



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

TRANSMITTAL LETTER

Transmittal Number 140

June 9, 2021

| Policy Manual Number | Title | Action |
|---|---|--|
| 200.6 | Policy on Delegation of Authority to the President | Amended 05/27/21 <i>Redline version attached.</i> |
| 600.1.1 | Policy on Design, Construction, and Financing of Capital Improvement Projects | Amended 05/27/21 <i>Redline version attached.</i> |
| 600.2.5.2[R] | Regulation on Required Elements of University-Associated Entity Relationship | Amended 05/11/21 <i>Redline version attached.</i> |
| 1000.2.2.1[R] | Regulation on the Waiver of Tuition and Fees for Faculty and Staff | Amended 06/07/21 <i>Redline version attached.</i> |
| Technical corrections (see attached chart)* | | |
| 1000.2.2 | Policy on the Waiver of Tuition and Fees for Faculty and Staff | Technical corrections 05/06/21 |
| 1000.2.2.1[R] | Regulation on the Waiver of Tuition and Fees for Faculty and Staff | Technical corrections 05/06/21 |

*Technical corrections to these items were reported to the Board of Governors at its May 27, 2021 meeting. Technical corrections are made pursuant to Section 100.2 IV. of the UNC Policy Manual.

The entire UNC Policy Manual is accessible at:

https://www.northcarolina.edu/apps/policy/index.php?tab=policy_manual#policy-tab

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,¹ the Board of Governors delegates the following authorities to the president of the University:

A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the State Human Resources Act.² (N.C.G.S. Chapter 126).

a. “Human resources program” shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, and salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes (\$300.1.1, \$300.1.2, and \$300.2.1).³

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.⁴ (\$600.3.4).

c. Notwithstanding the above provisions, unless otherwise delegated:

(1) The Board of Governors shall retain authority over the appointments and compensation for the president, for the chancellors of the constituent institutions except as provided in paragraph F., of this policy, for the chief executive officer of the UNC Health Care System, and for the UNC-TV-UNC Center for Public Media executive-director-and general manager.⁵ (\$300.1.1, The Code §500, N.C.G.S. §116-37(c), The Code §900, N.C.G.S. §116-37.1(c), and §1200.1).

(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.⁶ (\$1100.3).

(3) The president shall consult with the Board’s Committee on Personnel and Tenure on appointments and compensation for the senior

officers of the UNC ~~General Administration System Office~~ who report directly to the president.

(4) The Board of Governors shall retain authority over adjustments to base salary for permanent faculty and for employees exempt from the State Human Resources Act when the proposed amount (1) exceeds the established salary range or (2) exceeds ~~twenty five~~25 percent (~~25%~~) and twenty-five thousand dollars (\$25,000) of the compensation in effect at the end of the last fiscal year.⁷

2. Authority to approve all actions relating to the administration of the Optional Retirement Program⁸ ~~(N.C.G.S. §135-5.1)~~ and the Phased Retirement Program ~~(§300-7.2)~~.⁹

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 Personnel and Tenure.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than \$250,000.¹⁰

2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina ~~System~~, if the settlement is solely 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 \$250,000.¹¹

3. Authority to approve the political activities of employees of the University who are candidates for or serving in public office.¹²

C. Reports. The authority to approve and submit any report the University 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

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 University of North Carolina System Office, affiliated entities, or the constituent institutions in the president's discretion.¹³

2. Authority to approve capital improvement projects funded entirely with non-General Fund money¹⁴ that are projected to cost less than \$750,000.¹⁵

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

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.¹⁶

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.

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

¹The secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

²G.S. Chapter 126.

³Sections 300.1.1, 300.1.2, and 300.2.1 of the UNC Policy Manual.

⁴Section 600.3.4 of the UNC Policy Manual.

⁵Section 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).

⁶Section 1100.3 of the UNC Policy Manual.

⁷~~The Board approved further authority delineations at the April 2015 meeting, see “Resolution to Delegate Limited Authority for Approval of Salary Adjustments to the President,” and reaffirmed in March 2016 “Resolution of the Board of Governors Review and Approval of Proposed Salary Adjustments.”~~

⁸G.S.135-5.1

⁹Section 300.7.2 of the UNC Policy Manual.

¹⁰Section 200.5 of the UNC Policy Manual.

¹¹Section 200.5 of the UNC Policy Manual.

¹²Section 300.5.1 of the UNC Policy Manual.

¹³The 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.

¹⁴This delegation shall be interpreted consistent with G.S. 143C-8-12.

¹⁵The 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.

¹⁶Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.

Policy on Design, Construction, and Financing of Capital Improvement Projects

I. Authority. G.S. 143C-8-12 provides the Board of Governors with authority to approve certain expenditures for capital improvement projects that will be funded and operated entirely from non-General Fund money, including expenditures to plan, construct, and change the scope of such projects.

Additionally, G.S. 116-31.11 delegates to the Board of Governors the authority for the administration of design, construction, or renovation of buildings, utilities, and other property developments requiring the estimated expenditure of public money of \$2,000,000 or less. The Board is also authorized to delegate that authority to constituent institutions and affiliated entities of the University of North Carolina if an institution or affiliated entity is qualified under guidelines developed in consultation with the director of the budget and the State Building Commission. Pursuant to this authority, guidelines entitled "The University of North Carolina Design and Construction Guidelines" were implemented to provide assistance to the constituent institutions in the administration of the design and construction of capital improvement projects. Copies of the guidelines may be obtained at the UNC System Office.

Pursuant to and consistent with its authority under the North Carolina General Statutes, including G.S. 116-11(13), the Board of Governors adopts the following policy regarding authority of the president and boards of trustees to approve and administer certain capital improvement projects.

II. Approval of Certain Capital Improvement Projects

A. General Delegations of Authority to the President and Boards of Trustees for Approval of Certain Capital Improvement Projects.

1. The Board of Governors delegates to the president and the boards of trustees the power to approve capital improvement projects that are funded entirely with non-General Fund money that are projected to cost less than \$750,000.¹ 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.

2. The Board of Governors delegates to the president and the boards of trustees authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund money.²

3. The Board of Governors delegates to the president the authority to approve an increase of up to 10 percent of the cumulative value of an originally-awarded construction contract for a System Office, affiliated entity, or constituent institution capital improvement project previously authorized by the Board of Governors.

43. 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.

B. Additional Delegations of Authority to the President and Boards of Trustees for Approval of Capital Improvement Projects.

1. The Board of Governors may delegate to the president additional authority to approve capital improvement projects funded entirely with non-General Fund money that are projected to cost less than \$1,000,000.³

2. Upon request by the board of trustees of a constituent institution or affiliated entity and with the recommendation of the president, the Board of Governors may delegate to the board of trustees of a constituent institution or affiliated entity additional authority to approve capital improvement projects funded entirely with non-General Fund money that are projected to cost less than \$1,000,000.⁴

3. Should the Board of Governors delegate additional authority to one or more boards of trustees or affiliated entities consistent with paragraph 2., above, the president shall automatically receive authority to approve capital improvement projects at a level equal to the highest level of authority delegated to a board of trustees or affiliated entity. 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.

4. The senior vice president for finance and administration, in consultation with the senior vice president and general counsel, shall establish the process by which a constituent institution may request and maintain delegated authority consistent with G.S. 143C-8-12 and other relevant state law. The minimum criteria a constituent institution must meet to receive and maintain authorization from the Board of Governors shall include, but not be limited to, performance of a written, comprehensive self-assessment that demonstrates:

a. The constituent institution has performed a written, comprehensive self-assessment that demonstrates it has the administrative, technical, and support resources necessary to properly carry out the delegated authority.

b. The chancellor has certified in writing that the constituent institution has the administrative, technical, and support resources necessary to properly carry out the delegated authority.

c. The constituent institution has a properly constituted and active campus capital project review committee comprised of individuals with sufficient technical expertise, strategic perspective and executive authority to perform the duties required herein.

d. The constituent institution has an individual on staff with substantial experience in managing capital improvement projects and the chancellor has designated that individual as the campus capital project coordinator.

e. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the planning, financing, and oversight of capital improvement projects.

f. An assessment team, assembled and led by the senior vice president for finance, has reviewed the constituent institution's self-assessment, has performed an on-site capabilities appraisal that confirms the institution's self-assessment, and has recommended delegation to the president.

Constituent institutions will be reviewed for re-authorization under this section on a periodic basis, to be established by the senior vice president for finance and administration.

5. Upon review in response to a request for re-authorization or in response to a report of noncompliance with this policy or its associated regulations, for good cause, and consistent with G.S. 143C-8-12 and other relevant state law, the president may revoke or suspend the authority of a constituent institution or take other remedial action as the president deems necessary and appropriate. Once authority has been revoked or suspended pursuant to this policy, all future capital improvement projects for the institution involved shall be completed in accordance with the General Statutes of North Carolina and the general delegations of authority provided for in section II of this policy.

III. Administration of Design and Construction of Certain Capital Improvement Projects. Delegations of the Board of Governors authority for the administration of design and construction of capital improvement projects requiring the estimated expenditure of public money of \$2,000,000 or less shall be in accordance with G.S. 116-31.11 and "The University of North Carolina Design and Construction Guidelines."

IV. Procedures and Reporting Requirements. The senior vice president for finance and administration shall have general authority to establish such procedures and reporting requirements for constituent institutions and affiliated entities as may be prudent to enable implementation of this policy and associated regulations.

V. Other Matters

A. Effective Date. The requirements of this policy shall be effective on July 1, 2019.

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 capital improvement projects in 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.

¹This delegation of authority shall be interpreted consistent with G.S. 143C-8-12. See also Appendix 1 to *The Code* and Section 200.6 of the UNC Policy Manual.

²Unless otherwise indicated by the Board of Governors, this delegation of authority to boards of trustees to approve advance planning efforts shall not be further delegated.

³ See endnote 1, above.

⁴ See endnote, 1, above.

Regulation on Required Elements of University-Associated Entity Relationship

I. Purpose

A. Associated Entities. The University of North Carolina (UNC) System encourages the establishment of private organizations, known for purposes of ~~these~~ regulations as Associated Entities, to support the constituent institutions and other units of the University, consistent with G.S. 116-30.20. Associated Entities engage in activities that are critical to and aligned with the mission, goals, and objectives of the constituent institutions and institutional units with which they are associated. Activities undertaken by Associated Entities include fundraising, provision of services to students and campus organizations, research support, and collaborating with organizations outside the University System to promote and support initiatives and activities that are related to the University's mission of teaching, research, and service. Associated Entities and the constituent institutions and units of the University with which they are associated rely on the dedicated guidance, support, and leadership of Associated Entity directors, officers, donors, and volunteers to pursue shared goals and objectives.

B. Associated Entity Affiliation. Each Associated Entity becomes affiliated with either a constituent institution or ~~General Administration~~ the UNC System Office pursuant to the written approval of the chancellor and board of trustees (in the case of an entity associated with a constituent institution) or the president and Board of Governors (in the case of an entity associated with ~~General Administration~~ the UNC System Office). Associated Entities are in turn, subject to the direction of the applicable Associated Entity's governing body and provide funding and other support to the Approving Institution. In recognition of and to facilitate such support, Associated Entities are permitted, in accordance with ~~these~~ regulations and pursuant to written agreements with Approving ~~institutions~~, to represent that they are affiliated with the University or a constituent institution. In addition, many Associated Entities benefit from resources of the constituent institution in carrying out their activities.

C. Framework. ~~These~~ regulations establishes —a framework of cooperation and coordination within which the chancellor or the president of the Approving Institution ~~are~~ is expected to structure the Approving Institution's engagement with its Associated Entities. The authority and responsibility for establishing and maintaining cooperative and mutually beneficial relationships between the Approving Institution and its Associated Entities rests with the chancellor or, as the case may be, the president, of the applicable Approving Institution. ~~These regulations~~ This regulation recognizes the independence of each Associated Entity as an organization that is separate from the Approving Institution, while ensuring the Approving Institution maintains essential oversight and control over the Approving Institution's name, marks, resources, and activities that could impact accreditation standards, and compliance responsibilities applicable to the Approving Institution. Further, these regulations recognize that funds raised by Associated Entities are to be used to support the Approving Institution consistent with donor intent and applicable law. Accordingly, ~~these~~ this regulations articulates standards for governance and operations of Associated Entities in their support of and interaction with their

Approving Institutions, and create pathways of communication to ensure that the University and its constituent institutions are informed about the activities of ~~its~~ their Associated Entities so that those activities remain aligned with the mission, goals, and objectives of the Approving Institution. The president adopts these regulations to apply to any University Associated Entity.

IIA. Definitions. As used in ~~th~~ese regulations:

A1. An “Associated Entity” means any foundation, association, corporation, limited liability company (LLC), partnership, or other nonprofit entity ~~that was:~~ (a1) that was established by officers of the University; or (b2) that is controlled by the University; or (c3) that raises funds in the name of the University; or (d4) that has a primary purpose of providing services or conducting activities in furtherance of the University’s mission pursuant to an agreement with the University; or (e5) that has a tax-exempt status that is based on being a support organization for the University.

B2. An “Athletically Related Associated Entity” means an Associated Entity that supports or conducts activities in furtherance of an Approving Institution’s intercollegiate athletics program, as determined by the chancellor of the Approving Institution.

C3. “Approving Institution” means (a1) a constituent institution of the University of North Carolina System that approves an Associated Entity, or (b2) the ~~General Administration~~UNC System Office for an Associated Entity approved by the president.

D4. “~~General Administration~~UNC System Office” means the Office of the President and the affiliated programs of the University associated with ~~General Administration~~the UNC System Office that are not centers or institutes of a constituent institution.

E5. “Major Associated Entity” means an Associated Entity which has annual expenditures of \$100,000 or more.

F6. “Minor Associated Entity” means an Associated Entity which has annual expenditures of less than \$100,000.

G7. “Special Purpose Entity” means an Associated Entity (including any approved subsidiary or affiliate of an Associated Entity) ~~that is:~~ (a1) is established by an Approving Institution or is controlled by an Approving Institution; (b2) undertakes a specified activity for the Approving Institution as its sole purpose (e.g., constructing or managing facilities, research development, or intellectual property management); and (c3) does not engage in fundraising activities.

H8. “State” means the State of North Carolina.

I9. “University” means the University of North Carolina System (UNC System), including its constituent institutions.

J10. When “president or chancellor” is used in these regulations, it means the chancellor if the Approving Institution is a constituent institution, and it means the president if the Approving Institution is the ~~General Administration~~UNC System Office.

K. When “Board of Governors or board of trustees” is used in this regulation, it means the Board of Governors if the Approving Institution is the UNC System Office, and it means the board of trustees if the Approving Institution is a constituent institution.

III.B. Creation and Approved Status of Associated Entities

A1. Associated Entity Must be Approved. An Associated Entity (including any subsidiary or affiliate of an existing Associated Entity), ~~seeking to be associated with a constituent institution~~ must be approved in writing by the ~~chancellor and the board of trustees of the constituent institution. An Associated Entity (including any subsidiary or affiliate of an existing Associated Entity), seeking to be associated with the UNC System Office must be approved in writing by the president and the Board of Governors.~~ ~~president, the chancellor, or the president’s or chancellor’s designee.~~ An Associated Entity must be approved in order to receive University-provided services or to be able to use any University names, logos, or marks.

B2. Abide by Relevant University Policies; Alignment with Mission and Goals. In order to obtain and maintain approved status, the Associated Entity must agree, pursuant to a written agreement also described in subpart F.1.,VII.A., to abide by the policies or regulations established by the University and by the Approving Institution, including the requirements of ~~this~~these regulations, and to assure that the activities of the Associated Entity align with the mission, goals, and standards of or applicable to the Approving Institution, including accreditation standards applicable to institution-related entities, and athletics conference standards applicable to intercollegiate athletics programs. Approving Institutions should make reasonable efforts to notify Associated Entities of the accreditation standards, athletic conference standards, and/or the institutional policies that may affect Associated Entities’ operations.

C3. Removal of Approved Status. The head of the Approving Institution may adopt policies or provide in written agreements with any Associated Entity that an Associated Entity’s approved status shall be removed only upon advance written notice specifying material noncompliance with or breach of: ~~(1a)~~ these regulations; ~~(2b)~~ the applicable policies of the University and the Approving Institution; or ~~(3e)~~ the written agreement required by sections III.B.,B.2., or F.1VII.A. The advance written-notice period, if any, required by a written agreement or policy shall not exceed ~~sixty (60)~~60 days, during which time the Approving Institution may consider and accept or reject a corrective action plan submitted by the Associated Entity. ~~In the absence of any such authorized provision in the Approving Institution’s written agreement with the Associated Entity and/or the Approving Institution’s policies,~~ ~~†~~The head of the Approving Institution may neither remove the approved status of an Associated Entity of that Approving Institution, nor decline to extend such approved status beyond the expiration of the Associated Entity’s then-current term, without advance written approval of the Board of Governors and the president, or board of trustees of the Approving Institution and the president, depending on whether the Approving Institution is the UNC System Office or a constituent institution. When any request for permission to remove or discontinue an Associated Entity’s approved status is submitted to the Board of Governors or board of trustees of the Approving Institution and the president, notice of the request and the grounds for such request shall be simultaneously submitted in writing to the Associated Entity.

D. Recusal of Board Members. When the Board of Governors or a board of trustees considers or votes whether to approve an Associated Entity, to remove an Associated Entity’s approved status, or to allow an Associated Entity’s approved status to expire, any member of the Board of

Governors or board of trustees who also serves as a member of the governing body of the relevant Associated Entity shall recuse himself or herself from any such consideration or vote.

E4. Compliance with Policies, Regulations, and Agreements. The head of the Approving Institution (chancellor or president) shall be responsible for taking reasonable steps to ensure that the Approving Institution and its Associated Entities operate in accordance with all requirements of ~~thi~~these regulations, the applicable policies of the University and the Approving Institution, and the written approvals and agreements between the Approving Institution and each Associated Entity.

IV.C. Organizational Requirements of an Associated Entity

A1. Purpose to Benefit University. The Associated Entity must be organized for the primary purpose of (a1) supporting the University or one or more of its constituent institutions or programs, and/or (b2) conducting activities that are in furtherance of the mission of the University or of one or more of its constituent institutions or programs.

B2. State Nonprofit Entity. The Associated Entity must be organized on a nonprofit basis as a separate legal entity recognized under and in compliance with North Carolina law. If a constituent institution proposes to establish or approve an Associated Entity on a for-profit basis, it must receive prior approval from the Board of Governors.

C3. Tax-Exempt Status. Except as provided in paragraph ~~C.2-IV.B.~~ (concerning Associated Entities established on a for-profit basis), an Associated Entity must either (a1) apply for, receive, and maintain both federal and state tax-exempt status; ~~or-~~ (b2) be eligible to utilize the tax-exempt status of one or more constituent institutions or tax-exempt Associated Entities.

D4. Dissolution of Associated Entity. The Associated Entity's governing documents, including but not limited to the articles of incorporation or by-laws if a corporation, and the articles of organization or operating agreement if a limited liability company, must address dissolution and provide that, upon dissolution of the Associated Entity, unless otherwise designated by the donor of an asset, all of its assets will revert to (a1) the Associated Entity's Approving Institution, (b2) another Associated Entity named in the governing documents of the dissolving Associated Entity, which Associated Entity shall be approved by the same Approving Institution as the dissolving Associated Entity, and/or (e3) some combination of the above.

E5. Requirements for Members of Associated Entity Governing Body; Board Members for Athletically Related Associated Entities

1a. All Associated Entities. At least one senior academic or administrative officer (SAAO) of the Approving Institution or a designee of the president or the chancellor of the Approving Institution must sit as an ex-officio (either voting or nonvoting) or regular member of the Associated Entity's governing body.

2b. Athletically Related Associated Entities. Prior to appointing members to serve on the governing body of an Athletically Related Associated Entity, the president or chair of the Athletically Related Associated Entity's governing body shall consult with the chancellor of the Approving Institution concerning such appointment.

F6. Audit Committee Required

1a. A Major Associated Entity's by-laws must provide for a standing audit committee or other committee with an audit function. The audit committee must receive the report of the individual or firm that conducts the Associated Entity's annual audit and relevant tax forms to be submitted by the Associated Entity.

2b. A Minor Associated Entity's by-laws must provide for a committee which has these audit functions.

3e. No employee of the Associated Entity may serve on an audit committee or a committee with an audit function. If practical, each audit committee or committee with an audit function should have a financial expert as a member.

4d. A Special Purpose Entity is not required to have an audit committee provided that it is subject to independent audit at the request of one or more designated trustees, sureties, insurers, certificate holders or bondholders, or is audited during the Approving Institution's audit.

5e. A single--member LLC is not required to have an audit committee provided its operations are audited in connection with the audit of the member.

Vd. Financial and Accounting Controls

A1. Sound Accounting and Business Principles. An Associated Entity must use sound fiscal and business principles, ensure that a sound internal control structure is in place, and follow generally accepted accounting procedures.

B2. Annual CPA Audit. A Major Associated Entity and its single--member subsidiaries (LLCs or corporations) must be audited on an annual basis by an independent CPA firm in good standing with the North Carolina Board of CPA Examiners and with substantial experience in performing audits for organizations of similar scope and complexity to the Major Associated Entity. A Minor Associated Entity must have an annual audit conducted either by the Approving Institution's internal auditor, another University internal auditor, or an independent CPA firm. A Special Purpose Entity must be audited every two years. A Special Purpose Entity which has annual expenditures of \$100,000 or more must be audited by an independent CPA firm. A CPA firm providing an audit for a Major Associated Entity may not provide nonauditing services to the Associated Entity other than tax preparation services that are preapproved by the audit committee.

1a. An Associated Entity of a constituent institution must provide copies of the audit report, management letters, and responses to management letters to the chancellor of the Approving Institution, through the chancellor to the governing board of the Approving Institution and the president, and through the president to the Board of Governors.

2b. An Associated Entity of the ~~General Administration~~UNC System- Office must provide copies of the audit report, management letters, and responses to management letters to the president, and through the president to the Board of Governors.

C3. Annual Budgets. Each Associated Entity must create an annual operations and capital budget. If requested to do so, an Associated Entity shall meet with the head of the Approving

Institution (or designee) to review the Associated Entity's proposed annual operations and capital budget, and any subsequent proposed material changes to such annual operations and capital budget. Each Associated Entity in setting its budget shall consider in good faith all suggestions offered by the head of the Approving Institution (or designee) regarding the proposed budget of the Associated Entity and how the budget might be better aligned with the mission, goals, and objectives of the Approving Institution.

D4. Officer and Employee Compensation. All salary and nonsalary compensation provided by the Associated Entity to its officers or employees must be approved by the Associated Entity's governing board. The Associated Entity must comply with ~~Board of Governors Policy~~ Section 300.1.1 of the UNC Policy Manual, concerning the prohibition of payments to specified University employees. This requirement does not prohibit the Associated Entity from reimbursing its officers or employees for expenditures made on behalf of the Associated Entity. Each Athletically Related Associated Entity shall, if requested, make available for inspection information detailing the salary and nonsalary compensation and reimbursements provided to each officer and each employee of the Associated Entity and each employee of the University assigned to the Associated Entity for the prior year.

E5. Indemnification of University. The Approving Institution may require an Associated Entity to indemnify and hold the Approving Institution and the University harmless from any damages or liabilities that the Approving Institution or the University incurs as a result of the Associated Entity's actions.

F6. University-Associated Entity Monetary Transfers. All transfers of funds from the Associated Entity to the University or to the Approving Institution must be documented in writing or electronically in a form that has a retrievable transaction trail. Each Athletically Related Associated Entity shall, if requested by the chancellor of the Approving Institution, submit an annual report summarizing transfers of funds from the Associated Entity to the Approving Institution or to third parties for the benefit of the Approving Institution for the prior year.

G7. Whistleblower Protection. An Associated Entity must have a confidential and anonymous mechanism to encourage individuals to report any inappropriateness within the entity's financial management and must prohibit punishment of or retaliation against any employee for reporting problems.

H8. Chief Executive Officer. The chief financial officer of the Approving Institution may not be the chief executive officer of an Associated Entity.

I9. Acquisition of Debt. A Minor Associated Entity may not acquire debt in excess of \$100,000 that is not to be publicly traded without first notifying the president or the chancellor or designee of the Approving Institution and consulting with the vice president for finance of the University. A Major Associated Entity may not acquire debt in excess of \$500,000 that is not to be publicly traded without first notifying the president or the chancellor or designee of the Approving Institution and consulting with the vice president for finance of the University. In determining the level of scrutiny to give to the proposed transaction, the vice president shall take into account the amount of the debt in relationship to the Associated Entity's assets and income and the extent of experience of the Associated Entity in entering into similar debt transactions. A Special Purpose Entity that issues debt to construct facilities for the University must provide a financial or construction audit to the vice president for finance of the University at the vice president's

request or to the governing board of the Approving Institution at the request of the chair of the governing board.

~~J10.~~ **Audit Findings.** Within 90 days of the issuance of an audit report with audit findings, the Associated Entity must demonstrate to the president or the chancellor of the Approving Institution and to the vice president for finance that satisfactory progress has been made to implement a corrective action plan. Failure of an Associated Entity to receive an unqualified audit opinion, to comply with the reporting requirements of this regulation, or to satisfactorily implement a corrective action plan in response to an audit finding may result in the Associated Entity's losing its approved status.

~~VIE.~~ Insurance and Bonding

~~A1.~~ **Bonding Required.** Officers and employees of Major Associated Entities who have check-signing authority or who handle cash or negotiable instruments must be bonded in an amount determined to be reasonable by the Associated Entity's governing body, in collaboration with the Approving Institution. The governing body of a Minor Associated Entity should consider requiring bonding of appropriate employees.

~~B2.~~ **Insurance.** The governing body of an Associated Entity, working in collaboration with the Approving Institution's insurance and risk management personnel, should evaluate the potential risks arising from the operation of the Associated Entity and obtain commercially reasonable amounts of general liability and directors'/officers' insurance.

~~VIIIF.~~ Provision of Administrative and Other Services by University for Associated Entity

~~A1.~~ **Written Agreement Required.** The Associated Entity must enter into a written agreement with the Approving Institution in which the Associated Entity agrees to abide by the policies and regulations established by the University and by the Approving Institution. An Associated Entity may only use University or constituent institution assets, facilities, and personnel pursuant to the terms of the written agreement.

~~B2.~~ **Reimbursement of Costs.** Any reimbursement to the Approving Institution or the University for services the Approving Institution or the University provides to the Associated Entity must be made pursuant to a written agreement between the University or the Approving Institution and the Associated Entity entered into before the service is provided.

~~C3.~~ **Control of University Personnel.** When University personnel provide services for the Associated Entity and there arises a conflict between the University and the Associated Entity, the University's employee must comply with the policies, regulations, and directives of the University.

~~VIIIG.~~ Acceptance of Gifts by Associated Entity

~~A1.~~ **Direction and Control of Fundraising and Development Activities.** The fundraising and development activities of the Associated Entity shall be conducted subject to the policies and regulations of the Approving Institution and the University and coordinated with the Approving Institution's development office. Absent prior approval from the Approving Institution, the Associated Entity may not engage in fundraising or development activities that impose obligations on the Approving Institution, or receive gifts that impose obligations on the Approving Institution.

~~B2.~~ Restricted or Conditional Gifts that Require University Approval. An Associated Entity may not accept any restricted or conditional gifts that impose an obligation on the University or the Approving Institution or the state to expend resources in addition to the gift or that impose an obligation on the University's or the Approving Institution's operations without the Approving Institution's prior approval. In addition, an Associated Entity may not accept a gift which has any restriction that is unlawful.

~~C3.~~ Notification to Donors of Restricted Gift Policies. An Associated Entity must advise prospective donors of all restricted or conditional gifts to the Associated Entity if acceptance of the gift is conditioned upon the Approving Institution's approval.

~~IXH.~~ Conflict of Interest and Ethics Policies

~~A1.~~ Policies Required. The Associated Entity must have in place conflict of interest and ethics policies, as approved by the Approving Institution, pertaining to relationships between the Approving Institution, the Associated Entity, members of the governing body of the Associated Entity and persons doing business with the Associated Entity, and establishing required ethical standards for the members of the governing body and employees of the Associated Entity.

~~B2.~~ Transactions Between Associated Entity and its Employees. All transactions (other than reimbursements as provided in section ~~D-4.V.D.~~) between the Associated Entity and an individual member, manager, officer, director, or employee of the Associated Entity must be approved by the Associated Entity's governing body. For the avoidance of doubt, only an individual designated as a member pursuant to state law shall be considered a "member" for purposes of this section.

~~C3.~~ Recusal from Business Decisions. No Associated Entity individual member, manager, officer, director, or employee having a private business interest in an Associated Entity business transaction may be involved in the decision with respect to whether the Associated Entity should enter into such transaction.

~~D4.~~ Associated Entity Scholarships. No Associated Entity scholarship or fellowship award may be made to an individual member, manager, officer, director, or employee of the Associated Entity or to a family member of such person unless the recipient of the award is determined by an independent awards committee or is overseen by the Approving Institution's Financial Aid and Scholarship Office. For the avoidance of doubt, only an individual designated as a member pursuant to state law shall be considered a "member" for purposes of this section.

~~XI.~~ Reports Required to be Submitted by Associated Entity to University

~~A1.~~ The Associated Entity must file annual reports with the president or chancellor of Approving Institution covering the following items:

~~1a.~~ A list of all members of the Associated Entity's governing body;

~~2b.~~ A copy of the publicly disclosed portion of the Associated Entity's Form 990, or other series 990 form or other similar information return; and

~~3c.~~ A copy of the Associated Entity's CPA audit report and related management letters and responses to management letters.

Redline version

B2. At the request of the chancellor, president, or the chair of governing body of the Approving Institution, the Associated Entity must meet with the requesting person, his or her designee, or the internal auditor of the Approving Institution and allow that person to inspect any information requested.

XIJ. Miscellaneous Requirements

A1. Associated Entity Communications. An Associated Entity must conduct business in its own name₂ and all correspondence, advertisements, and other communications by the Associated Entity must clearly indicate that the communication is from the Associated Entity₇ and not from the Approving Institution or the University.

B2. Lobbying and Political Activities. An Associated Entity must comply with all provisions of the Internal Revenue Code and all state laws regarding lobbying and political activity.

C3. Associated Entity Courses and Seminars. An Associated Entity may not offer any course or seminar in which the University's name is used without first obtaining the permission of the institution(s) whose name(s) will be used.

D4. Record Retention Schedule. An Associated Entity must have a policy governing retention and destruction of documents₂ including electronic files₂ and which prohibits destruction of documents if an audit other than in the ordinary course, investigation into wrongdoing, or litigation is anticipated or underway.

XIIK. Waiver₂

If the application of any of the requirements of these regulations to a particular Associated Entity in specific circumstances is of limited benefit and is unduly burdensome, the president may waive that requirement as to that specific Associated Entity under circumstances that are set out in writing and supported by the Approving Institution.

XIIIL. ~~Effective Date~~

~~Every Associated Entity shall be in compliance with these regulations no later than July 1, 2015.~~Other Matters

A. Effective Date. The requirements of this regulation shall be effective upon the date of adoption of this regulation by the president.

B. Relation to Federal and State Laws and Policies. The foregoing regulation as adopted by the president is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern or relate to the subject matter of this regulation.

Regulation on the Waiver of Tuition and Fees for Faculty and Staff

N.C. Gen. Stat. § 116-143(d) (G.S.) provides for a waiver of tuition and fees for faculty and staff under certain conditions. Through its *Policy on the Waiver of Tuition and Fees for Faculty and Staff*,¹ the Board of Governors has delegated to the president the authority to issue necessary and appropriate regulations. The following regulation is hereby adopted.

I. Definitions. With respect to the provisions of G.S. 116-143(d), the following terms are defined:

A. Employee. Employee shall mean an individual who is either a faculty member or a staff employee, employed by an employing institution, who is eligible for participation in either the North Carolina Teachers' and State Employees' Retirement System (TSERS) or the UNC Optional Retirement Program (ORP).² The terms "faculty member" and "staff employee" shall include:

1. Personnel of the United States armed forces during the time they are assigned under military orders to a Reserve Officer Training Corps (ROTC) program of a constituent institution of the University of North Carolina (UNC) System as a permanent change of station; ~~and~~

2. Civilian personnel federally employed 30 or more hours per week on a continuing basis in a position adjunct to an ROTC program of a constituent institution of the UNC System; and

~~3.~~ 3. Law enforcement officers at constituent institutions or affiliated entities with a probationary, time-limited, or permanent appointment employed 20 or more hours per week on a continuing basis, regardless of eligibility for participation in either the North Carolina Teachers' and State Employees' Retirement System (TSERS) or the UNC Optional Retirement Program (ORP). Temporary staff, including student temporary staff, are not considered law enforcement officers for purposes of this regulation.

B. Employing Institution. Employing institution shall mean a constituent institution of the UNC System which is the employer of record, including the North Carolina School of Science and Mathematics, the University of North Carolina Health Care System (UNC Health), and UNC System Office.

C. Enrolling Institution. Enrolling Institution shall mean a constituent institution of the UNC System in which the employee is enrolled and receiving academic credit and to which tuition/fees would be paid if not covered under tuition/fee waiver.

D. Fees. Fees shall mean those student fees required for the course(s) in which the employee is enrolled. Each constituent institution must adopt a policy that specifies under what circumstances, if any, an Employee may receive a waiver of fees.

E. Normal Employment Obligations. Normal employment obligations shall mean those services that the employee is obligated to perform for the employing institution.

F. Period of Normal Employment. Period of normal employment shall mean that period of time beginning with the effective date of permanent employment as defined in section I.A., above, and ending with the effective date of discontinuation of employment.

G. Tuition. Tuition shall mean the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered. Each constituent institution must adopt a policy that specifies under what circumstances, if any, an employee may receive a waiver for receipts-supported courses. Pursuant to G.S. 116-143.1(m), an employee of the UNC System who is a legal resident of North Carolina qualifies as a resident for tuition purposes irrespective of the length of legal residency in the state.

H. Year. Year shall mean an academic year of fall semester, spring semester, and the summer sessions that follow, unless otherwise specified.

II. Limitations. Employees of an employing institution may, during the period of normal employment enroll in certain courses free of charge of tuition and fees, as described in this regulation, provided the enrollment does not interfere with normal employment obligations.

A. The waiver of tuition for an employee shall be limited to three courses per academic year. The waiver of fees for an employee may be limited according to institutional policy determined by the board of trustees of each employing institution.

B. Notwithstanding subsection II.A., of this regulation, and beginning in the 2021-22 academic year, law enforcement officers employed at constituent institutions or affiliated entities, excluding student employees who are working as part-time law enforcement officers, may enroll in an unlimited number of courses per academic year. In addition to the other requirements of this regulation, enrollment in courses by a campus law enforcement officer shall be subject to approval by the officer's campus police chief or director of campus safety and security. Enrollment in courses by the campus police chief or director of campus safety and security is subject to approval by the chief's or director's immediate supervisor. Temporary staff, including student temporary staff, are not eligible for the waiver of tuition under this subsection.

C. The employee must maintain employee status, as defined above in section I.A., for the duration of the course. Otherwise, the employee shall be responsible for payment of all applicable tuition and fees. However, this payment requirement shall not apply to an employee who is eligible under this policy at the time of enrollment in a course and is later reduced in force (SHRA) or separated for budgetary reasons (EHRA) prior to completion of the course. This exception does not apply to the end of a time-limited or term position.

6.

III. General Fund Appropriations. Tuition-waiver enrollment of an employee shall not be counted for the purpose of receiving general fund appropriations.

IV. Employing Institution Responsibility. The president, the chancellor, or his or her designee shall determine that enrollment in the course shall not interfere with the satisfactory performance of the employee's normal employment obligations.

V. Enrolling Institution Responsibility. The chancellor of the enrolling institution or his or her designee shall determine:

A. The employee seeking to enroll under this regulation is academically eligible for admission to the institution; and

B. Space is available for the employee's enrollment in the course.

VI. Employee Responsibility. Prior to the commencement of a course for which tuition and/or fee waiver is requested, the employee shall:

A. Complete the application form and obtain all required approvals from the employing institution and/or the enrolling institution according to procedures set forth by each institution; and

B. Deliver one copy of the completed and approved application to the proper authority of the employing institution. If enrolling in an institution other than the employing institution, the employee must provide an approved copy to the proper authority of the enrolling institution.

VII. Campus Policies and Procedures. Each constituent institution shall establish policies and procedures, including any delegations of authority, consistent with this regulation and as necessary to implement the *Policy on the Waiver of Tuition and Fees for Faculty and Staff*.

VIII. Taxability. Each constituent institution is responsible for ensuring that its employees are informed about the possible taxability of courses for which tuition and fees are waived and for appropriately withholding any expected taxes.

IX. Other Matters

A. Effective Date. The requirements of this regulation shall be effective on the date of adoption of this regulation by the president.

B. Relation to Federal and State Laws and Policies. The foregoing regulation is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern or relate to the subject matter of this regulation.

¹Section 1000.2.2 of the UNC Policy Manual.

²Employees are eligible for retirement system participation if they are employed on a recurring basis (permanent position) for 30 or more hours per week for nine or more months per calendar year.

Report on Technical Corrections to *The Code/UNC Policy Manual*

| <i>The Code/UNC Policy Manual</i> | UNC Policy Manual - Chapter | Policy/Regulation/Guideline | Section | Technical Correction(s) | Effective Date (Posted to Webpage) |
|-----------------------------------|--------------------------------|-----------------------------|--|---|------------------------------------|
| UNC Policy Manual | Chapter 1000, Tuition and Fees | Policy | 1000.2.2, Policy on the Waiver of Tuition and Fees for Faculty and Staff | Update reference to "General Administration" and other Style Guide corrections consistent with later amendments to the UNC Policy Manual. | 5/6/2021 |
| UNC Policy Manual | Chapter 1000, Tuition and Fees | Regulation | 1000.2.2.1[R], Regulations on the Waiver of Tuition and Fees for Faculty and Staff | Style Guide corrections consistent with later amendments to the UNC Policy Manual. | 5/6/2021 |

Policy on the Waiver of Tuition and Fees for Faculty and Staff

I. ~~_____~~ N.C.G.S.N.C. Gen. Stat. § 116-143(d) (G.S.) authorizes the Board of Governors, in its discretion, to provide regulations that allow statutorily described faculty and staff within the University of North Carolina to take a certain number of courses per year tuition-free, as established in the statute, and to specify when fees may be waived.

II. ~~_____~~ The Board of Governors supports its faculty and staff being able to enroll in courses at its constituent institutions, provided such enrollment does not interfere with normal employment obligations, and hereby adopts this policy to:

~~1-~~ A. _____ Authorize application of the tuition-waiver provision as provided by ~~N.C.G.S. § 116-143(d)~~ at any constituent institution of the University of North Carolina ~~(UNC) System~~, to be used by faculty and staff of any constituent institution of the ~~University of North Carolina~~ UNC System, the North Carolina School of Science and Mathematics, the University of North Carolina Health Care System (UNC Health), and ~~General Administration~~ the UNC System Office;

~~2-~~ B. _____ Authorize and specify when fees may be waived for faculty and staff who are eligible to take courses with tuition waived; and

~~3-~~ C. _____ Authorize the president to adopt regulations and guidelines as may be required or useful for uniform application throughout the University of the tuition and fees waiver privilege, including specifying the number of eligible courses consistent with the statute.

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. 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.

The UNC Policy Manual
1000.2.2.1[R]
Adopted 10/22/77
Amended 02/08/91
Amended 12/01/99
Amended 10/12/01
Amended 08/16/06
Amended 05/19/10
Amended 03/02/15
Amended 11/14/17

Technical Corrections 05/06/21

Regulations on the Waiver of Tuition and Fees for Faculty and Staff

~~North Carolina General Statute~~ N.C. Gen. Stat. § 116-143(d) (G.S.) provides for a waiver of tuition and fees for faculty and staff under certain conditions. Through its *Policy on the Waiver of Tuition and Fees for Faculty and Staff*,¹ the Board of Governors has delegated to the president the authority to issue necessary and appropriate regulations. The following regulations ~~are~~ is hereby adopted.

I. Definitions. With respect to the provisions of ~~North Carolina General Statute §G.S.~~ 116-143(d), the following terms are defined:

A. Employee. Employee shall mean an individual who is either a faculty member or a staff employee, employed by an employing institution, who is eligible for participation in either the ~~NC North Carolina~~ Teachers' and State Employees' Retirement System (TSERS) or the UNC Optional Retirement Program (ORP).² The terms "faculty member" and "staff employee" shall include:

1. Personnel of the United States armed forces during the time they are assigned under military orders to a Reserve Officer Training Corps (ROTC) program of a constituent institution of the University of North Carolina (UNC System) as a permanent change of station; and

2. Civilian personnel federally employed ~~thirty (30)~~ 30 or more hours per week on a continuing basis in a position adjunct to an ROTC program of a constituent institution of the ~~University of North Carolina~~ UNC System.

B. Employing Institution. Employing institution shall mean a constituent institution of the ~~University of North Carolina~~ UNC System which is the employer of record, including the North Carolina School of Science and Mathematics, the University of North Carolina Health Care System (UNC Health), and ~~General Administration~~ UNC System Office.

C. Enrolling Institution. Enrolling Institution shall mean a constituent institution of the ~~University of North Carolina~~ UNC System in which the employee is enrolled and receiving academic credit and to which tuition/fees would be paid if not covered under tuition/fee waiver.

D. Fees. Fees shall mean those student fees required for the course(s) in which the employee is enrolled. Each constituent institution must adopt a policy that specifies under what circumstances, if any, an Employee may receive a waiver of fees.

E. Normal Employment Obligations. Normal employment obligations shall mean those services that the employee is obligated to perform for the employing institution.

F. Period of Normal Employment. Period of normal employment shall mean that period of time beginning with the effective date of permanent employment as defined in section I.A., above, and ending with the effective date of discontinuation of employment.

G. Tuition. Tuition shall mean the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered. Each constituent institution must adopt a policy that specifies under what circumstances, if any, an employee may receive a waiver for receipts-supported courses. Pursuant to ~~North Carolina General Statute §G.S.~~ 116-143.1(m), an employee of the ~~University of North Carolina-UNC System~~ who is a legal resident of North Carolina qualifies as a resident for tuition purposes irrespective of the length of legal residency in the state.

H. Year. Year shall mean an academic year of fall semester, spring semester, and the summer sessions that follow, unless otherwise specified.

II. Limitations. Employees of an employing institution may, during the period of normal employment enroll in certain courses free of charge of tuition and fees, as described in this regulation, provided the enrollment does not interfere with normal employment obligations.

A. The waiver of tuition for an employee shall be limited to three courses per academic year. The waiver of fees for an employee may be limited according to institutional policy determined by the ~~b~~Board of ~~t~~Trustees of each employing institution.

B. The employee must maintain employee status, as defined above in ~~s~~Section I.A., for the duration of the course. Otherwise, the employee shall be responsible for payment of all applicable tuition and fees. However, this payment requirement shall not apply to an employee who is eligible under this policy at the time of enrollment in a course and is later reduced in force ~~(SPA)(SHRA)~~ or separated for budgetary reasons ~~(EPA)(EHRA)~~ prior to completion of the course. This exception does not apply to the end of a time-limited or term position.

III. General Fund Appropriations. Tuition-waiver enrollment of an employee shall not be counted for the purpose of receiving general fund appropriations.

IV. Employing Institution Responsibility. The president, the chancellor, or his or her designee shall determine that enrollment in the course shall not interfere with the satisfactory performance of the employee's normal employment obligations.

V. Enrolling Institution Responsibility. The chancellor of the enrolling institution or his or her designee shall determine:

A. The employee seeking to enroll under this regulation is academically eligible for admission to the institution; and

B. Space is available for the employee's enrollment in the course.

VI. Employee Responsibility. Prior to the commencement of a course for which tuition and/or fee waiver is requested, the employee shall:

A. Complete the application form and obtain all required approvals from the employing institution and/or the enrolling institution according to procedures set forth by each institution; and

B. Deliver one ~~(1)~~ copy of the completed and approved application to the proper authority of the employing institution. If enrolling in an institution other than the employing institution, the employee must provide an approved copy to the proper authority of the enrolling institution.

VII. Campus Policies and Procedures. Each constituent institution shall establish policies and procedures, including any delegations of authority, consistent with the ~~is~~ regulations and as necessary to implement the *Policy on the Waiver of Tuition and Fees for Faculty and Staff*.

VIII. Taxability. Each constituent institution is responsible for ensuring that its employees are informed about the possible taxability of courses for which tuition and fees are waived and for appropriately withholding any expected taxes.

IX. Other Matters

A. Effective Date. The requirements of this regulation shall be effective on the date of adoption of this regulation by the president.

B. Relation to Federal and State Laws and Policies. The foregoing regulation is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern or relate to the subject matter of this regulation.

¹Section 1000.2.2 of the UNC Policy Manual.

²Employees are eligible for retirement system participation if they are employed on a recurring basis (permanent position) for ~~thirty (30)~~30 or more hours per week for nine ~~(9)~~ or more months per calendar year.