

The UNC Policy Manual  
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### **Policy on the Delegations of Authority and Granting of Management Flexibility on Human Resources Matters**

#### **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).<sup>1</sup>

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.<sup>2</sup> 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 appointments<sup>3</sup> within the salary ranges established by the UNC System Office, excluding Senior Academic and Administrative Officers (SAAOs).

2. Permanent non-promotional<sup>4</sup> 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.

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.

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.

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.

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

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.

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:<sup>5</sup>

1. Upon recommendation of the chancellor, all permanent and temporary appointments and non-salary compensation<sup>6</sup> for all SAAOs, with the exclusion of the chancellor, within the salary ranges established by the UNC System Office.

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 75<sup>th</sup> 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.

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.<sup>7</sup>

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.

#### 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 Media<sup>8</sup>, 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.

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.

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.
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 75<sup>th</sup> 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.
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 75<sup>th</sup> 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.
11. May authorize all EPS non-promotional salary increases not otherwise delegated to the boards of trustees of the constituent institutions.

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*.<sup>9</sup>

V. Submitting Institutional Plans for Management Flexibility for Personnel Appointments. The president has the authority to approve institutional management flexibility plans for personnel appointments. Upon approval, the board of trustees of a special responsibility constituent institution<sup>10</sup> shall have the authority delegated by this policy. An institutional plan shall include the following:

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

1. An institutional policy for promotion and tenure<sup>11</sup> 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.

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

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.

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.<sup>12</sup>

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

D. Policies and procedures for audits and accountability.

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

2. Documentation of appropriate accountability procedures 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.

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<sup>1</sup>Section 200.6 of the UNC Policy Manual.

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

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

<sup>4</sup>For 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.

<sup>5</sup>The delegation authorized by this policy is in addition to the delegation by the Board of Governors to the boards of trustees contained in the Appendix 1 to *The Code*.

<sup>6</sup>Throughout this policy, all actions of a board of trustees of a special responsibility constituent institution to “fix the compensation” of employees are subject to the limitations contained in sections II and III of this policy; the policies of the Board of Governors; guidelines and regulations established by the president; and institutional plans, policies, and procedures.

<sup>7</sup>The 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.

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

<sup>9</sup>See in particular Section 600.3.1.A.2.

<sup>10</sup>In order for an institution to have management flexibility for personnel appointments, the institution must be designated and maintain the status of a special responsibility constituent institution.

<sup>11</sup>As applied to the North Carolina School of the Arts and the North Carolina School of Science and Mathematics, the terms “tenure policy” or “policy for promotion and tenure,” as used herein, refer to the institution’s policy governing the appointment of faculty.

<sup>12</sup>When used in this policy, the phrase “relevant data” indicates that the institution shall draw comparisons to peer institutions as approved by the Board of Governors. Data from peer institutions will be used when available except in instances in which a campus can demonstrate legitimate labor market differences that justify the use of a supplemental or alternative set of peer institutions.