation of primary appointment shall specifically describe the different rights, duties, and compensation for each position and the relationship, if any, between the two positions.

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b. Any funding contingency shall be set forth separately for the position covered by this policy and for the other position, since the operation of any such contingencies may be independent.

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c. When an appointment to an EPS position is to be accompanied by appointment to a faculty position pursuant to Section 611 of The Code, the term "affiliate" or similar nomenclature, shall be used to identify the faculty appointment.

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B. Separation from Employment

1. Discontinuation of Appointment at Will, with Notice or Separation Pay. Employment within an EPS position that is established by the letter of appointment to be employment "at will" is subject to discontinuation at any time at the discretion, respectively, of the president or of the chancellor (or designee) and may be for any reason or no reason so long as the reason is not unlawful; provided, that such a discontinuation (as distinguished from discharge for cause, Section III.B.3.) shall be subject to advance timely notice of discontinuation and/or receipt of a lump sum separation payment. At the respective chancellor's or the president's discretion (or their designee), the notice provided in this Section B may be a working notice for the employee, or the notice period may be covered by paid administrative leave.

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¶ a. → During the first year of service, not less than 30 days' notice prior to discontinuation of employment

¶ b. → During

¶

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¶ c. → During the fourth and all subsequent years of continuous service, not less than 90 days'

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FOR EMPLOYEES HIRED PRIOR TO JULY 1, 2024

_____ The chancellor or the president (or their designee) may provide the employee with a combination of notice and separation pay that totals the respective required number of days. The determination of whether the employee shall receive notice of discontinuation of the appointment, receive separation pay in lieu of notice, or a combination of the two shall be in the sole discretion of the respective chancellor or the president (or their designee).

a. During the first year of service, not less than a thirty (30) calendar day notice prior to discontinuation of employment or a lump sum separation payment equivalent to thirty (30) calendar days of pay;

b. During the second and third years of service, not less than a sixty (60) calendar day notice prior to discontinuation of employment or a separation payment equivalent to sixty (60) calendar days of pay; and

c. During the fourth and all subsequent years of continuous service, not less than a ninety (90) calendar day notice prior to discontinuation of employment or a separation payment equivalent to ninety (90) calendar days of pay.

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FOR EMPLOYEES HIRED ON OR AFTER JULY 1, 2024

▼ The chancellor or the president (or their designee) shall provide advance timely notice of discontinuation at least thirty (30) calendar days prior to the date of discontinuation.

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In addition to the thirty (30) days' notice provided above, the chancellor or the president (or designee) may offer the employee a lump sum separation payment which

shall be in exchange for an executed release of any and all claims, to the extent permitted by law, against the University through the date of discontinuation. Such a lump sum separation payment for an employee shall not exceed sixty (60) calendar days of pay and may be limited by policies adopted by the constituent institution, such as defined separation payment amounts based on years of service. An offer of a separation payment is not a right of choice for the employee, but rather an option exercised in the sole discretion of the respective chancellor or president (or designee).

2. Expiration of Term Appointment. Employment within a covered EPS position that is established by the letter of appointment to be for a stated definite term expires automatically at the conclusion of the stated term, without the requirement of any advance notice. Such an appointment may be renewed or extended at the sole discretion of the employer. Unless otherwise provided in the letter of appointment, the employer may make reasonable efforts to provide at least thirty (30) calendar day notice of a contract renewal but has no obligation to provide notice of renewal (or non-renewal).

3. Discharge for Cause. Any Exempt Professional Staff may be discharged for stated cause (for commissioned police officers, see paragraph B.4. below).

a. Discharge for cause is to be distinguished from discontinuation with notice (Section III.B.1.) and automatic expiration of term (Section III.B.2.)

b. Stated causes for discharge shall include, but not necessarily be limited to, incompetence, unsatisfactory performance, neglect of duty, or misconduct that interferes with the capacity of the employee to perform effectively the requirements of their employment.

c. The president shall adopt an implementing Regulation for the Discharge for Cause of EPS employees, which shall provide for at least notice and an opportunity to respond.

4. Disciplinary Action and Discharge for Commissioned Police Officers. Notwithstanding the above provisions, any employee occupying a covered commissioned police officer position shall be subject instead to the disciplinary procedures as prescribed in Article 8 of G.S. 126 and applicable policy or regulation.

C. Reviews of Personnel Actions

1. UNC System Office and each constituent institution respectively shall adopt and publicize procedures applicable to relevant cohorts of employees, under which covered employees may secure review of decisions.

2. Decisions reached pursuant to such review procedures concerning the discontinuation, expiration of term appointment, termination, or discharge or other formal discipline for cause may be appealed in accordance with the provisions of Section 612 of The Code.

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→ If the employing institution intends not to extend the employment, (a) with respect to a term of one year or less, no notice of intent not to extend shall be required; (b) with respect to a term of more than one year but less than four years, notices of intent not to extend shall be transmitted in writing at least 60 days prior to this expiration date of the term; (c) with respect to a term of four years or more, notice of intent not to extend shall be transmitted in writing at least 90 days prior to the expiration date of the term. Failure to provide written notices as required

Deleted: subsections b. and c., above, shall result in the automatic extension of employment for a period, respectively, of either 60 days or 90 days, beyond the date the notice is given to the employee. ¶

¶
3. → Termination of Employment Because of Financial Exigency or Program Curtailment or Elimination ¶
Employment within a Tier II SAAO position that is established by the

Deleted: to be for a stated definite term may be terminated prior to expiration of the stated term because of (a) demonstrable, bona fide institutional financial exigency, or (b) major curtailment or elimination of a program. ¶

"Financial exigency" is defined to mean a significant decline in financial resources of the University that compels a reduction in the university's or the institution's budget. The determination of whether a condition of financial exigency exists or whether there shall be a major curtailment or an elimination of a program shall be made, respectively, by the president or by the chancellor, with advance notice to and approval by the Board of Governors. (... [10])

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Deleted: .), and termination because of financial exigency or program curtailment or elimination (Section III.B.3.).

Deleted: his or her employment. Discharge for cause is to be preceded by written notice of intent to discharge (... [13])

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3. Notwithstanding the above provisions, any employee occupying a covered commissioned police officer position shall be subject instead to the grievance procedures as prescribed in Article 8 of G.S. 126 and applicable policy or regulation.

D. Equal Employment Opportunity

It is the policy and intention of the University of North Carolina System that there be equal employment opportunity and freedom from unlawful discrimination in all employment within the University, as set out in Section 103 of *The Code*.¹³ Employment in an SAAO or EPS position shall be conducted in accordance with all provisions of State or federal law or regulation prohibiting any such discrimination, and in accordance with applicable affirmative action plans.

E. Protected Activity

Employment in SAAO or EPS positions shall not be adversely affected by the exercise of rights guaranteed by the First Amendment of the United States Constitution or by Article I of the North Carolina Constitution; provided, that employees in SAAO and EPS positions shall be subject to any limitations on political activity established by Article 5 of G.S. 126. The Board of Governors' policies concerning political activity, Section 300.5.1 of the UNC Policy Manual, *et seq.* as they may be revised from time to time, shall apply to SAAO and EPS positions.

IV. Other Matters.

A. Effective Date. The requirements of this policy shall be effective upon adoption by the Board of Governors.

B. Relation to State Laws. This policy is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern the activities of public officials.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.

² Cf. G.S. 116-14(a), 116-14(b), 116-11(4), 116-11(5), and 126-5(c1)(8).

⁴ Deans at the North Carolina School of Science and Mathematics fall within Section I.C., of this policy.

⁵ Employment of EHRA employees of the North Carolina Cooperative Extension Service (COS) of NC State University and NC A&T University is governed under policies promulgated directly by their institutions' respective board of trustees. See G.S. 126-5(c1)(9a) and G.S. 153A-439(b). Employment of EHRA employees of the Clinical Support Service (CSS) at East Carolina University, and of EHRA employees of the Dental Medicine Support Services (DMSS) at the University of North Carolina at Chapel Hill and East Carolina University, is governed under policies promulgated directly by their institutions' respective board of trustees. See G.S. 116-37.3 and G.S. 116-40.6.

⁶ Pursuant to G.S. 116-11(13), and notwithstanding *The Code* or any other policy, the Board of Governors has delegated certain authorities to the president of the University. See Section 200.6 of the UNC Policy Manual, *Delegation Authority to the President of the University*, adopted November 13, 2016.

⁸ See endnote 3, above.

¹¹ See UNC Policy Manual Sections 200.6 and 600.3.4.

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¶

1. → Holidays[¶]

Employees in Tier II SAAO positions shall be subject to the same State-prescribed holidays given employees subject to the North Carolina Human Resources Act.[¶]

2. → Annual Leave^{14¶}

a. → Basic Leave Policy[¶]

→ A permanent full-time (1.00 FTE) Tier II SAAO shall be entitled to accrue 24 workdays of annual leave per year. Annual leave is accrued at a monthly rate and is adjusted proportionately for permanent part-time employees who work halftime or more (0.50 - 0.99 FTE). The monthly earnings amount is equal to one-twelfth (1/12th) of the annual rate for each month the employee works or is on approved leave with pay. Monthly leave is earned when an employee works or is on approved leave with pay at least half the working days of a month. ¶

¶

An employing institution shall define a year as either "fiscal year" (July 1 - June 30) or "calendar year" (January 1 - December 31). (Note: Employing institutions that have previously defined a year as "contract year" may continue to do so.) The scheduling of an employee's annual leave shall be subject to the approval of the employee's supervisor. With respect to an incumbent employee who is earning more than 24 days per year as of the date this policy becomes effective, such employee shall be entitled to continue to earn leave at the current rate.¶

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Deleted: maximum number of unused days of annual leave that may be carried forward from one year to the next shall be 30 workdays. Annual leave in excess of 30 days will be automatically converted to sick leave at the end of the year.¶

¶

b. → Transfer of Accrued Annual Leave[¶]

¶

An employing institution must establish campus-wide uniform guidelines regarding the transfer of accrued annual le... [15]

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¹³ Bona fide occupational qualifications or other exceptions to those general prohibitions, specifically provided for by state or federal law, may be applied to positions covered by this policy.

Deleted: ¹²Subject to any compensation policies adopted by the Board of Governors or the board of trustees.

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Evaluation of Positions for Designation as Senior Academic and Administrative Officer

Deleted: Academic and administrative officials exempt from the State Personnel Act are identified by express statutory reference ("president," "vice presidents," "chancellors," and "vice chancellors") and by action of the Board of Governors pursuant to generic statutory reference (presidential "professional staff members" and "senior academic and administrative officers" of the constituent institutions).¶

The Board of Governors has further defined "senior academic and administrative officers" to include:¶

1. vice chancellors, provosts, deans and directors of major educational and public service activities (July 7, 1990);¶
2. associate and assistant vice chancellors and associate and assistant deans (October 12, 1990); and,¶
3. "specific other officers of the University having significant administrative responsibilities and duties" as may be designated by the President, subject to confirmation by the board (October 12, 1990).¶

The "other officers of the University having significant administrative responsibilities and duties" shall include:¶

- A. Members of the chancellor's professional staff (e.g., assistant to the chancellor, legal staff, secretary of the University).¶
- B. Those responsible for the administrative direction of separately designated divisions or departments of institutional activity commonly associated with institutions of higher education (e.g., director of administrative computing, director of alumni affairs, director of human resources, director of development, controller/comptroller, etc.). The specific positions to be included in this category will be established by the Board of Governors upon the recommendation of the President.¶
- C. Those positions whose primary responsibility is to attract external funds for and/or to market the University.¶
- D. Other officers holding positions characterized by:¶
 - active, continuing involvement in formulating, interpreting, and implementing institutional policy as it relates to the respective areas of responsibility; and¶
 - the exercise of substantial independence of administrative authority and discretion in areas such as program planning and design and allocation of resources.¶

In most cases, persons occupying such positions will function as the director of a specific division or department of institutional activity, reporting at the level of a vice chancellor or dean. However, where circumstances warrant (e.g., in the case of a large and complex department or division), persons functioning as an associate or assistant director may be found to have "significant administrative responsibilities and duties" as defined by the characteristics listed above. In such cases, the position must have substantial responsibility for assisting the primary officer (e.g., director) in formulating, interpreting, and implementing policy within the jurisdiction of the primary officer and must function in a confidential and direct support relationship to the primary officer or have direct responsibility for a specific sphere of operations within the unit.¶

A chancellor who wishes to have a position included in this category shall submit to the President a complete



Occupation of Official Residences of the Chancellors and the President

The Board of Governors reaffirms its expectation that the President of the University and the chancellors of each constituent institution will occupy their official residence and that these residences will be used for University business and functions; and

Be it further resolved that it is the policy of the Board of Governors that the President and the chancellors are required to live in their official residences as a condition of employment, except in the case where such a requirement would present a serious hardship; in any such case the President or chancellor must obtain approval from the Board of Governors, except that such approval will not be necessary if the residence is being vacated temporarily while repairs or renovations are being made.

Deleted: WHEREAS, the State of North Carolina provides a residence for the president of the University and for the chancellor of each of the sixteen constituent institutions to facilitate their conduct of official business; and ¶

¶
WHEREAS, the president and the chancellors regularly use their official residences for University functions that are directly related to their duties; and ¶

¶
WHEREAS, it has long been the expectation of the Board of Governors and the practice of the President and the chancellors that these officials do occupy their official residences for the purposes stated; ¶

¶
NOW, THEREFORE, be it resolved that the

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The UNC Policy Manual
300.1.6.1
Adopted 02/13/04
REPEALED __/__/24

Policy on Administrative Separation

Deleted: This policy applies to all staff in the Office of the President whose positions are covered by *Policy 300.1.1* of the Policy Manual of the Board of Governors, and is consistent with *Policy 300.1.6*. This policy applies to both voluntary and involuntary relinquishment of administrative positions.¶

1.→Retreat to a faculty position. An administrator, who holds a faculty appointment at a University of North Carolina campus, may assume or return to that appointment with all the rights and responsibilities of faculty in the home department, unless a proceeding is initiated to discharge or demote the administrator from the faculty position. Conditions of the retreat to such a position will be governed by the policy in place on the campus.¶

2.→Reappointment of an administrator to a different position. An administrator leaving a position that is categorized as “at will” has no claim to that position; however, there may be circumstances in which assignment to another administrative position or appointment to less than a full-time position would be beneficial for both the institution and the employee. In these cases, the new salary should be appropriate to the assignment. If the President proposes to pay the administrator his or her full current salary after moving the administrator to a position that would normally be lower paying, or if paid leave is to be granted, the agreement with the administrator must be approved by the Board of Governors. This Policy does not supersede any notice or severance pay required by Board of Governors’ policy.¶

3.→Separation from the University. In some cases, it may be in the best interests to negotiate a severance agreement with an administrator. UNC policy addresses timely notice for termination of Senior Administrative and Academic Officers hired pursuant to *Policy 300.1.1, I.B*. In accordance with the University of North Carolina *Policy 300.1.1, III.B*, in certain circumstances these employees are entitled to notice of the discontinuation of their employment with full pay up to 90 days or severance pay, depending on their length of service. The President may, at his or her discretion, determine that the circumstances justify continuing full pay for employees subject to *Policy 300.1.1.I.A* for up to 90 days. Any agreement that results in a longer period of compensation must be approved by the Board of Governors.¶

4.→Retirement. Nothing in this Policy shall prevent an administrator from retiring or an administrator who holds a faculty appointment from participating in phased retirement consistent with existing University of North Carolina policies.¶

5.→Agreements. All agreements made pursuant to this policy must be in writing and signed by both the employee and the President.¶

6.→Effective Date. The effective date of this policy is February 13, 2004.

Administrative Separation of the President and the Chancellor

I. Return to a faculty position. If a chancellor resigns from the position of chancellor, or if the president resigns from the position of president, after having served in that position for at least five years, if the chancellor or the president will assume a tenured or non-tenured faculty position at a constituent institution of the University of North Carolina, and if there is not good cause to terminate the chancellor's or the president's service at the time that the chancellor or president resigns, then the chancellor or president will receive a scholarly leave upon the following terms:

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A. The leave shall be for a period of six months;

B. The chancellor or president shall receive a faculty salary during the leave commensurate with salaries of faculty members of comparable rank and experience in comparable positions;

C. Up to six additional months of leave may be approved by the president when, in their discretion, additional leave time is warranted;

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D. Non-salary compensation such as a house and an automobile will not be continued during the scholarly leave;

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E. Prior to beginning the leave, the chancellor or president will submit a work plan for the leave period, to include a description of the expected outcomes. The plan will be reviewed and recommended by the president for approval by the Board of Governors. At the conclusion of the scholarly leave, the former chancellor shall submit a summary report to the president, the Board of Governors, and the applicable board of trustees;

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F. At the end of the scholarly leave, the chancellor or president will assume the faculty position with a nine-month appointment or with a length comparable to others in the department, with duties and responsibilities in accordance with departmental expectations of faculty of comparable rank and experience. Ongoing responsibilities will be determined by the campus. The continuing annual faculty salary will be determined through the regular campus salary setting process. In the event that a chancellor or president does not assume a faculty position at the end of the scholarly leave in accordance with this policy, the president is authorized, in their discretion, to require repayment of compensation paid during the leave period from the non-returning chancellor. With respect to the president, such discretionary authority to require such repayment rests with the Board of Governors.

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These provisions related to scholarly leave do not apply to individuals who have not served as chancellor or president for at least five years. If any paid scholarly leave is granted under those circumstances, it requires approval by the Board of Governors upon the president's recommendation.

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II. Return to an administrative appointment. If a chancellor or president resigns from his or her

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position to return to another administrative position within the University, the terms for such a return must be recommended by the president and approved by the Board of Governors.

III. Separation from the University. In some cases, a chancellor or a president may not be assuming a faculty position. It may be in the best interest of the University and a chancellor for the president to negotiate a severance agreement with a chancellor. In these circumstances, the president may, in the president's discretion, determine that the circumstances justify providing a lump sum separation payment in the amount of the chancellor's full administrative pay for up to ninety (90) days. Non-salary compensation, such as a house and an automobile, will not be continued during this period of full compensation, although the president may allow the chancellor a reasonable amount of time to vacate the chancellor's house. Any agreement that results in a longer period of compensation must be approved by the Board of Governors.

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The Board of Governors may, in its discretion, negotiate a severance agreement with a president who is resigning and is not assuming a faculty position.

IV. President. For any action under this policy for which the president takes an action or makes a recommendation to the Board of Governors regarding chancellors, the Board will assume that responsibility in the case of the president.

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V. Separate agreement. If the Board of Governors enters into a written agreement with a president or a chancellor, the terms of that agreement shall supersede this policy.

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VI. Effective Period. This policy as revised effective 01/08/10 applies to individuals who begin service as chancellor or president on or after the effective date. The original policy adopted on 8/12/05 remains in full force and effect for the president and chancellors appointed prior to the effective date of this revised policy.

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300.1.6.2
Adopted 08/12/05
Amended __/__/24

[This version of policy titled Administrative Separation of the President and Chancellors applies to individuals who began service in a covered position prior to January 8, 2010.]

Administrative Separation of the President and the Chancellor

1. Retreat to a faculty position. If a chancellor resigns from the position of chancellor, or if the president resigns from the position of president, after having served in that position for at least five years, if the chancellor or the president will assume a tenured or non-tenured faculty position at a constituent institution of the University of North Carolina, and if there is not good cause to terminate the chancellor's or the president's service at the time that the chancellor or president resigns, then the chancellor or president will receive a one year research leave at the chancellor's or the president's most recent administrative salary. Non-salary compensation such as a house and an automobile will not be continued during the one year research leave.

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At the end of the research leave, the chancellor or president will assume the faculty position with

a nine-month appointment, with duties and responsibilities in accordance with departmental expectations. The initial annual faculty salary will be the greater of 60% of the most recent annual administrative salary or a salary that is commensurate with the salaries of comparable faculty members in comparable positions.

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2. Separation from the University. In some cases, a chancellor or a president may not be assuming a faculty position. It may be in the best interest of the University and a chancellor for the University to negotiate a severance agreement with a chancellor. In these circumstances, the president may, at the president's discretion, determine that the circumstances justify providing severance pay in the amount of the chancellor's full administrative pay for up to 90 days. Non-salary compensation such as a house and an automobile will not be continued during this period of full compensation, although the president may allow the chancellor a reasonable amount of time to vacate the chancellor's house. Any agreement that results in a longer period of compensation must be approved by the Board of Governors.

The Board of Governors may, in its discretion, negotiate a severance agreement with a president who is resigning and is not assuming a faculty position.

3. Separate agreement. If the Board of Governors enters into a written agreement with a president or a chancellor, the terms of that agreement shall supersede this policy.

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The UNC Policy Manual
300.2.1

Adopted 02/13/81
Amended 09/14/84
Amended 05/08/87
Amended by AM254
Amended 02/18/94
Amended 04/12/01
Amended 03/21/03
Amended 02/08/08
Amended 10/17/08

Technical Corrections 01/06/22
Repealed __/__/24

Policy on Employees Exempt from the North Carolina Human Resources Act

[This policy is replaced by 300.1.1 regarding appointment types, discontinuation, and review rights of EHRA staff and by 300.2.22 regarding holidays and leave benefits.]

Deleted: <#>Scope and Applicability of Employment Covered by this Policy¶

¶
Scope of Category. Employment positions with constituent institutions of the University System that are covered by this policy (hereinafter "covered positions"), are those positions that are not subject to the North Carolina Human Resources Act (N.C. Gen. Stat. 126 [hereinafter G.S.]) and are not otherwise categorized. This category does not include: (1) faculty positions subject to institutional tenure regulations; (2) positions within administrative categories of employment subject to G.S. 116-11(4), G.S. 116-11(5), or G.S. 116-14; (3) positions within the "physicians or dentists" category under G.S. 126-5 with faculty appointments; and (4) University students who are employed incident to their status as students, as in graduate teaching assistantships, or work-study positions. Those areas of institutional activity (as identified in the Uniform Chart of Accounts) that may include covered positions are:¶

- ¶
1. → Instruction¶
2. → Organized Research¶
3. → Agricultural Research and Agricultural Extension Service Public Service¶
4. → Academic Support¶
5. → Student Services¶
6. → Student Health Service Physicians (without faculty appointments)¶
7. → Institutional Support¶
8. → Area Health Education Centers¶
9. → Library¶
10. → Information Technology Professionals¹¶
11. → Commissioned Police Officers²¶
12. → Finance Professionals and Business Officers³¶
13. → Audit Professionals²¶

¶
Applicability of Policy. This policy applies to all permanent covered positions.¶

¶
Appointments to Covered Positions¶

¶
Every appointment to a covered position within a constituent institution shall be made by the chancellor by means of a letter of appointment that fulfills the requirements of this section.⁴¶

¶
Every letter of appointment to a covered position shall include: (1) the title of the position; (2) the initial salary; (3) provision for periodic review of compensation;⁵ (4) provision consistent with paragraphs II.C. and II.D., below, if contingencies based on availability of funding are applicable; (5) the annual leave entitlement of the employee; (6) notice that the employment conferred is either for a stated definite term, is an "employment at will" subject to continuation of discontinuation at the discretion of the chancellor, or in a commissioned police officer role subject to disciplinary and discharge procedures as provided in this policy; and (7) notice that the employment is subject to these policies (viz., institutional policies adopted pursuant to paragraph IX of this policy), as originally adopted and as they may be periodically revised from time to time, and a copy of the institutional policies shall be attached to the letter of appointment.¶

¶
When a covered position is funded in whole or substantial part from sources other than continuing state budget funds or permanent trust accounts, the letter of appointment shall state that continuation of the employee's service in that position is contingent upon the continuing availability of funds from such other sources to support that position, shall specify the source. [1]



The UNC Policy Manual
300.2.2
Adopted 04/16/93
Amended 08/12/05
Amended 06/09/06
Amended 06/15/12
Amended __/__/24

Conflict of Interest and Commitment

i. Purpose. It is the policy of the University of North Carolina that activities undertaken by its faculty, staff, and students in furtherance of the mission of the University shall be conducted in an ethical and transparent manner consistent with federal and state law and university policy. As outlined herein, all Covered Employees are expected to disclose actual or potential conflicts of interest and conflicts of commitment that have the potential to affect the University's interests or compromise their objectivity in carrying out their University Employment Responsibilities. Constituent Institutions shall have policies and procedures in place to identify, review, and manage activities and interests that could give rise to conflicts of interest and conflicts of commitment in accordance with the provisions of this Policy.

ii. Definitions

A. Constituent Institution, for the purposes of this policy, includes affiliated entities or other agency units of the University of North Carolina, a constituent institution, the UNC System Office, and units associated with the UNC System Office. Affiliated entities and other units of the UNC System Office may implement Conflict of Interest policies consistent with this policy or adopt the policy of one of the constituent institutions.

B. Conflict of Commitment relates to situations in which an employee engages in activities external to the University, or assumes commitments external to the University that compromise, may appear to compromise, or have the potential to compromise their ability to fulfill their University Duties.

C. Conflict of Interest relates to situations in which a Covered Employee's financial or other personal interests or relationships may compromise, may involve the potential for compromising, or may have the appearance of compromising, a Covered Employee's objectivity in fulfilling their University Employment Responsibilities or University Duties, including research, service and teaching activities, and administrative duties. A Covered Employee may have a Conflict of Interest when they, or any member of their immediate family, has a financial or personal interest in an activity that may affect decision making with respect to their University Employment Responsibilities. For the purposes of this Policy, a Covered Employee's immediate family includes that person's spouse and dependent children.

D. Covered Employee is generally defined as a faculty, SAAO, or EPS employee of the University of North Carolina or a Constituent Institution. However, the implementing policies of Constituent Institutions may further define Covered Employee to include additional classifications of persons and students, or otherwise exempt classification of persons, provided such additional classifications or exemptions are consistent with applicable state or federal law, regulation, or rule.

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Deleted: *The Code of the University of North Carolina* affirms that the basic mission of the faculty is "the transmission and advancement of knowledge and understanding." Faculty employment entails the core responsibilities of teaching, scholarly research and publication, and other professional service to the institution and to society. Realization of those objectives is facilitated and encouraged by certain distinctive characteristics of employment within an academic community, which differs markedly from the conventional work-day and work-week employment models in most business and industrial settings. Faculty members pursue their specialized professional interests in other contexts, collateral to their immediate University employment. They hold memberships in and attend meetings of professional associations and learned societies; they serve on review or advisory panels; they present lectures, papers, concerts and exhibits; they participate in seminars and conferences; they review and edit scholarly publications; and they participate in accreditation reviews. Faculty and non-faculty EPA employees ("Covered Employees") have opportunities to use their specialized competencies in secondary professional employment, as paid consultants to public and private agencies, and thereby contribute to the transfer and application of knowledge.

As relationships between Covered Employees and private industry, federal and state governments, and nonprofit agencies have grown in number and scope, there has been a corresponding increase in concern about conflicts of interest and commitment. While these Covered Employees are encouraged to engage in appropriate relationships with public and private agencies outside of the University, there is a need for commonly understood principles and corresponding procedures that will identify, address and manage potential conflicts that would detract from or interfere with a Covered Employee's dedication of unbiased primary professional loyalty, time, and energy to University teaching, research, and service.

All members of the University community are expected to avoid conflicts of interest and conflicts of commitment that have the potential to directly and significantly affect the University's interests or compromise their objectivity in carrying out their University Employment Responsibilities, including research, service and teaching activities and administrative duties, or otherwise compromise performance of University responsibilities, unless...

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Deleted: The bias that such conflicts may impart can affect many University responsibilities, including decisions about personnel, the purchase of equipment and other supplies...

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E. Department means an academic department, a professional school without formally established departments, or any other administrative unit designated by the chancellor or chief administrative officer of a Constituent Institution, or by the UNC System Office, for the purposes of implementing this policy. "Supervisor" refers to the person with supervisory responsibility for the Covered Employee, whether in an academic or non-academic department.

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F. University Employment Responsibilities, or University Duties consist of assigned teaching, scholarship, research, institutional service requirements, administrative duties, and other assigned employment duties. University Employment Responsibilities may include professional affiliations and activities traditionally undertaken by Covered Employees outside of the immediate University employment context. Constituent Institutions must set parameters for which of these activities undertaken by Covered Employees constitute University Employment Responsibilities, including the receipt of honoraria, remuneration or time, and which activities constitute External Professional Activities and are subject to Sections III and IV below.

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G. External Professional Activities is defined as any activity that:

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1. is not included within one's University Employment Responsibilities;
2. is performed for any entity, public or private, other than the University employer;
and
3. is based upon the professional knowledge, experience and abilities for which the University employer employs the Covered Employee.

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Covered Employees who engage in external activities not involving such professional knowledge, experience, and abilities are not required to follow the advance disclosure and approval requirements of Section IV of this policy for such external activities. However, Covered Employees and their Supervisors shall ensure that any such activities do not result in the neglect of their University Duties, create unmanageable Conflicts of Interest in accordance with Section III of this Policy, create unmanageable Conflicts of Commitment in accordance with Section IV of this Policy, involve inappropriate uses of the University name or resources, or include claims of University responsibility for the activity.² Notwithstanding the foregoing, the implementing policies of Constituent Institutions may further define External Professional Activities to include additional requirements, such as the External Professional Activity being for pay, provided such definition is consistent with applicable state or federal law, regulation, or rule. External Professional Activities performed for another UNC Constituent Institution or agency of the State of North Carolina also must comply with applicable State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the chancellor of the primary employing institution or the President.

Deleted: from nonfinancial interests or considerations, the overwhelming majority of

Deleted: result from a Financial Interest of a Covered Employee who is in a position to make a supervisory, academic, or administrative decision which may be compromised because of potential financial gain from a Financial Interest.

H. Financial Interest is defined as:

1. Income received, such as dividends, royalties, payment for services, consulting fees, honoraria, and paid authorships, by the Covered Employee or members of their immediate family from an entity other than the Constituent Institution employer;

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Deleted: to the Covered Employee not otherwise defined as institutional salary (e.g.,

Deleted: authorship);

2. Equity or other ownership interest in publicly or non-publicly traded entities (e.g., stock, stock options, warrants or other ownership interest) held by the Covered Employee or members of their immediate family; or

3. Intellectual property rights and interests upon receipt of income related to such rights and interest, held by the Covered Employee or members of their immediate family. This includes intellectual property rights assigned to the Constituent Institution and subject to a share in royalties related to such rights.

Income from investment vehicles, such as mutual funds or retirement accounts, in which the Covered Employee or member of their immediate family do not directly control or advise the investment decisions are excluded from the definition of Financial Interest. Notwithstanding the foregoing, the implementing policies of Constituent Institutions may further define Financial Interests to establish a de minimis value for Financial Interests, provided such definition is consistent with applicable state or federal law, regulation, or rule. Covered Employees are required to disclose Financial Interests in a timely and accurate manner consistent with the implementing policies of the Constituent Institution.

I. Foreign Government Talent Recruitment Program is an effort organized, managed, or funded by a foreign government, or a foreign government instrumentality or entity, to recruit science and technology professionals or students (regardless of full-/part-time status, citizenship, or national origin), or as may be defined by applicable government or funding agency.

J. Use of University Resources means using any University or constituent institution services, facilities, equipment, supplies or personnel which members of the general public may not freely use.

III. Conflicts of Interest, Constituent Institutions must establish and maintain policies and procedures sufficient to permit institutions and their employees to recognize, disclose, and manage actual and potential Conflicts of Interest in accordance with all applicable state and Federal laws and regulations. These policies and procedures must:

A. Require that a Covered Employee's professional activities and financial or personal interests must be arranged to avoid circumstances that do or may prevent or limit objectivity in the performance of University Employment Responsibilities or that otherwise do or may adversely affect any Constituent Institution interests;

B. Include clear explanations of permissible and impermissible conduct;

C. Include a process for disclosure, review, and management of Conflicts of Interest that includes:

1. A form for disclosing potential Conflicts of Interest;

2. A review by designated Constituent Institution officials of a disclosed Conflict of Interest in the context of the Covered Employee's University Employment Responsibilities and determination whether the activity or affiliation in question actually presents a Conflict of Interest and, if so, what safeguards or remedial actions should be taken;

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Deleted: and intellectual property rights assigned to the Institution and agreements to share in royalties related to such rights

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Deleted: *Conflict of Commitment* relates to an individual's distribution of time and effort between obligations to University employment and participation in other activities outside of University employment. The latter may include such generally encouraged extensions of professional expertise as professional consulting (i.e. External Professional Activities for Pay). Such activities promote professional development and enrich the individual's contributions to the institution, to the profession, and to society. However, a conflict of commitment occurs when the pursuit of such outside activities involves an inordinate investment of time or is conducted at a time that interferes with the employee's fulfillment of University Employment Responsibilities.

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External Professional Activities

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University Employment Responsibilities

Deleted: *for Pay* is defined as any activity that 1) is not included within one's University employment responsibilities 2) is performed for any entity, public or private, other than the University employer; 3) is undertaken for compensation; and 4) is based upon the professional knowledge, experience and abilities of the employee. Activities for pay not involving such professional knowledge, experience and abilities are not subject to the advance disclosure and approval requirements of Section III of this policy, although they are subject to the basic requirement that outside activities of any type must not result in the neglect of primary University duties, creation of Conflicts of Interest, involve inappropriate uses of the University name (... [3])

Deleted: include "Primary Duties" and "Secondary Duties." Primary Duties consist of assigned teaching, scholarship, (... [4])

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3. A final ruling by a designated Constituent Institution official (or committee), subject to any prescribed rights of appeal in the Constituent Institution's implementing policies and procedures;

4. A requirement that Covered Employees supplement the information elicited by the Conflict of Interest questionnaire within thirty (30) calendar days of the acquisition of a new financial or personal interest might entail a possible Conflict of Interest.

D. Require that in the event federal agencies or other external sponsors impose additional disclosure requirements on Constituent Institutions, disclosure to the sponsor must also include disclosure to the University;

E. Require periodic training on its policy, the audience, content and frequency designated by the Constituent Institution; and

F. Require that the institution and its Covered Employees comply with all applicable state and Federal law and regulation.

Each Constituent Institution shall submit to the President a copy of its institutional policies and procedures on individual Conflicts of Interest, including definitions of Conflicts of Interest, methods for publicizing the policy and training Covered Employees on institutional definitions and requirements, and procedures and questionnaires for disclosing relationships and circumstances that may raise questions about Conflicts of Interest. Any substantial modifications of the Constituent Institution's policies and procedures for individual Conflicts of Interest should also be forwarded to the President after approval by the Constituent Institution.

IV. Conflicts of Commitment. Constituent Institutions must establish and maintain policies and procedures sufficient to permit Constituent Institutions and their employees to recognize, disclose, and address potential or actual Conflicts of Commitments in accordance with all applicable state and Federal laws and regulations. These policies and procedures must:

A. Require that a Covered Employee's professional activities be arranged to avoid circumstances that do or may create conflicting obligations and interfere with the Covered Employee's fulfillment of University Employment Responsibilities;

B. Define and prohibit the impermissible Use of University Resources in the conduct of external activities, including:

1. The use of the name or marks of the University of North Carolina or any of its Constituent Institutions for any purpose other than for identification purposes;

2. Claim, explicitly or implicitly, any Constituent Institution or institutional responsibility for the conduct or outcome of an external professional activity; and

3. Receipt of remuneration from both the Constituent Institution (including State-reimbursed travel, work time, or resources) and an external entity for the same activity. In addition, Covered Employees classified as senior academic and administrative officers

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Deleted: <#>Avoiding conflicts of interest¶
Each constituent institution must adopt policies and procedures that:¶
effectively impart a clear understanding of permissible and impermissible conduct;¶
provide for disclosure of Financial Interests, review of disclosures in the context of University Employment Responsibilities and processes to manage or mitigate conflicts of interest;¶
provide for

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provide for compliance with applicable federal regulations.¶
Critical to the success of any program established to address Conflicts of Interest is employee understanding of the potential problems, so that individuals are equipped to avoid such conflicts on their own initiative. While in many situations the conflict of interest would be obvious to all, in other situations the potential difficulty would not be so apparent. Since concern about Conflicts of Interest appropriately embraces situations in which there is a potential for or appearance of conflict, as well as actual conflict, there may be differing views about what is or is not a problematic activity or affiliation. Thus, the faculty and administration of each Constituent

Deleted: must establish basic definitions of activities and circumstances with a potential to create Conflicts of Interest and then must ensure that all affected employees are fully informed, on a regular and continuing basis, through training and distribution of institutional policies and procedures on individual Conflicts of Interest and Conflicts of Commitment.

Deleted: Each Constituent Institution must establish procedures that elicit information in a timely manner about potential Conflicts of Interest related to the Covered Employee's University Employment Responsibilities. Designated administrative officials or faculty, as defined by the Constituent Institution's implementing policies and procedures shall analyze the disclosed financial interest in the context of the Covered Employee's University Employment Responsibilities and decide whether the activity or affiliation in question actually presents a Conflict of Interest and, if so, what safeguards or remedial actions should be taken. Covered Employees shall be required to supplement the information elicited by the Conflict of Interest questionnaire at any time during the academic year when a new Financial Interest might entail a Conflict of Interest. In each case a designated administrative officer would provide a final ruling, subject to any prescribed rights of appeal in the Constituent Institution's implementing policies and procedures.¶ ... [8]

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Questions about conflict of commitment are more easily recognized and resolved than questions about Conflicts of Interests. Although full-time faculty and other non-faculty... [9]

are subject to [UNC Policy 300.2.2\[R\] Regulation for Senior Academic and Administrative Officer on External Professional Activities for Pay and Honoraria](#).

C. [Provide for appropriate monitoring of Covered Employee work within their units, to include regular reviews of performance in connection with annual salary decisions and scheduled reviews incident to promotion, reappointment or tenure decisions, and complaints from students, colleagues, or administrators about possible failures to meet assigned responsibilities may arise and require investigation.](#)

D. [Require Covered Employees to disclose external activities that may give rise to a Conflict of Commitment, including those External Professional Activities governed by UNC Policy 300.2.2.1\[R\];](#)

E. [Identify which external activities, if defined as University Employment Responsibilities, must be reported by the Covered Employee pursuant to applicable law or regulation and specify the process for reporting them, such as a Foreign Government Talent Recruitment Program; or situations where a Covered Employee commits to sharing information with an external entity without appropriate institutional approval, or not sharing information with the institution or funding entities; and](#)

V. [Other Matters.](#)

A. [Effective Date. The requirements of this policy shall be effective upon adoption by the Board of Governors.](#)

B. [Relation to Other Laws. This policy is designed to supplement, and does not purport in any way to supplant or modify, those statutory enactments and rights which may govern or limit the political activities of employees of the State of North Carolina.](#)

C. [Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.](#)

¹ [Supersedes Policy 300.2.2 originally entitled "Conflicts of Interest and Commitment Affecting Faculty and Non-Faculty EPA."](#)

² [External activities of employees covered by the North Carolina Human Resources Act are addressed in the North Carolina Human Resources Act, Employment and Records, Secondary Employment Policy.](#)

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Deleted: ~~External Professional Activities for Pay~~[¶]
The University of North Carolina and its Constituent Institutions seek to appoint and to retain, as employees, individuals of exceptional competence in their respective fields of professional endeavor. Because of their specialized knowledge and experience, these individuals have opportunities to apply their professional expertise to activities outside of their University employment, including secondary employment consisting of paid consultation or other service to various public and private entities. These practical compensated applications of their professional qualifications enhance capabilities in teaching, research, and administration. Thus, participation of employees in external professional activities for pay, typically in the form of consulting, is an important characteristic of academic employment that often leads to significant societal benefits, including economic development through technology transfer. However, External Professional Activities for Pay are to be undertaken only if they do not:

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1.->

Deleted: Create a Conflict of Commitment by interfering with the obligation of the individual to carry out all

Deleted: in a timely and effective manner;[¶]
2.->Create a Conflict of Interest because of the individual's status as a

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3.->

Deleted: Involve any inappropriate use or exploitation of University resources;[¶]
4.->Make any use of the name or marks of the University of North Carolina or any of its Constituent Institutions for any purpose other than professional identification; or[¶]
5.->Claim, explicitly or implicitly, any University or

Deleted: responsibility for the conduct or outcome of the External Professional Activities for Pay.[¶] (... [10])

Deleted: at appropriate university levels of External Professional Activities for Pay. A faculty or non-faculty EPA employee who wishes to engage in External Professional (... [11])

Deleted: University Employment Responsibilities. These regulations may not apply to faculty and non-faculty EPA employees serving on academic year (9-month) contracts, if the External Professional Activity for Pay is wholly performed (... [12])

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Deleted: In those instances when State-reimbursed travel, work time, or resources are used or when the activity can be construed as related to the Covered Employee's University Employment Responsibilities on behalf of the State, the (... [13])

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The UNC Policy Manual
300.2.8
Adopted 10/12/01
Replaced 03/21/03
REPEALED / /24

Faculty Military Leave

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The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 and North Carolina General Statute 127A-116 specify the employment and reinstatement rights of employees called to involuntary active duty in the Uniformed Services. This policy implements those statutes for faculty of the University of North Carolina. Each constituent institution shall adopt policies and regulations in accordance with federal and state law and consistent with this policy. ¶

¶
<#>Definition of Faculty: As used in this policy, "faculty" means faculty who are appointed for nine months or more and work halftime (50% FTE) or more and who are not covered under the "Senior Academic and Administrative Officer" policy or the policy on "Employees Exempt from the State Personnel Act." ¶

¶
<#>Salary: In accordance with federal and state laws, the University of North Carolina Board of Governors directs that for each period of involuntary service, a faculty member who is involuntary called to State or Federal active military duty shall receive up to 30 calendar days of pay. For periods in excess of 30 days, the faculty member shall be entitled to receive differential pay for any period of involuntary service. Differential pay is the difference between military basic pay and the faculty member's regular university earnings for that period of time, if military pay is the lesser. If a faculty member is subject to a term contract, the pay or differential will be limited to the term of the contract. ¶

¶
Upon return to the University, the faculty member's salary shall be reinstated and shall include cost-of-living adjustments (if any) that were awarded while the faculty member was on military leave. Merit pay shall also be awarded upon reinstatement if the faculty member received a performance evaluation for at least one semester during the academic year and would have otherwise been eligible to receive a merit increase. ¶

¶
<#>Benefits: During the period of active military duty, whether receiving full pay, differential pay or no pay from the university, a faculty member shall not incur any loss of benefits accorded to other faculty who are on a leave of absence. A faculty member covered under campus annual and sick leave policies shall continue to accumulate annual and sick leave during the period of active duty for use upon return to the University. ¶ (... [1])

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The UNC Policy Manual
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Faculty Community Service Leave

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In recognition of the State's diverse needs for volunteers to support schools, communities, citizens, and non-profit charitable corporations, each constituent institution shall establish a program for awarding Community Service leave to faculty, with appropriate policies, rules, procedures and criteria for the administration and reporting of such leave, subject to the basic requirements set forth below. Community Service Leave may be granted to (1) parents for child involvement in the schools, (2) any employee for volunteer activity in the schools or in a Community Service organization, or (3) any employee for tutoring and mentoring in the schools. In addition, there are special guidelines providing for Emergency Service, Blood and Bone Marrow Donorship, and Disaster Service Volunteer with the American Red Cross. All faculty are encouraged to volunteer in support of North Carolina's schools, communities, citizens and non-profit organizations. ¶

¶

<#>Community Service Leave: Faculty who are permanent halftime (50% FTE) or more and in leave earning status shall be awarded twenty-four (24) hours of Community Service Leave annually which may be used for volunteer participation in the programs, services and organizations indicated below, or elect to receive an award equivalent to one (1) hour each week that a public school is in session. The latter award is to be used exclusively for mentoring or tutoring students in North Carolina schools. ¶

¶

<#>Leave for Child Involvement and School Volunteerism: Faculty may use all or part of their annual allotment of Community Service Leave to volunteer time in support of programs and services in public and private elementary, middle and high schools, and licensed public and private day care and pre-school settings. A parent may use this leave to meet with a teacher or administrator concerning the parent's child or may attend any educational function sponsored by the school in which the child is participating. ¶

¶

<#>Leave for Non-Profit Organization Volunteerism: Faculty may use all or part of their annual 24-hour allotment of Community Service Leave to volunteer time in non-profit, non-partisan community organizations which are designated as 501(c)(3) agencies under the Internal Revenue Code, or human services organizations licensed or accredited to serve citizens with special needs including children, youth, and the elderly. ¶

¶

<#>Leave for Tutoring and Mentoring in North Carolina Schools: In lieu of the 24-hour award as noted above, employees may elect to receive one (1) hour of volunteer leave for each week that public schools are in session, up to a maximum of 36 hours. ¶ [1]

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Serious Illness and Disability Leave for Faculty

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Each constituent institution must establish a written policy to provide a period of leave for faculty in cases of extraordinary illness, major disability, or for parental purposes. Nine-month faculty at UNC institutions do not accrue sick leave.¹ However, institutions should anticipate situations in which faculty members, because of serious illness, disability, or family responsibilities, will be unable to perform their duties for an extended period. In addition, under the federal Family and Medical Leave Act (FMLA, 1993), employees are eligible to take paid or unpaid leave up to a total of 12 weeks per year. The North Carolina Family Illness Leave Act (2002) allows for up to 52 weeks of leave without pay during a five-year period in cases of serious illness of a child, spouse, or parent. UNC constituent institutions need written leave policies for faculty that can be coordinated with these policies and with the North Carolina Disability Income Plan.¶

¶

Serious illness and disability leave policies required by this policy will apply to faculty members who do not accrue sick leave and are eligible to participate in the N.C. Teachers' and State Employees' Retirement System or the UNC Optional Retirement Program [i.e., continuing faculty who are employed at least 75 percent of full-time].¶

¶

The president may issue Guidelines for the specific features of these policies, based on the recommendations of the Task Force on Serious Illness and Disability Policies for Faculty (March 2003). Campus policies must be made available as information to current and prospective faculty members.¶

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**Supplemental Pay Policy for Employees Exempt from the
North Carolina Human Resources Act**

I. Purpose. This policy addresses supplemental payments to faculty, SAAO, and EPS employees. The UNC System Office and each constituent institution must have policies or regulations in place that clearly address the requirements and procedures for special payments. The Supplemental Pay Policy is intended to address two situations:

- A. Temporary increases in responsibility during the employee's normal work hours or contract period.
- B. Extra duties outside the employee's job description that are performed outside of normal work hours or that add extra work hours in addition to those spent on normal job duties.

Supplemental pay is not a bonus for performance. Employees who are eligible for overtime under FLSA regulations must not be given supplemental pay in lieu of overtime.

II. The Supplemental Pay Policy should address the following:

- A. Types of assignments, including faculty overloads, special or temporary administrative assignments, and SAAO and EPS teaching assignments.
- B. Procedures for requesting temporary pay.
- C. Limits on overload time or length of assignment; and.
- D. Compensation guidelines, including any limits on the amount of pay.

III. The following steps must be completed and documented before a supplemental payment can be made:

- A. The employee's supervisor must submit a written request stating the justification for supplemental pay in advance of the start of the special assignment.
- B. The request must clearly identify the activities covered, the relationship of the activities to normal job responsibilities, the expected duration, and the basis for determining the one-time or periodic supplemental payment.
- C. The request must be made to the appropriate administrator (Provost/Vice Chancellor, Department Head, Dean, Vice President, etc.)

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D. The approved request must be submitted to Human Resources or EHRA Personnel Administration for final review and processing and submitted to the UNC System Office for approval if required by policy or regulation.

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E. Documentation of supplemental payments must be maintained in the employee's personnel file.

IV. Other Matters.

A. Effective Date. The requirements of this policy shall be effective upon adoption by the Board of Governors.

B. Relation to State Laws. This policy is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern the activities of public officials.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.

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Policy on Non-Salary and Deferred Compensation

I. Non-salary Compensation

A. Irrespective of the campus' status regarding management flexibility in personnel, all constituent institutions and the UNC System Office shall have a policy concerning the granting of non-salary compensation for all personnel exempt from the North Carolina Human Resources Act except for the chancellor and the president. The policy shall (i) provide specified non-salary compensation to a defined category of employees uniformly or (ii) require appropriate approval – by the board of trustees, Board of Governors, chancellor, or president, as applicable and as provided in this policy – regarding non-salary compensation granted to an individual employee before non-salary compensation is provided.

B. Each policy that provides specified non-salary compensation to a defined category of employees shall set out what types of non-salary compensation the campus or UNC System Office will provide, and the criteria for awarding such compensation. The awarding of non-salary compensation may be based on any reason or reasons considered relevant to attracting or retaining faculty and staff of the highest possible quality. Decisions concerning non-salary compensation shall not be based in whole or in part upon any of the protected statuses included in Section 103 of *The Code*.

C. The funding source for non-salary compensation shall not be state funds, and non-salary compensation may be provided directly by an associated foundation if permitted by policy. An exception permitting non-salary compensation to be funded from state funds may be approved by a board of trustees or the Board of Governors only when permitted by the Office of State Budget and Management (OSBM). Any special campus services or benefits or club membership for an employee must be job related, and the club must have a policy prohibiting discrimination against groups protected by federal and North Carolina law. Non-salary compensation shall be appropriately reported to federal and state tax agencies.

D. The hiring approval process may include payment of moving expenses in accordance with authority from the Office of State Budget and Management. The decision of whether to approve payment of moving expenses in an employment offer for an employee who is not included in an established category of employees who are provided compensation for moving expenses may be delegated no lower than the provost/vice chancellor level or vice president level.

E. The following items are permissible and are not considered "non-salary compensation" for purposes of this policy: (i) Provision of housing, when occupancy of the housing is required as a part of the job, (ii) reimbursement of professional- or work-related travel, and (iii) provision of

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materials and equipment to perform the work of the position, even if used at home, including computers, monitors, mobile phones, tablets, and similar work-related items.

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F. Sign-on, Retention, and Performance-Based Bonus Compensation Programs.¹ The Board of Governors delegates authority to the constituent institution boards of trustees to administer sign-on, retention, and performance-based bonus programs for SAAO, faculty, and EPS employees. Equivalent authorities are granted at the direction of the president to administer such programs for UNC System Office SAAO, faculty, and EPS employees.

1. 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 the president's designee.

2. 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 the president's designee.

3. Performance-based bonus compensation awarded through this policy in a single fiscal year that exceeds 20 percent of an individual employee's current base salary and \$50,000 must receive approval from the president and the Committee on University Personnel of the Board of Governors.

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4. An employee may receive either a sign-on bonus or a retention bonus, but not both, within any 24-month period. The award of performance-based bonus compensation shall be administered independently from any sign-on or retention bonus program and shall be tied to an annual performance review for non-faculty employees and to 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. When applicable, and in accordance with Executive Retirement Plan documents, performance-based bonus awards for Plan-eligible employees may be directed to an executive retirement plan administered by the UNC System Office, in lieu of a cash payment.

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5. The boards of trustees may delegate authority to approve sign-on, retention, and/or performance-based bonuses to the chancellor and/or chancellor's designee(s) with the exclusion of such bonuses for SAAOs, which may not be delegated. For employees of the UNC System Office, the president has authority to approve sign-on, retention, and performance-based bonuses, including such bonuses for SAAOs and EPS employees.

6. Institutions may establish rules to require an employee to pay back all or part of sign-on or retention bonus payments already received if the employee separates from the institution fewer than 12 months after payment of the bonus award.

7. Bonuses may be provided using either state funds or non-state funds. For state funds, such use must be permissible under the policies of OSBM.

8. Institutions must establish specific procedures for reviewing and monitoring

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[sign-on, retention, and performance-based bonuses.](#)

[9. Institutions may adopt additional supplemental policies and procedures surrounding sign-on, retention, and performance-based bonuses, provided such policies do not conflict with this Policy and are consistent with applicable state or federal law.](#)

[10. The president may establish guidelines for periodic reporting on these bonus compensation programs.](#)

II. Delayed or Deferred Salary/Compensation

A. The State of North Carolina and the University of North Carolina System offer employees options for deferred compensation and insurance. Unless expressly approved by the Board of Governors, constituent institutions and the UNC System Office may not provide any other employer-paid options for deferred compensation or other delayed compensation to its employees.

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B. For purposes of this policy, delayed and deferred salary or compensation shall be broadly defined to include, but are not limited to, any employer payment or contribution paid (1) directly to an employee, (2) to the employee's account or plan, or (3) to a person acting in a capacity similar to a trustee for the employee, which is paid later than the regular or next subsequent payment cycle, except for an error that is promptly corrected upon discovery. Delayed and deferred salary/compensation also includes traditional 457 deferred compensation plans, any retirement plans or accounts, annuities, and life insurance accumulating any cash value. Delayed and deferred compensation also include both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

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C. This policy does not prohibit a campus from making any permitted employer contribution to the Optional Retirement Program or the Teachers' and State Employees' Retirement System.

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III. Non-Salary or Deferred Compensation of Chancellors and President. Other than a state provided car or a car of comparable value, a chancellor's or the president's residence as provided for in Section 300.1.5 of the UNC Policy Manual, work related club memberships, reimbursement of moving expenses upon initial employment as a chancellor or president, and benefits uniformly provided to all employees exempt from the North Carolina Human Resources Act, only the Board of Governors may approve non-salary or deferred compensation for a chancellor or the president. The funding source for non-salary compensation for a chancellor or the president, other than that specified in this paragraph, shall not be state funds, but an exception may be approved by the Board of Governors. Club memberships may never be paid using State funds.

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IV. Employees Exempt from this Policy. Members of faculty medical practice plans, such as physicians, dentists, and veterinarians, are exempt from this policy. Athletic directors and head coaches remain subject to Section 1100.3 of the UNC Policy Manual and are exempt from this policy.

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V. Review and Approval. Campus policies on non-salary and delayed/deferred salary/compensation must be submitted as a part of the campus request for management flexibility to appoint and fix compensation. Campuses already granted management flexibility in personnel shall submit their policies

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to the UNC System Office for review. Subsequent changes to the policies must be submitted for review by the UNC System Office prior to submission to the campus board of [trustees](#) for approval. In some cases, policies with extensive revisions will be reconsidered by the Committee on University Personnel of the Board of Governors.

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VI. [Other Matters](#)

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A. [Effective Date](#). The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. [Relation to State Laws](#). [This](#) policy is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

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C. [Regulations and Guidelines](#). This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

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¹ See [May 26, 2022, 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."](#) Cf. [Section 300.2.14.2\[R\]](#).

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The UNC Policy Manual
300.2.22
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LEAVE PROGRAMS FOR FACULTY AND STAFF EXEMPT FROM THE NORTH CAROLINA HUMAN RESOURCES ACT

I. Holidays and Leave Entitlement

A. Holidays. Employees covered under this Policy shall be subject to the same State-prescribed paid holidays given to employees subject to the North Carolina Human Resources Act (SHRA).

B. Annual Leave

1. Eligibility. The following employees are eligible under this policy for Annual Leave:

a. All permanent Senior Academic and Administrative Officers (SAAO) or Exempt Professional Staff (EPS) with appointments made before the effective date of the Personal Leave program established in I.C. below;

b. For employees covered in B.1.a. above, new SAAO and EPS appointments within the employee's same institution that are effective on or after the effective date of the Personal Leave program established in I.C. below; and

c. Employees who were in a position subject to the North Carolina Human Resources Act and who subsequently transfer or convert to an SAAO or EPS appointment within the same institution, provided the employee's original hire date at the institution was before the effective date of the Personal Leave program established in I.C. below.

2. Annual Accrual. A permanent full-time employee (1.00 FTE) in a position covered by this policy shall be entitled to accrue twenty-four (24) workdays per year for Exempt Professional Staff and twenty-six (26) workdays per year for Senior Academic and Administrative Officers.

3. Accrual Rate. Annual Leave is accrued at a monthly rate and is adjusted proportionately for permanent part-time employees who work halftime or more (0.50 - 0.99 FTE) as well as for permanent employees who are on a contract period of less than one year. The monthly accrual amount is equal to one-twelfth of the annual accrual. Monthly leave is earned when an employee works or is on approved paid leave at least half the working days of a month.

4. Leave Year Defined. An employing institution shall define a year as either "fiscal year" (July 1 - June 30) or "calendar year" (January 1 - December 31). Employing institutions that have previously defined a year as "contract year" may continue to do so.

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5. Exception for Prior Higher Accrual Rate. With respect to an incumbent employee who earns more than twenty-four (24) days of Annual Leave per year as of the date that this policy becomes effective, or as of the date that an employee accepts a position subject to this policy, such employee shall be entitled to continue to earn leave at their current rate.

6. Annual Carryforward of Leave. The maximum number of unused days of Annual Leave that may be carried forward from one year to the next shall be thirty (30) workdays. Annual Leave in excess of thirty (30) workdays will be automatically converted to sick leave at the end of the calendar year.

7. Scheduling Leave. The scheduling of an employee's Annual Leave shall be subject to the approval of the employee's supervisor.

8. Advancement of Annual Leave. Subject to institutional policy and approval by the employee's supervisor, an employee may be advanced the amount of leave that can be accrued during the remainder of the defined leave year. If an employee separates from the employing institution and has taken more Annual Leave than has been accrued, the employing institution must determine the amount of leave that the employee must repay to the institution and make deductions from the employee's final salary check accordingly.

9. Transfer and payout of accrued Annual Leave. For new appointments within the same employing institution that are subject to this policy, all Annual Leave will transfer to the new appointment. Upon discontinuation of employment from the employing institution, or upon transfer to a position not subject to this policy, the employee's Annual Leave balance shall be paid out, up to a maximum of thirty (30) workdays (pro-rated for part-time employees).

10. No employee may accrue both Personal Leave and Annual Leave simultaneously.

C. Personal Leave. The president shall set regulations for a Personal Leave program containing the following elements to be effective at a date determined by the president but no sooner than July 1, 2024.

1. Eligibility.

a. All permanent Senior Academic and Administrative Officers (SAAO) and Exempt Professional Staff (EPS) with appointments on or after the effective date determined by the president.

b. Faculty with 12-month appointments effective on or after the effective date determined by the president.

c. The president shall set regulations for employees holding an SAAO or EPS appointment who are eligible to accrue Annual Leave (as provided in Section I.B above) to make an irrevocable election to join the Personal Leave program and end Annual Leave accruals. Employees making this irrevocable election may:

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An employing institution must establish campus-wide uniform guidelines regarding the transfer of accrued annual leave from a UNC System constituent institution or State or local governmental agency whose leave is currently transferable in accordance with the policy prescribed for employees

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A Tier II SAAO who has accrued unused annual leave upon

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(1) receive a payout of their accrued Annual Leave, up to a maximum of thirty (30) workdays (pro-rated for part-time employees), either at the time of, or subsequent to, their irrevocable election, with approval from their employing institution, or

(2) retain up to a maximum of thirty (30) workdays (pro-rated for part-time employees) of accrued Annual Leave while they remain employed at that institution in a position subject to this policy. Upon the employee's discontinuation from employment, transfer to another institution, or transfer to a position not subject to this policy, then the employee shall receive a payout of the retained accrued Annual Leave, at the pay rate as of the time of the discontinuation or transfer. Any retained Annual Leave must be tracked separately from accrued Personal Leave.

Any Annual Leave in excess of thirty (30) workdays under either option is forfeited.

2. Annual Accrual. A permanent full-time employee (1.00 FTE) in a position covered by this regulation shall be entitled to accrue twenty-six (26) workdays per year.

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3. Accrual Rate. Personal Leave is accrued at a monthly rate and is adjusted proportionately for permanent part-time employees who work halftime or more (0.50 - 0.99 FTE) as well as for permanent employees who are on contract for less than one year. The monthly earnings amount is equal to one-twelfth of the annual rate. Monthly leave is earned when an employee works or is on approved paid leave at least half the working days of a month.

4. Leave Year Defined. The President shall define a leave year cycle for this program.

5. Annual Carryforward of Leave. Employees may carry forward a maximum of twenty (20 days) of Personal Leave into the next defined leave year. Any excess leave expires at the end of the defined leave year and does not convert to sick leave.

6. Scheduling Leave. The scheduling of an employee's Annual Leave shall be subject to the approval of the employee's supervisor.

7. Advancement of Personal Leave. Subject to institutional policy and approval by the employee's supervisor, an employee may be advanced the amount of Personal Leave that can be accrued during the remainder of the defined leave year. If an employee separates from the employing institution and has taken more Personal Leave than has been accrued, the employing institution must determine the amount of Personal Leave that the employee must repay to the institution and make deductions from the employee's final paycheck accordingly.

8. Transfer of accrued Personal Leave.

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a. If an employee receives a new appointment to a position subject to this policy and within the same employing institution, then all Personal Leave will transfer to the new appointment. Any Annual Leave retained pursuant to Section C.1.c(2) of this Policy will transfer to the new appointment.

b. If an employee transfers to another UNC constituent institution in a position subject to this policy, then up to a maximum of twenty (20) days of Personal Leave shall transfer to the new institution, and any excess leave shall be forfeited. Any Annual Leave retained pursuant to Section C.1.c(2) of this Policy shall be paid out.

c. If an employee otherwise discontinues employment, all Personal Leave shall be forfeited. Any Annual Leave retained pursuant to Section C.1.c(2) of this Policy shall be paid out.

9. No employee may accrue both Personal Leave and Annual Leave simultaneously.

D. Other Leave Programs.

1. Employees in positions covered by this policy shall be subject to the same policies concerning sick leave, family and medical leave, paid parental leave, family illness leave, civil leave, military leave, community service leave, special annual leave bonus, personal observance leave, and any other leave program as may be prescribed for employees subject to the North Carolina Human Resources Act or as otherwise provided by university policy or regulation.

2. With respect to sick leave, subject to institutional policy and approval by the employee's supervisor, an employee may be advanced the amount of sick leave that can be accrued during the remainder of the year or during a 12-month period. If an employee separates from the employing institution and has taken more sick leave than has been accrued, the employing institution must determine the amount of leave that the employee must repay to the institution and make deductions from the employee's final paycheck accordingly.

E. Leave of Absence Without Pay. SAAO and EPS employees covered under this Policy may request a leave of absence without pay. Granting such a request shall be at the discretion of the employee's supervisor and subject to such institutional procedures as adopted by the chancellor, or president (or their designees).

F. Voluntary Shared Leave. SAAO and EPS employees covered under this Policy shall be subject to the same provisions concerning shared leave as are applicable to employees subject to the North Carolina Human Resources Act with the exception that the donation and acceptance of such leave shall be computed on the basis of days rather than hours.

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G. Educational Leave. Employees in covered positions are entitled to the same opportunities as other University employees to invoke the privilege of tuition waiver conferred by Section 1000.2.2 of the UNC Policy Manual.

H. Faculty Military Leave. The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 and North Carolina General Statute 127A-116 specify the employment and reinstatement rights of employees called to involuntary active duty in the Uniformed Services. Each constituent institution shall adopt policies and regulations in accordance with federal and state law and consistent with provisions established in this policy. (Military leave for other EHRA employees is addressed in paragraph D. above.)

1. Definition of Faculty. "Faculty" means faculty who are appointed for nine months or more and work halftime (50% FTE) or more and who are not designated as a Senior Academic and Administrative Officer or as Exempt Professional Staff as defined by Section 300.1.1 of the UNC Policy Manual. This leave program shall apply to any faculty member called into active military duty status on or after September 1, 2001.

2. Salary. In accordance with federal and state laws, the Board of Governors directs that for each period of involuntary service, a faculty member who is involuntarily called to State or Federal active military duty shall receive up to thirty (30) calendar days of pay.

a. For periods in excess of thirty (30) days, the faculty member shall be entitled to receive differential pay for any period of involuntary service. Differential pay is the difference between military basic pay and the faculty member's regular university earnings for that period of time, if military pay is the lesser. If a faculty member is subject to a term contract, the pay or differential will be limited to the term of the contract.

b. Upon return to the University, the faculty member's salary shall be reinstated and shall include applicable legislative salary increase and/or cost-of-living adjustments (if any) that were awarded while the faculty member was on military leave. Merit pay or bonuses shall also be awarded upon reinstatement if the faculty member received a performance evaluation for at least one semester during the academic year and would have otherwise been eligible to receive a merit increase or bonus.

3. Benefits. During the period of active military duty, whether receiving full pay, differential pay, or no pay from the university, a faculty member shall not incur any loss of benefits accorded to other faculty who are on a leave of absence. A faculty member covered under an institution's Annual Leave, Personal Leave, and/or Sick Leave policies shall continue to accumulate Annual Leave, Personal Leave, and/or Sick Leave during the period of active duty for use upon return to the University.

4. Reappointment, tenure, and promotion. In advance of leaving work to perform military duty, a faculty member may initiate a request, consistent with institutional policy, for an extension of the time during which an institutional decision must be made regarding reappointment, tenure, or promotion.

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5. Other types of military leave. For faculty, institutional policies should be consistent with the military leave policy for employees subject to the North Carolina Human Resources Act providing for:

a. Up to a maximum of 120 hours of military leave with pay each Federal fiscal year (October-September) for members of the uniformed services for active duty training and inactive duty training;

b. Up to a maximum of 120 hours of military leave with pay during any calendar year, for members of the Civil Air Patrol while performing missions or encampments for the U.S. Air Force or emergency missions for the State at the request of the Governor or the Secretary, Department of Crime Control and Public Safety;

c. Up to 120 hours of military leave with pay during any calendar year for members of the State Defense Militia when called up by the Governor for infrequent special activities in the interest of the State, usually not exceeding one day, and State duty for missions related to disasters, search and rescue, etc.;

d. Military leave with pay for a required physical examination relating to membership in the uniformed services; and,

e. Military leave without pay for all uniformed service duty that is not covered by military leave with pay.

6. Notice. Institutions must ensure that all faculty members receive information about their rights under this policy and USERRA.

G. Other Paid Leave Programs for Faculty.

1. Community Service and Parental Leave. Faculty in permanent appointments working half-time or more (0.50 FTE) who otherwise do not accrue leave are eligible for paid community service leave and paid parental leave under same policies and regulations as may be prescribed for employees subject to the North Carolina Human Resources Act unless otherwise provided by university policy or regulation.

2. Serious Illness and Disability Leave. Each constituent institution must establish a written Serious Illness and Disability Leave for Faculty policy to provide a period of leave for faculty in cases of extraordinary illness, major disability, or for parental purposes. Nine-month faculty at UNC institutions do not accrue sick leave. However, institutions should anticipate situations in which faculty members, because of serious illness, disability, or family responsibilities, will be unable to perform their duties for an extended period.

a. Under the federal Family and Medical Leave Act (FMLA), employees are eligible to take paid or unpaid leave up to a total of 12 weeks per year. The North Carolina Family Illness Leave Act allows for up to 52 weeks of leave without pay during a five-year period in cases of serious illness of a child, spouse, or parent.

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Effective date: This policy shall take effect upon adoption by the Board of Governors and shall apply to any faculty member called into active military duty status beginning September 1, 2001.¶

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In recognition of the State's diverse needs for volunteers to support schools, communities, citizens, and non-profit charitable corporations, each constituent institution shall establish a p[aragraph] (... [6])

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The North Carolina Paid Parental Leave Policy provides up to four weeks of paid leave for the recuperation from giving birth and up to four weeks of paid leave for the bonding period with a newborn child or newly adopted, foster, or otherwise legally placed child. UNC constituent institutions must establish written leave policies for faculty that can be coordinated with these policies and with the North Carolina Disability Income Plan.

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b. Serious illness and disability leave policies will apply to faculty members who do not accrue sick leave and are eligible to participate in the N.C. Teachers' and State Employees' Retirement System or the UNC Optional Retirement Program.

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c. Individuals employed at the North Carolina School of Science and Mathematics pursuant to its Regulations on Faculty Employment who work at least 75% of full time earn sick leave are not subject to this Policy.

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The president may issue Guidelines for the specific features of these policies, based on the recommendations of the Task Force on Serious Illness and Disability Policies for Faculty (March 2003). Campus policies must be made available as information to current and prospective faculty members.¶

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II. Implementation. The board of trustees of each constituent institution shall adopt for the institution personnel policies for covered positions within the institution that are consistent with all provisions of these policies. Any proposed provision in an institutional policy statement that in any manner adds to or modifies the provisions of these policies must be submitted for review and approved by the president prior to its adoption and implementation.

III. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. This policy is meant to supplement and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

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Political Activities of Employees

J. Purpose. University employees retain the rights and obligations of citizenship provided in the Constitution and laws of the State of North Carolina and the Constitution and laws of the United States of America. Employees are encouraged to exercise fully and freely their right to participate or refrain from participating in political processes without fear of penalty or reprisal, consistent with the University's commitment to encouraging the full freedom, within the law, of inquiry, discourse, teaching, research, service, and publication. Certain types of activities by University employees related to political processes, however, may be incompatible with the general responsibilities of employment or with the particular responsibilities of University employment.

Deleted: →The Board of Governors adopts the following policy concerning political activities by University employees.¶

A. Applicability. This policy applies to all University employees who are exempt from the North Carolina Human Resources Act (Chapter 126 of the General Statutes) pursuant to G.S. 126-5(c1).¹

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B. Definitions. For purposes of this policy:

1. "Campaign" or "campaigning" means all acts done by a candidate and their adherents to obtain votes to be cast toward a nomination or in an election.

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2. "Candidate" means an individual who seeks nomination or election to any elective public office whether or not the person is elected. Absent any other evidence of candidacy, an individual is deemed to be a candidate if the individual has received political contributions or made expenditures or has consented to another person receiving contributions or making expenditures with a view to bringing about the individual's nomination or election.

3. "Election" includes a primary, special, runoff, or general election.

4. "Employee" means an individual who is employed by the University of North Carolina and is exempt from the North Carolina Human Resources Act (Chapter 126 of the General Statutes) pursuant to G.S. 126-5(c1).

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5. "Endorse" means a public statement by an individual expressing support or approval of another individual's candidacy for public office.

6. "On duty" means the time period when an employee is:

a. in a pay status other than paid leave, compensatory time off, or excused or authorized absence (including leave without pay);

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b. _____ representing the University of North Carolina or any constituent institution or subdivision thereof in an official capacity; or

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c. _____ expected to perform services for which he or she receives compensation from the University. Provided, however, an employee who is or may be expected to perform their duties on a twenty-four hour per day basis shall not be considered on duty except during regularly scheduled working hours or at other times when the employee is actually performing the duties of their office.

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7. "Partisan" when used as an adjective means related to a political party.
8. "Partisan political group" means any committee, club, or other organization which is affiliated with a political party or candidate for public office in a partisan election, or organized for a partisan purpose, or which engages in partisan political activity.
9. "Partisan political office" means any public office for which any candidate is nominated or elected as representing a political party but does not include any office or position within a political party or affiliated organization.
10. "Political activity" means actions directed toward the success or failure of a candidate for public office, political party, or partisan political group including, but not limited to, campaigning, political management, and soliciting financial contributions for political purposes.
11. "Political management" means taking an active part in the direction, supervision, or management of a partisan political group or a campaign for public office.
12. "Political party" means a national political party, a state political party, or an affiliated organization.
13. "Political purpose" means an objective of promoting or opposing a political party, candidate for public office, candidate for partisan political office, or partisan political group.
14. "Public office" means any national, state, or local governmental position of public trust and responsibility, whether elective or appointive, which is created, prescribed, or recognized by constitution, statute, or ordinance (other than within the University of North Carolina).
15. "Senior officers" means the president, the chancellors, and the senior academic and administrative officers (SAAO) described in Policy 300.1.1, subpart I.A.
16. Solicit means to request expressly of another person that he or she contribute something to a candidate, a campaign, a political party, or partisan political group.

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II. Political Activities

A. Permissible Activities. An employee may engage in political activity to the extent not expressly prohibited by law or applicable policy.

1. Permissible activities include, but are not limited to:
 - a. Registering, voting, and otherwise participating in elections;
 - b. Becoming a candidate for and holding public office in accordance with University policy;
 - c. Expressing opinions privately and publicly on political subjects;
 - d. Participating in political organizations;
 - e. Participating in political campaigns;
 - f. Engaging in political management; and
 - g. Soliciting, accepting, receiving, and making financial contributions for political purposes to political parties, partisan political groups, and campaign committees of candidates for public office.

2. Subject to the prohibition against compelled speech described below, nothing in this policy prohibits, or otherwise limits, teaching, inquiry, classroom discussion or discourse concerning political issues, including campaigns, candidates, political groups or issues in campaigns for public office, that are within the subject matter of any academic program, course, curriculum, or study.

3. An employee may participate fully in public affairs in a manner that does not compromise their efficiency or integrity as an employee or the neutrality, efficiency, or integrity of the University constituent institution or unit in which he or she is employed.

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4. The political opinions assumed by employees are personal ones, and employees must ensure that they do not imply that such opinions are endorsed by the University.

5. Prohibition on Compelling Speech

a. To mitigate the risk of compelled speech that undermines the intellectual freedom and fostering of free expression required of the University of North Carolina by Article 36 of Chapter 116 of the General Statutes and embraced in Chapter VI of The Code and Section 1300.8 of the UNC Policy Manual, the University shall neither ask nor require an employee or applicant for academic admission or employment to affirmatively ascribe to or opine about beliefs, affiliations, ideals, or principles regarding matters of contemporary political debate or social action as a condition to admission, employment, or professional advancement. Nor shall any employee or applicant be solicited or required to describe their actions in support of, or in opposition to, such beliefs, affiliations, ideals, or principles. Practices prohibited here include but are not limited to

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solicitations or requirements for statements of commitment to particular views on matters of contemporary political debate or social action contained on applications or qualifications for admission or employment or included as criteria for analysis of an employee's career progression. Any constituent institution believing a requirement or solicitation prohibited hereby to be necessary for reasons related to the educational, research, or public service mission of the University established in G.S. 116-1 shall obtain prior written approval to include such a requirement or solicitation from the President following discussion in open session of a meeting of the Committee on University Governance attended by the requesting constituent institution's chancellor, its provost, and its chair of its board of trustees.

b. Any employee who acts in contravention of the foregoing prohibition on compelling speech, violating Section 5(a) above, shall be subject to existing disciplinary measures taken against employee(s).

c. Except as provided under current law, nothing in Section 5 creates or vests a private remedy or claim in any employee or applicant for admission or employment subjected to a practice prohibited hereby.

d. Nothing in Section 5 modifies or otherwise affects the University's existing guarantee of the right of academic freedom in its faculty's academic scholarship or classroom instruction, or research pursuits, subject only to institutional academic tenure policies as contemplated in Section 602 of *The Code*, as well as applicable law and UNC Code and Policy.

e. Nothing in Section 5 infringes upon the ability of an employee or applicant for academic admission or employment to voluntarily opine or speak regarding any matters, including those of contemporary political debate or social action, as contemplated in Section 5(a). Nor shall anything in Section 5 prohibit discussion with, or questioning of, an employee or applicant regarding the content of the employee's or applicant's resume, curriculum vitae, body of scholarship, or other written work or oral remarks presented by the employee or applicant in their own support.

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f. Nothing in Section 5 modifies or affects the University's ability to ensure its employees comply with applicable federal or state law or existing employment requisites under the law or agency policy, such as employment oaths, appointment affidavits, and licensure and certification requirements.

B. Prohibited Activities. An employee may not:

1. Participate in political activity while on duty;
2. Use the authority of their position, University funds, services, supplies, equipment, information technology resources, vehicles, or other University property, to endorse, campaign for, secure support for or oppose any candidate, political party, partisan political group, referendum, or issue in an election, or affect the results thereof;

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or

3. Make any promise of preferential treatment (or actually confer such preference) or make any threat of detrimental treatment (or actually impose such detriment) to any person, including with respect to any condition or incident of employment over which the employee has authority, control, or influence, for purposes of inducing support of or opposition to any candidate for public office, political party, or partisan political group.

C. Senior Officers. The University will supply to any candidate for public office information of a substantive nature, whether it is information on agriculture, economics, education, or any other topic. It is important that all candidates know they can receive factual information from the University, but it should be made clear that the administration of the University will not be identified with any candidate or any party. Accordingly, in addition to the restrictions set forth in subpart II.B., above, a senior officer may not:

1. Solicit, accept, or receive financial contributions from other persons or organizations on behalf of any candidate for partisan political office or the campaign committee of any candidate for partisan political office; or

2. Endorse or oppose a candidate for partisan political office or a candidate for political party office in a political advertisement, broadcast, campaign literature, or similar material.

D. Violations. Violation of the prohibitions contained in subparagraphs B. and C., above, shall be cause for appropriate disciplinary action, including discharge from employment.

III. Other Matters.

A. Effective Date. The requirements of this policy shall be effective upon adoption by the Board of Governors.

B. Policies of Constituent Institutions. The board of trustees of each constituent institution shall adopt policies governing political activities of employees. Policies adopted or substantively amended by a board of trustees regarding political activities of employees shall be effective upon approval by the president.

C. Relation to Other Laws. This policy is designed to supplement and does not purport in any way to supplant or modify, those statutory enactments and rights which may govern or limit the political activities of employees of the State of North Carolina.

D. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.

¹ For employees subject to the North Carolina Human Resources Act (SHRA), political activities are governed by Article 5, Chapter 126 of the North Carolina General Statutes, policies adopted by the Office of State Human Resources (OSHR) and campus policies adopted in accordance therewith.

Teaching Effectiveness in the University of North Carolina

- I. Purpose. North Carolina G.S. 116-1(b), declares that the mission of the UNC System “...is to discover, create, transmit, and apply knowledge to address the needs of individuals and society” and further specifies that “Teaching and learning constitute the primary service that the university renders to society. Teaching, or instruction, is the primary responsibility of each of the constituent institutions.” Consistent with the directive set forth in state law, the UNC Board of Governors has established the expectation that teaching “...should be the first consideration of all UNC institutions.” The University of North Carolina, therefore, has a primary obligation to provide undergraduate and graduate education of the highest quality. This policy provides the basis for the constituent institutions to formulate policies and processes that ensure, recognize, and reward teaching effectiveness.
- II. Scope. This policy applies to full-time tenured and continuing faculty, as defined in Chapter VI of the Code, whose workload plans include teaching.
- III. Definitions.
 - A. Teaching involves a variety of activities that communicate the knowledge and values and impart the skills necessary for individuals to lead responsible, productive, and personally satisfying lives. Such activities include, but are not limited to, the instruction of organized courses, evaluating students, developing materials for new courses, updating materials for existing courses, developing courseware or other materials for technology-based instruction, supervising undergraduate research and masters’ theses and doctoral dissertations, directing students in co-curricular activities such as plays, preparing and equipping new laboratories, supervision of teaching assistants, supervision of internships and other experiential learning, academic advising, mentoring, providing accommodations to students with respect to their mental health or physical needs, and other activities that support student success.
 - B. Teaching Effectiveness means providing student-centered learning and assessment experiences in line with clearly articulated learning objectives that are relevant to the discipline and the course. It models and fosters critical, analytical, and creative thinking, while both engaging and supporting students cognitively, emotionally, and behaviorally. Effective teaching ensures all students can participate fully and implements regularly revised content via pedagogical techniques that are current, research-informed, and rigorous.
 - C. Annual Evaluations, as defined in UNC Policy 400.3.4, *Policy on Faculty Workload*, Section III. B., are a review of the work of a faculty member by the department chair/head or equivalent relative to the faculty member’s approved work plan as defined in UNC Policy 400.3.4, Section III. C., and the faculty member’s self-assessment.
 - D. Student Feedback includes, but is not limited to, instruments used to gather anonymous responses regarding a student’s experience of a course, including items such as course organization, course materials, teaching methods, and interaction with the instructor of record.

E. Peer Assessment is a process conducted by faculty peers using elements such as observation of instruction, review of teaching portfolios, and discussions regarding pedagogical goals and methods, to continue to develop a faculty member's instructional skill and practice.

F. Self-Assessment is a process of deliberative review and critical evaluation of one's own work, while identifying specific strategies for improvement. Self-assessment shall be designed to provide a summative review of the faculty member's teaching as well as to identify formative strategies to continue developing skill in teaching.

G. Post Tenure Review, pursuant to UNC Policy 400.3.3, *Performance Review of Tenured Faculty*, is a comprehensive, periodic, cumulative review of the performance of tenured faculty members that shall encompass and include the use of annual evaluations.

IV. Required Elements for Developing Institutional Policies and Processes on Teaching Effectiveness.

A. Each institution shall establish policies and processes that define, encourage, and measure teaching effectiveness in accordance with the mission of the institution. Institutions may consider the specific requirements of colleges, schools, departments, other academic units, and academic disciplines in establishing these policies.

B. Faculty whose work plans include teaching shall be required to demonstrate teaching effectiveness in accordance with applicable institutional policies. Institutions shall use multiple inputs to assess a faculty member's teaching effectiveness and to further develop a faculty member's instructional practice. At the minimum, inputs shall consist of: (1) peer assessment, (2) student feedback, and (3) self-assessment. These inputs shall be utilized, as appropriate, in annual evaluations and comprehensive reviews, including reviews for promotion and post-tenure reviews or reviews for extension of appointment, if applicable.

C. The constituent institutions shall train faculty members, department chairs, academic unit heads, deans, and other administrators on how to effectively use these inputs to enhance pedagogy, the student learning experience, and student academic success.

D. Constituent institutions shall offer and encourage professional development opportunities for all faculty members focused on teaching effectiveness.

E. Constituent institutions shall develop appropriate rewards in recognition of teaching excellence.

F. The University of North Carolina System Office shall create and maintain an electronic resource center related to teaching effectiveness in personnel decision making to support constituent institutions in developing training regarding upholding these principles.

V. Outcome and Update Requirements.

A. In policy and procedures, constituent institutions shall ensure that teaching effectiveness is a component of all reviews of faculty whose workload plans include teaching, including annual faculty evaluations, reappointment and promotion considerations, and post-tenure review.

B. The chief academic officer at each institution, however titled, shall work with faculty via the representative body of the faculty to review and update, as needed, policy and procedures on teaching effectiveness on a regular timeline in accordance with appropriate institutional policies.

VI. Other Matters.

- A. Effective Date. The requirements of this policy shall be effective with the 2024-2025 academic year. Institutions shall have internal policies in place at the beginning of that academic year.
- B. Relation to Federal and State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.
- C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.
- D. Periodic Review. Each institution shall review their institutional policy at least every five years and submit a copy of that review and any changes made to the president.
- E. Approvals. All policies and procedures required under this policy must be submitted by the constituent institutions to the UNC System Office and approved by the president.

*Supersedes and replaces the prior UNC Policy 400.3.1, "Tenure and Teaching in the University of North Carolina" as this version was approved by the Board of Governors on **MONTH DATE, YEAR**.

Performance Review of Tenured Faculty (Post-Tenure Review)

- I. Purpose. To support and encourage excellence among tenured faculty, there shall be a post-tenure review process. The post-tenure review process at constituent institutions¹ of the University of North Carolina is a cumulative, holistic, and comprehensive periodic evaluation of tenured faculty performance designed to:
 - A. Assist faculty members in meeting university performance expectations;
 - B. Recognize and reward exemplary performance when faculty members exceed expectations;
 - C. Provide for a clear plan and timetable for improvement of performance when faculty do not meet expectations; and
 - D. Provide for the imposition of appropriate sanctions, consistent with Chapter VI of *The Code* of the University, when faculty members do not meet the goals established in a faculty success plan.

- II. Definitions. The following terms, as defined, shall be utilized by constituent institutions in post-tenure reviews of tenured faculty:
 - A. Exceeds Expectations: The faculty member consistently and considerably surpasses established goals in the faculty member's annual and long-term work plans.
 - B. Meets Expectations: The faculty member consistently achieves and may occasionally surpass established goals in the faculty member's annual and long-term work plans.
 - C. Does Not Meet Expectations: The faculty member does not consistently achieve established goals in the faculty member's annual and long-term work plans.
 - D. Faculty Success Plan: A formative strategy that includes specific steps designed to lead to a faculty member's improved performance in achieving established goals in the faculty member's annual and long-term work plans. This plan shall include a specified timeline in which improvement is expected to occur and a clear statement of consequences should improvement not occur within the designated timeline.

- III. Policy and procedure requirements for post-tenure review of tenured faculty:
 - A. Each constituent institution shall adopt and maintain policies and procedures for the performance review of tenured faculty members consistent with this policy as well as with the mission of the institution.

B. For each tenured faculty member, a post-tenure review shall take place at least every five years. A review undertaken as part of the process for conferring tenure or recommending a faculty member for promotion qualifies as a cumulative performance review; the next post-tenure review shall occur five years after the date of the conferral of tenure or promotion regardless of the date of any preceding review.

C. All participants in the post-tenure review shall consider the faculty member's annual evaluations and any faculty success plans that were required in the time period under review.

D. Each institution shall publish and make accessible to faculty members any refinement to the definitions of the evaluation categories (exceeds expectations, meets expectations, does not meet expectations). Such refinements shall be consistent with this policy and any regulations adopted by the president.

E. Faculty members shall conduct a self-evaluation to be used in the post-tenure review.

F. Faculty peers shall be included in the post-tenure review process.

G. The post-tenure review process shall include written feedback to the faculty member being reviewed as well as a mechanism for faculty response to the evaluation.

H. Both the department chair/unit head and the dean shall conduct an evaluative review in the post-tenure review process.

I. Each constituent institution shall develop appropriate recognition of faculty who receive a post-tenure review evaluation of Exceeds Expectations.

J. Each constituent institution shall require a faculty success plan for each faculty member who does not meet expectations in the post-tenure review. These faculty success plans shall include specific steps designed to lead to improvement, a specified timeline consistent with UNC Policy 400.3.3.1[R], *Regulation on Performance Review of Tenured Faculty (Post-Tenure Review)*, in which improvement is expected to occur, and a clear statement of consequences should improvement not occur within the designated timeline.

K. Institutional policies for post-tenure review shall not abrogate, in any way, the criteria and procedures for disciplinary action or faculty employment rights established in Chapter VI of *The Code* of the University.

IV. Compliance, Reviews, and Updates of Policies and Procedures

A. The chief academic officer, however titled, shall certify via annual report that all aspects of the post-tenure review process are in compliance with this policy and any associated regulations adopted by the president of the University.

B. Institutions shall review and, as needed, update their post-tenure review policies and procedures on a regular timeline in accordance with appropriate institutional policies.

C. The post-tenure review policies and procedures developed or updated by each constituent institution shall be effective upon review and approval by the president of the University, or

designee, in accordance with any regulations adopted by the president.

V. The president of the University shall adopt regulations for tenured faculty performance reviews (post-tenure review) to ensure compliance with this policy and *The Code* of the University.

VI. Other Matters

A. **Effective Date.** The requirements of this policy shall be effective with the 2024-2025 academic year. Institutions shall have internal policies in place at the beginning of that academic year.

B. **Relation to Federal and State Laws.** The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. **Regulations and Guidelines.** This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.

D. **Periodic Review.** Each institution shall review their institutional policy at least every five years and submit a copy of that review and any changes made to the president.

E. **Approvals.** All policies and procedures required under this policy must be submitted by the constituent institutions to the UNC System Office and approved by the president.

*Supersedes and replaces the prior UNC Policy 400.3.3, "Performance Review of Tenured Faculty" as this version was approved by the Board of Governors on **MONTH DATE, YEAR**.

¹ As noted in *The Code* of the University, and due its unique characteristics and mission, the University of North Carolina School of the Arts shall be exempt from the requirements of this policy and associated guidelines. Additionally, the North Carolina School of Science and Mathematics is exempt from this policy, as it does not have tenured faculty.

The UNC Policy Manual
600.3.4
Adopted 01/11/02
Amended 07/12/02
Amended 01/09/04
Amended 02/11/05
Amended 07/01/07
Amended 07/29/16
Amended 03/23/18
Technical Corrections 09/22/21
Amended 04/07/22
Amended __/__/24

Policy on the Delegations of Authority and Granting of Management Flexibility on Human Resources Matters

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I. Purpose

A. Pursuant to N.C.G.S. 116-11(13) (G.S.), 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 [professional staff](#) (those employees exempt from various provisions within Chapter 126 of the North Carolina General Statutes).¹

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B. In accordance with this authority, the president may further delegate authority for approving human resources matters. Section II of this policy describes authorities that may be delegated by the president for human resources actions to the boards of trustees of all the constituent institutions. Section III delineates such delegations that are reserved solely for institutions with management flexibility (special responsibility constituent institutions as per UNC Policy Manual 600.3.1).

C. The authority granted by the Board of Governors through the president is subject to *The Code* of the University of North Carolina (*The Code*), policies of the Board of Governors, and all applicable federal and state laws, policies, regulations, and rules.² 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 North Carolina General Assembly.

II. Authority Delegated to All Constituent Institutions (With or Without Management Flexibility)

A. The president delegates to the boards of trustees for all constituent institutions the authority to execute the following personnel actions for EHRA employees:

1. Permanent and temporary appointments³ within the salary ranges established by the UNC System Office, excluding Senior Academic and Administrative Officers (SAAOs).

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2. Permanent non-promotional⁴ salary adjustments within the salary ranges established by the UNC System Office for Exempt Professional Staff (EPS), excluding SAAOs, head coaches, associate coaches, and assistant coaches, for which delegations are otherwise specified herein. The president retains authority to set further restrictions on this delegated authority on permanent non-promotional salary adjustments for EPS appointments through regulation or other periodic guidance.

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3. Non-promotional salary increases for head coaches, associate coaches, and assistant coaches that do not exceed 25 percent of the June 30 base salary as of the most recent fiscal year and do not exceed \$25,000.

Deleted: 3. Permanent non-promotional salary adjustments within the salary ranges established by the UNC System Office for Tier II SAAOs up to a new base salary of \$125,000 and that do not exceed 10 percent of the June 30 base salary as of the most recent fiscal year or that do not exceed the 75th percentile of the salary range regardless of amount of increase.¶

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4. Temporary salary actions for the duration of an appointment as an academic department chair or academic department head not greater than \$50,000 annually above the total compensation in effect at the end of the last fiscal year. For clinical department chair, clinical department head, or clinical division head appointments within a School of Medicine or Dentistry, this delegated authority is not greater than \$75,000 annually for the duration of such appointment.

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5. All other temporary salary adjustments related to interim, acting, or other time-limited assignments or appointments with a duration of up to 36 months or up to \$50,000 annually above the base salary in effect at the end of the last fiscal year, excluding such actions for SAAOs. This delegated authority does not permit exceeding the relevant salary range established by the UNC System Office for the position in which an individual is serving in an interim or acting capacity.

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6. Faculty rank promotions but excluding conferral of tenure. All such faculty rank promotions must fall within the established salary range for the role.

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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, excluding actions for SAAOs.

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C. Notwithstanding the provisions in sections II.A. and II.B., the president may modify, suspend, or limit one or more of the aforementioned delegations of authority at the president's discretion by administrative memorandum or duly authorized regulation.

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 additional personnel actions in addition to those enumerated in section II.A. of this policy, which it shall not delegate further unless the president or the Board of Governors shall permit:⁵

1. Upon recommendation of the chancellor, all permanent and temporary appointments and non-salary compensation⁶ for all SAAOs, with the exclusion of the chancellor, within the salary ranges established by the UNC System Office.

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

3. Upon recommendation of the chancellor, all permanent non-promotional salary adjustments for SAAOs within the salary ranges established by the UNC System Office that do not exceed either 10 percent of the June 30 base salary as of the most recent fiscal year or that do not exceed the 75th percentile of the salary range regardless of amount of increase. Any SAAO actions transmitted for approval by the president and/or Board of Governors must receive prior formal endorsement by the institution's board of trustees.

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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 to specific designees of the chancellor by title, as they deem appropriate.⁷

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

2. When authorized by the president or the president's designee, establish faculty salary ranges within different academic disciplines, based on relevant market data. These salary ranges shall be subject to review and approval by the UNC System Office upon request. Absent such an authorization by the president, the constituent institutions shall utilize faculty salary ranges established by the UNC System Office.

C. Notwithstanding the provisions in sections III.A. and III.B., the president may modify, suspend, or limit one or more of the aforementioned delegations of authority at his or her discretion by administrative memorandum or duly authorized regulation.

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IV. Responsibility of the Board of Governors and the President

A. The Board of Governors:

1. Shall issue a resolution each year that interprets legislative action regarding University employee salaries or delegates such authority by resolution as it deems appropriate to the president.

2. Shall set every other year, or more frequently as it shall decide, 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 market data.

3. Shall authorize the president's salary and, based on recommendations from the president, the chancellors' salaries.

4. Shall authorize appointments and employment contracts for the chancellors, the president, the chief executive officer of the UNC Center for Public Media⁸, 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 Section 1100.3 of the UNC Policy Manual.

5. May authorize permanent salary adjustments for the president and chancellors, regardless of amount. The president will continue to consult with the Board on salary adjustments for the president's senior team.

6. May authorize all non-promotional salary increases for head coaches, associate coaches, and assistant coaches that exceed 25 percent of the base salary in effect at the end of the last fiscal year and exceed \$25,000.

7. May authorize all other salary actions for ~~SAAOs that are not otherwise delegated~~ to the boards of trustees of the constituent institutions or to the president.

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B. The president or president's designees:

1. Will review and approve the establishment of all SAAO 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 University Personnel for appointments and compensation for senior officers who report directly to the president and may approve emergency retention salary adjustments for ~~SAAOs of the constituent institutions and of the UNC System Office~~ in consultation with the chair of the committee. Any such emergency retention salary adjustments will be reported to the Committee on University Personnel at its next scheduled meeting.

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2. 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. Will review annually the faculty 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. Will provide at least annually to the constituent institutions guidelines regarding EHRA appointments and salary actions.

5. Will provide faculty salary ranges by rank and discipline to the constituent institutions for their use unless an institution is authorized by the president or president's designee to develop such ranges independently subject to UNC System Office review.

6. May 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.

7. Will establish classification categories and salary ranges for EHRA EPS positions.

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8. May approve temporary salary adjustments for EHRA employees that exceed the authority granted to constituent institution boards of trustees and not otherwise retained by the Board of Governors.

9. May authorize SAAO non-promotional salary increases for institutions with management flexibility that exceed 10 percent of the June 30 base salary as of the most recent fiscal year or the 75th percentile of the salary range regardless of amount of increase. Any SAAO actions transmitted for approval by the president must receive prior formal endorsement by the institution's board of trustees.

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10. May authorize SAAO non-promotional salary increases for institutions without management flexibility that do not exceed 10 percent of the base salary in effect at the end of the last fiscal year and the 75th percentile of the salary range. Any SAAO actions transmitted for approval by the president must receive prior formal endorsement by the institution's board of trustees.

Deleted: Tier I

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11. May authorize all EPS non-promotional salary increases not otherwise delegated to the boards of trustees of the constituent institutions.

Deleted: Tier II SAAO

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 without management flexibility, the president and the Board of Governors shall have the same responsibilities and authority as set forth in Section 300.6.1 of the UNC Policy Manual, *Policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions*.⁹

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 institution¹⁰ 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 tenure¹¹ that complies with *The Code* of the University of North Carolina System, complies with current federal and state law, 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, including a process for amending promotion and tenure policies subject to review by the president or president's designee.

B. Policies and procedures for salary administration and recruitment and selection of SAAOs and EPS employees.

Deleted: senior academic and administrative officers (SAAO) and EHRA non-faculty

C. Policies and procedures for compensation policies for faculty, SAAOs and EPS.

Deleted: EHRA non-faculty

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

Deleted: EHRA non-faculty

2. Documentation of comprehensive salary studies that establish salary ranges for tenured faculty within different disciplines based on relevant market data in the event the constituent institution is delegated authority to establish such ranges by the UNC System Office.¹²

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 if the board of trustees delegates the authority granted pursuant to this policy to the chancellor.

VI. Implementation of the Delegated Authority under Management Flexibility. The president shall determine the effective date of the delegation authorized by this policy upon approval of the institution's management flexibility plan.

VII. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

¹Section 200.6 of the UNC Policy Manual.

²See Section 200.6 of the UNC Policy Manual for limitations on the president's delegated authority.

³For the purpose of this policy, the term “appoint” means the initial appointment, reappointment, or an appointment that constitutes a formal promotion.

⁴For the purpose of this policy, the term “non-promotional” means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.

⁵The 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 1 to *The Code*.

⁶Throughout 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.

⁷The chancellor may delegate 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.

⁸Use of “UNC Center for Public Media” in statute refers to PBS North Carolina.

⁹See in particular Section 600.3.1.A.2.

¹⁰In 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.

¹¹As 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.

¹²When 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.

Intercollegiate Athletics

1. The Board of Governors has delegated the responsibility for intercollegiate athletics to the chancellors under *The Code's Delegation of Duty and Authority*. That delegation is subject to the requirements and mandates in this policy.
2. The chancellors shall ensure that all athletes admitted to the institution are capable of progressive academic success and graduation within six years.
3. The chancellors shall ensure that the policies for admission of student athletes are reviewed by appropriate members or bodies of the faculty and that any advice or recommendations ~~or advice~~ from those members or bodies are received and considered.
4. The chancellors shall ensure that exceptions or waivers for the admission of student athletes are reviewed by appropriate members or bodies of the faculty and that any recommendation concerning these applicants are received and considered by the chancellors in a timely manner.
5. The chancellors shall ensure that student athletes follow a coherent course of study that is designed to accomplish reasonable progress toward a baccalaureate degree.
6. Chancellors shall ensure that the tutorial and remedial programs for student athletes will bear administered by appropriate academic offices in cooperation with athletics department officials.
7. The chancellors shall ensure that athletes who are not making satisfactory academic progress are not allowed to continue as team players.
8. The chancellors shall ensure that a mandatory drug-testing program for student athletes is implemented and monitored.
9. The chancellors shall ensure that formal awareness programs on the dangers of gambling in athletics is are implemented.
10. The chancellors shall ensure that the institutions conform with NCAA standards.
11. The chancellors shall ensure that all foundations, clubs, and associations established primarily to raise money on behalf of constituent institutions are audited annually and that those audits are reviewed by the institutional Boards of Trustees and are forwarded to the President.
12. The chancellors shall ensure that the position of director of athletics is separate and distinct from the position of a coach of any sport.

13. If an institution receives funds from the State from any source that are specifically appropriated for its athletics department operations, the chancellor shall submit to the president a proposed athletics department operating budget and a five-year budget projection that demonstrates how these funds will be used towards-achieving the following objectives:

- a. Providing an economic benefit to the institution and its service region;
- b. Remediating any athletics department operating deficits;
- c. Decreasing the reliance on non-athletics-specific institutional trust fund revenues to cover athletics department expenditures; and
- d. Mitigating against future significant increases in student fees.

14. The chancellors shall submit an annual report to the Board of Trustees of the constituent institutions with a copy to the President, who will report to the Board of Governors. The annual report shall be designed according to criteria and format defined by the Office of the President and shall include the following elements:

- a. organization and philosophy of athletics programs;
- b. the admission policy for student athletes including the definitions utilized for exceptions to campus-based criteria;
- c. student-athlete exceptions to the minimum course requirements set by the Board of Governors and defined in Policy 700.1.1 and Regulation 700.1.1.1[R];
- d. the student-athlete profiles for admitted student athletes including SAT/ACT scores, high school grade point averages, and NCAA classifications;
- e. information about the majors or programs of study chosen by student athletes;
- f. academic progression information for student athletes and six-year graduation rates;
- and
- g. information about "booster" club organizations and procedures; and-
- h. athletics financial data as reported to the NCAA.

~~1415.~~ The chancellors shall report to the Board of Trustees the student-athlete exceptions to the institution's undergraduate admissions criteria.

~~1516.~~ The chancellors shall ensure that the annual report is forwarded to appropriate members or bodies of the faculty and that any response from such members or bodies is received and considered by the chancellors.

[This policy consolidates policies 1100.1 and 1100.2]