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Chapter 100 The Code and Policies of the University

100.1 The Code

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100.1.1 CHAPTER I - ESTABLISHMENT, INCORPORATION, AND COMPOSITION OF THE UNIVERSITY OF NORTH CAROLINA

SECTION 100. CONSTITUTIONAL ESTABLISHMENT.

The General Assembly shall maintain a public system of higher education, comprising the University of North Carolina and such other institutions of higher education as the General Assembly may deem wise. The General Assembly shall provide for the selection of trustees of the University of North Carolina and of the other institutions of higher education, in whom shall be vested all the privileges, rights, franchises, and endowments heretofore granted to or conferred upon the trustees of these institutions. The General Assembly may enact laws necessary and expedient for the maintenance and management of the University of North Carolina and the other public institutions of higher education.[North Carolina Constitution, Art. IX, Sec. 8]

SECTION 101. INCORPORATION AND CORPORATE POWERS.

The Board of Governors of the University of North Carolina shall be known and distinguished by the name of "the University of North Carolina" and shall continue as a body politic and corporate and by that name shall have perpetual succession and a common seal. It shall be able and capable in law to take, demand, receive, and possess all moneys, goods, and chattels that shall be given for the use of the University, and to apply the same according to the will of the donors; and by gift, purchase, or devise to receive, possess, enjoy, and retain forever any and all real and personal estate and funds, of whatsoever kind, nature, or quality the same may be, in special trust and confidence that the same, and the profits thereof, shall be applied to and for the use and purpose of endowing the University, and shall have power to receive donations from any source whatever, to be exclusively devoted to the purposes of the University, or according to the terms of donation.

The corporation shall be able and capable in law to bargain, sell, grant, alien or dispose of, and convey and assure to the purchasers any and all such real and personal estate and funds as it may lawfully acquire when the condition of the grant to it or the will of the devisor does not forbid it; and shall be able and capable in law to sue and be sued in all courts whatsoever; and shall have power to open and receive subscriptions, and in general may do all such things as are usually done by bodies corporate and politic, or such as may be necessary for the promotion of learning and virtue.[See G.S. 116-3]

SECTION 102. COMPOSITION OF THE UNIVERSITY.

The University of North Carolina shall constitute a single, multi-campus university composed of the following constituent institutions:

Appalachian State University,
East Carolina University,
Elizabeth City State University,
Fayetteville State University,
North Carolina Agricultural and Technical State University,
North Carolina Central University,
North Carolina School of Science and Mathematics,
North Carolina State University at Raleigh,
The University of North Carolina at Asheville,
The University of North Carolina at Chapel Hill,
The University of North Carolina at Charlotte,
The University of North Carolina at Greensboro,
The University of North Carolina at Pembroke,[1]
The University of North Carolina at Wilmington,
University of North Carolina School of the Arts,[2]
Western Carolina University,
Winston-Salem State University.

SECTION 103. EQUALITY OF OPPORTUNITY IN THE UNIVERSITY.

Admission to, employment by, and promotion in the University of North Carolina and all of its constituent institutions shall be on the basis of merit, and there shall be no unlawful discrimination against any person on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, genetic information, or veteran status.

[1] Name changed from Pembroke State University effective July 1, 1996.

[2] Name changed from North Carolina School of the Arts to the University of North Carolina School of the Arts effective August 1, 2008.

The Code: 100.1

100.1.2 CHAPTER II- THE BOARD OF GOVERNORS

SECTION 200. MEMBERSHIP.

200 A. Initial Membership.

For terms specified by statute and until their successors are chosen, the Board of Governors shall consist of representatives elected in accordance with state law.[See G.S. 116-5(a), (b), (c), and (d)]

200 B. Subsequent Membership.

(1) Election of Members.
   (a) Members of the Board of Governors shall be elected by the Senate and House of Representatives. Twelve members shall be elected at the regular legislative session in 2017, and every two years thereafter. All terms shall commence on July 1 of odd-numbered years, and all members shall serve for four-year overlapping terms. Beginning with elections held on or after January 1, 2017, no person may be elected to more than three full four-year terms. Election for a partial term to fill a vacancy as provided in G.S. 116-7 shall not count toward the three-term limitation. Members elected by the Senate and House of Representatives shall be designated as voting members.[See G.S. 116-6, (b), and (c)]
   (b) Whenever any vacancy shall occur in the elected membership of the Board of Governors, it shall be the duty of the secretary of the University to inform the General Assembly of the existence of the vacancy, and the General Assembly at its next regular session shall elect a person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill health or service in the interest of the state or nation, to be present for four successive regular meetings of the board, the individual's place as a member shall be deemed vacant.[See G.S. 116-7(c)]

(2) General Qualifications.
   (a) [Repealed March 6, 2002]
   (b) [Repealed March 6, 2002]
   (c) No member of the General Assembly or officer or employee of the state or of any constituent institution or spouse of any such member, officer, or employee may be a member of the Board of Governors. Any member of the Board of Governors who is elected or appointed to the General Assembly or who becomes an officer or employee of the state or of any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes such officer or employee shall be deemed thereupon to resign from membership on the Board of Governors.[See G.S. 116-7(b)]

200 C. Special Memberships.

For all purposes of this Code, the following members shall be designated as special members:

(1) Member Ex-Officio.
   During the individual's continuance as a student in good standing at a constituent institution of the University of North Carolina, the person serving as president of the University of North Carolina Association of Student Governments (UNCASG) or designee shall serve ex-officio as a member of the Board of Governors. This student member shall be in addition to the 32 members elected to the Board of Governors.[See G.S. 116-6.1]

(2) Members Emeriti.
   Any person who has served at least one full term as chair of the Board of Governors shall be a member emeritus of the Board of Governors for one four-year term beginning at the expiration of that member's regular elected term.[See G.S. 116-6 (f)]

(3) Members Emeriti - Former Governor.
   (d) Member Ex-Officio.
   During the individual's continuance as a student in good standing at a constituent institution of the University of North Carolina, the person serving as president of the University of North Carolina Association of Student Governments (UNCASG) or designee shall serve ex-officio as a member of the Board of Governors. This student member shall be in addition to the 32 members elected to the Board of Governors.[See G.S. 116-6.1]
   During the individual's continuance as a student in good standing at a constituent institution of the University of North Carolina, the person serving as president of the University of North Carolina Association of Student Governments (UNCASG) or designee shall serve ex-officio as a member of the Board of Governors. This student member shall be in addition to the 32 members elected to the Board of Governors.[See G.S. 116-6.1]
   (e) Members Emeriti.
   Any person who has served at least one full term as chair of the Board of Governors shall be a member emeritus of the Board of Governors for one four-year term beginning at the expiration of that member's regular elected term.[See G.S. 116-6 (f)]
   Any person who has served at least one full term as chair of the Board of Governors shall be a member emeritus of the Board of Governors for one four-year term beginning at the expiration of that member's regular elected term.[See G.S. 116-6 (f)]

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Meeting.

Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at any regular meeting of the Board of Governors. [See G.S. 16-9]

(2) Special Meetings.

Special meetings of the Board of Governors may be called by the chair, at the chair's discretion, and shall be called by the secretary of the University upon the written request of not fewer than ten voting members of the board. A special meeting called by the secretary of the University shall be held within 20 days of receipt by the secretary of the tenth written request for such special meeting. A notice specifying the time and place of a special meeting of the Board of Governors shall be mailed or otherwise delivered by the secretary of the University to each member of the board in order that it would reasonably be expected to be received by the member at least 48 hours before the time and place of the special meeting. Whenever the chair deems the business of the board not to require a regular meeting, the chair may cancel such meeting on five days' written notice. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at any regular meeting of the Board of Governors. [See G.S. 16-9]

(3) Emergency Meetings.

(4) Regular Meetings.

The Board of Governors shall hold no fewer than six regular meetings a year at stated times established by the Board. Each regular meeting shall be held at such time and at such place as the chair may designate, with notice concerning the time and place to be transmitted to each member of the board by the secretary of the University at least 20 days in advance of the meeting date. Either by action of the board or upon 15 days' written notice by the chair, the date specified herein for a regular meeting may be changed to another date. Whenever the chair deems the business of the board not to require a regular meeting, the chair may cancel such meeting on five days' written notice. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at any regular meeting of the Board of Governors. [See G.S. 16-9]

The Board of Governors shall hold no fewer than six regular meetings a year at stated times established by the Board. Each regular meeting shall be held at such time and at such place as the chair may designate, with notice concerning the time and place to be transmitted to each member of the board by the secretary of the University at least 20 days in advance of the meeting date. Either by action of the board or upon 15 days' written notice by the chair, the date specified herein for a regular meeting may be changed to another date. Whenever the chair deems the business of the board not to require a regular meeting, the chair may cancel such meeting on five days' written notice. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at any regular meeting of the Board of Governors. [See G.S. 16-9]

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Special meetings of the Board of Governors may be called by the chair, at the chair's discretion, and shall be called by the secretary of the University upon the written request of not fewer than ten voting members of the board. A special meeting called by the secretary of the University shall be held within 20 days of receipt by the secretary of the tenth written request for such special meeting. A notice specifying the time and place of a special meeting of the Board of Governors shall be mailed or otherwise delivered by the secretary of the University to each member of the board in order that it would reasonably be expected to be received by the member at least 48 hours before the meeting. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at a special meeting of the board.
Special meetings of the Board of Governors may be called by the chair, at the chair's discretion, and shall be called by the secretary of the University upon the written request of not fewer than ten voting members of the board. A special meeting called by the secretary of the University shall be held within 20 days of receipt by the secretary of the tenth written request for such special meeting. A notice specifying the time and place of a special meeting of the Board of Governors shall be mailed or otherwise delivered by the secretary of the University to each member of the board in order that it would reasonably be expected to be received by the member at least 48 hours before the meeting. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at a special meeting of the board.

(i) Emergency Meetings.

Emergency meetings of the Board of Governors may be called by the chair when generally unexpected circumstances require immediate consideration by the board. A notice specifying the time and place of an emergency meeting of the Board of Governors may be given by telephone, telegraph, or other method in sufficient time for a majority of the board to reasonably be expected to be able to attend the meeting. Only business connected with the emergency may be considered at an emergency meeting in which less than 48 hours' notice is given.

202 B. Agenda.

(1) A copy of the agenda for each regular meeting of the Board of Governors, including notice of all expiring terms on or vacancies in membership of board committees and, insofar as is practicable, copies of all reports and other materials to be presented to the regular meeting as a part of the agenda, shall be mailed by the secretary of the University to each member of the board at least five days in advance of the regular meeting. If practicable, a copy of the agenda for each special meeting of the Board of Governors, with reports and other materials to be presented, shall be mailed to each member of the board at least five days in advance of the special meeting. When matters are to be considered by a committee between the time of the mailing of the agenda and the time of any regular or special meeting of the board and are expected then to be presented to the board for action at the meeting, all members of the board shall be mailed such materials as a committee may prescribe by standing rule or as the chair of a committee may designate, in order to inform the board, insofar as may be feasible, of the nature of the action that might be asked of it.

(2) The agenda for a regular or special meeting of the Board of Governors shall be prepared by the president with the approval of the chair. All requests for inclusion of a given item on the agenda of a particular meeting shall be filed, with any supporting documents, with the secretary of the University. Any such requests from faculty, students, staff members, or other members of a constituent institution of the University must be in writing and must be filed first with the chancellor of the institution concerned in sufficient time to be reported to and filed with the president by the chancellor, prior to the regular or special meeting in question.

(3) The provisions of this Section 202 B shall not be construed to prohibit any committee or member of the Board of Governors from requesting consideration by the board, at any regular or special meeting, of any item not on the agenda of a regular or special meeting of the board. However, such an item shall not be so considered without the approval of two-thirds of the voting members of the board present at such meeting.

(j) A copy of the agenda for each regular meeting of the Board of Governors, including notice of all expiring terms on or vacancies in membership of board committees and, insofar as is practicable, copies of all reports and other materials to be presented to the regular meeting as a part of the agenda, shall be mailed by the secretary of the University to each member of the board at least five days in advance of the regular meeting. If practicable, a copy of the agenda for each special meeting of the Board of Governors, with reports and other materials to be presented, shall be mailed to each member of the board at least five days in advance of the special meeting. When matters are to be considered by a committee between the time of the mailing of the agenda and the time of any regular or special meeting of the board and are expected then to be presented to the board for action at the meeting, all members of the board shall be mailed such materials as a committee may prescribe by standing rule or as the chair of a committee may designate, in order to inform the board, insofar as may be feasible, of the nature of the action that might be asked of it.

(k) The agenda for a regular or special meeting of the Board of Governors shall be prepared by the president with the approval of the chair. All requests for inclusion of a given item on the agenda of a particular meeting shall be filed, with any supporting documents, with the secretary of the University. Any such requests from faculty, students, staff members, or other members of a constituent institution of the University must be in writing and must be filed first with the chancellor of the institution concerned in sufficient time to be reported to and filed with the president by the chancellor, prior to the regular or special meeting in question.

(l) The provisions of this Section 202 B shall not be construed to prohibit any committee or member of the Board of Governors from requesting consideration by the board, at any regular or special meeting, of any item not on the agenda of a regular or special meeting of the board. However, such an item shall not be so considered without the approval of two-thirds of the voting members of the board present at such meeting.

202 C. Conduct of Business.

(1) Quorum.

A quorum for the conduct of business of the Board of Governors shall consist of a majority of the voting membership of the board then in office. Any voting member who is present at a meeting of the board or of a committee or who attends a special or emergency meeting of the board or of any meeting of a committee by telephone, video conference, or other electronic means that allows for two-way voice interaction will be counted as present for purposes of determining a quorum.

(2) Presiding Officer.

The chair shall preside at all regular and special meetings of the Board of Governors. In the absence of the chair, the vice chair shall preside and in the absence of both, the secretary shall preside. In the absence of an elected officer, a presiding officer shall be elected by and from the voting membership of the Board of Governors.

(3) Power to Vote.

All members of the Board of Governors except special members may vote on all matters coming before the board for consideration. Any voting member of the board or of a board committee who attends a special or emergency meeting of the board or of any meeting of a committee by telephone, video conference, or other electronic means that allows for two-way voice interaction may cast the member's vote by that electronic means. No vote concerning any matter under consideration by the board or by a committee of the board may be cast in absentia by mail, facsimile, or electronic mail.

(4) Rules of Order.
Except as modified by specific rules and regulations enacted by the Board of Governors, Robert's Rules of Order (latest edition) shall constitute the rules of parliamentary procedure applicable to all meetings of the Board of Governors and its several committees.

(m) Quorum.

A quorum for the conduct of business of the Board of Governors shall consist of a majority of the voting membership of the board then in office. Any voting member who is present at a meeting of the board or of a committee or who attends a special or emergency meeting of the board or of any meeting of a committee by telephone, video conference, or other electronic means that allows for two-way voice interaction will be counted as present for purposes of determining a quorum.

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The chair shall preside at all regular and special meetings of the Board of Governors. In the absence of the chair, the vice chair shall preside and in the absence of both, the secretary shall preside. In the absence of an elected officer, a presiding officer shall be elected by and from the voting membership of the Board of Governors.

(o) Power to Vote.

All members of the Board of Governors except special members may vote on all matters coming before the board for consideration. Any voting member of the board or of a board committee who attends a special or emergency meeting of the board or of any meeting of a committee by telephone, video conference, or other electronic means that allows for two-way voice interaction may cast the member's vote by that electronic means. No vote concerning any matter under consideration by the board or by a committee of the board may be cast in absentia by mail, facsimile, or electronic mail.

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(p) Rules of Order.

Except as modified by specific rules and regulations enacted by the Board of Governors, Robert's Rules of Order (latest edition) shall constitute the rules of parliamentary procedure applicable to all meetings of the Board of Governors and its several committees.

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(q) Reference to Committees.

All matters presented to the Board of Governors, except matters of routine business, which come within the sphere of interest or activity of any standing committee of the board, shall be submitted by the board to the appropriate standing committee for investigation and report. All matters of other than routine business, which do not come within the sphere of interest or activity of any standing committee of the board, may be submitted by the board to a special committee for investigation and report in advance of any action thereon by the board. The board may proceed to consider any matter without referring it to a standing or special committee if, by two-thirds vote, immediate consideration by the board is authorized. The reports and recommendations of standing and special committees shall be submitted to the board in writing consistent with the instructions of the board.

202 D. Minutes.

(1) The secretary of the University shall keep minutes of all meetings of the Board of Governors; shall file, index, and preserve all minutes, papers, and documents pertaining to the business and proceedings of the board; shall be custodian of the University seal and of all records of the board; and shall attest the execution by the chair of all legal documents and instruments of the University of North Carolina.

(2) Within 20 days after each meeting of the Board of Governors, the secretary of the University shall transcribe the minutes of the meeting and mail a copy to each member of the board.

(q) The secretary of the University shall keep minutes of all meetings of the Board of Governors; shall file, index, and preserve all minutes, papers, and documents pertaining to the business and proceedings of the board; shall be custodian of the University seal and of all records of the board; and shall attest the execution by the chair of all legal documents and instruments of the University of North Carolina.

(s) Within 20 days after each meeting of the Board of Governors, the secretary of the University shall transcribe the minutes of the meeting and mail a copy to each member of the board.

202 E. Closed Sessions.

All meetings of the Board of Governors shall be open to the public unless, consistent with the requirements of state law, a meeting is closed to the public by a motion duly made and adopted by the board in an open meeting.


(1) Any provision of this Code (except those required or governed by statutory or constitutional provisions) may be amended by a vote of two-thirds of the voting membership of the board then in office; provided that no amendment may be adopted unless its substance first has been introduced at a preceding regular or special meeting of the board.
(2) Any Code provision, except that contained in Section 202 F(1) (and those required or governed by statutory or constitutional provisions), may be suspended at any regular or special meeting of the Board of Governors for that meeting by affirmative vote of two-thirds of the voting membership of the board present.

(i) Any provision of this Code (except those required or governed by statutory or constitutional provisions) may be amended by a vote of two-thirds of the voting membership of the board in office; provided that no amendment may be adopted unless its substance first has been introduced at a preceding regular or special meeting of the board.

(u) Any Code provision, except that contained in Section 202 F(1) (and those required or governed by statutory or constitutional provisions), may be suspended at any regular or special meeting of the Board of Governors for that meeting by affirmative vote of two-thirds of the voting membership of the board present.

SECTION 203. POWERS AND DUTIES.

203 A. Statutory Powers and Duties.

(1) The Board of Governors shall plan and develop a coordinated system of higher education in North Carolina. To this end it shall govern the constituent institutions, subject to such powers and responsibilities as may be conferred by statute or delegated by the Board of Governors to the boards of trustees of the constituent institutions, and to this end it shall maintain close liaison with the State Board of Education, the State Board of Community Colleges, and the private colleges and universities of the state. The board, in consultation with representatives of the State Board of Education and of the private colleges and universities, shall prepare and from time to time revise a long-range plan for a coordinated system of higher education, supplying copies thereof to the governor, members of the General Assembly, the Advisory Budget Commission, and the constituent institutions. State-wide federal or state programs that provide aid to institutions or students of post-secondary education through a state agency, except those related exclusively to the community college system, shall be administered by the board pursuant to any requirement of state or federal statute in order to ensure that all activities are consonant with the state’s long-range plan for higher education. [See G.S. 116-11]

(2) The Board of Governors shall be responsible for the general determination, control, supervision, management, and governance of all affairs of the constituent institutions. For this purpose the board may adopt such policies and regulations as it may deem wise. [See G.S. 116-11]

(3) The Board of Governors shall determine the functions, educational activities, and academic programs of the constituent institutions. The board shall also determine the type of degrees to be awarded by each constituent institution. The powers of the board as established by law are not restricted by any other provision of law assigning specific functions or responsibilities to designated institutions, the powers of the board superseding any such provisions of law. [See G.S. 116-11] The board, after giving adequate notice to the affected institutional board of trustees and affording it an opportunity to be heard, shall have authority to withdraw approval of any existing program if it appears that the program is unproductive, excessively costly, or unnecessarily duplicative. [See G.S. 116-11]

(4) The Board of Governors shall approve the establishment of any new publicly supported institution above the community college level. [See G.S. 116-11(6)]

(5) The Board of Governors shall set enrollment levels of the constituent institutions. [See G.S. 116-11B]

(6) The Board of Governors shall collect and disseminate data concerning higher education in the state. To this end it shall work cooperatively with the North Carolina System of Community Colleges and shall seek the assistance of the private colleges and universities. It may prescribe for the constituent institutions such uniform reporting practices and policies as it may deem desirable. [See G.S. 116-11(10)]

(7) The Board of Governors, with the cooperation of other concerned organizations, shall establish, as a function of the board, an Educational Opportunities Information Center to provide information and assistance to prospective college and university students and to the several institutions, both public and private, on matters regarding student admissions, transfers, and enrollments. The public institutions shall cooperate with the center by furnishing such nonconfidential information as may assist the center in the performance of its duties. Similar cooperation shall be requested of the private institutions in the state. An applicant for admission to an institution who is not offered admission may request that the institution send to the center appropriate nonconfidential information concerning the application. The center may, at its discretion and with permission of the applicant, direct the attention of the applicant to other institutions and the attention of other institutions to the applicant. The center is authorized to conduct such studies and analyses of admissions, transfers, and enrollments as may be deemed appropriate. [See G.S. 116-18]

(8) The Board of Governors shall give advice and recommendations concerning higher education to the governor, the General Assembly, the Advisory Budget Commission, and the boards of trustees of the constituent institutions. [See G.S. 116-11(12)]

(9) The Board of Governors may delegate any part of its authority over the affairs of any constituent institution to the board of trustees or, through the president of the University, to the chancellor of the institution in any case where such delegation appears necessary or prudent to enable the institution to function in a proper and expeditious manner. Any delegation of authority may be rescinded by the board at any time in whole or in part. [See G.S. 116-11(13)]

(v) The Board of Governors shall plan and develop a coordinated system of higher education in North Carolina. To this end it shall govern the constituent institutions, subject to such powers and responsibilities as may be conferred by statute or delegated by the Board of Governors to the boards of trustees of the constituent institutions, and to this end it shall maintain close liaison with the State Board of Education, the State Board of Community Colleges, and the private colleges and universities of the state. The board, in consultation with representatives of the State Board of Education and of the private colleges and universities, shall prepare and from time to time revise a long-range plan for a coordinated system of higher education, supplying copies thereof to the governor, members of the General Assembly, the Advisory Budget Commission, and the constituent institutions. State-wide federal or state programs that provide aid to institutions or students of post-secondary education through a state agency, except those related exclusively to the community college system, shall be administered by the board pursuant to any requirement of state or federal statute in order to ensure that all activities are consonant with the state’s long-range plan for higher education. [See G.S. 116-11]

(w) The Board of Governors shall be responsible for the general determination, control, supervision, management, and governance of all affairs of the constituent institutions. For this purpose the board may adopt such policies and regulations as it may deem wise. [See G.S. 116-11]

(x) The Board of Governors shall determine the functions, educational activities, and academic programs of the constituent institutions. The board shall also determine the type of degrees to be awarded by each constituent institution. The powers of the board as established by law are not restricted by any other provision of law assigning specific functions or responsibilities to designated institutions, the powers of the board superseding any such provisions of law. [See G.S. 116-11] The board, after giving adequate notice to the affected institutional board of trustees and affording it an opportunity to be heard, shall have authority to withdraw approval of any existing program if it appears that the program is unproductive, excessively costly, or unnecessarily duplicative. [See G.S. 116-11]

(y) The Board of Governors shall approve the establishment of any new publicly supported institution above the community college level. [See G.S. 116-11(6)]

(z) The Board of Governors shall set enrollment levels of the constituent institutions. [See G.S. 116-11B]
the North Carolina System of Community Colleges and shall seek the assistance of the private colleges and universities. It may prescribe for the constituent institutions such uniform reporting practices and policies as it deem desirable. [See G.S. 116-11(10)]

(1) The Board of Governors, with the cooperation of other concerned organizations, shall establish, as a function of the board, an Educational Opportunities Information Center to provide information and assistance to prospective college and university students and to the several institutions, both public and private, on matters regarding student admissions, transfers, and enrollments. The public institutions shall cooperate with the center by furnishing such nonconfidential information as may assist the.center in the performance of its duties. Similar cooperation shall be requested of the private institutions in the state. An applicant for admission to an institution who is not offered admission may request that the institution send to the center appropriate nonconfidential information concerning the application. The center may, at its discretion and with permission of the applicant, direct the attention of the applicant to other institutions and the attention of other institutions to the applicant. The center is authorized to conduct such studies and analyses of admissions, transfers, and enrollments as may be deemed appropriate. [See G.S. 116-18]

(2) The Board of Governors shall give advice and recommendations concerning higher education to the governor, the General Assembly, the Advisory Budget Commission, and the boards of trustees of the constituent institutions. [See G.S. 116-11(12)]

(-) The Board of Governors may delegate any part of its authority over the affairs of any constituent institution to the board of trustees or, through the president of the University, to the chancellor of the institution in any case where such delegation appears necessary or prudent to enable the institution to function in a proper and expeditious manner. Any delegation of authority may be rescinded by the board at any time in whole or in part. [See G.S. 116-11(13)]

203 B. Other Powers and Duties.

(1) Whenever the Board of Governors finds that there may be a need for the creation of a new campus of the University, the board shall direct that a study be made of the relevant educational needs of the state, such study to take particular account of the relevant educational needs of the area or areas of the state designated by the Board of Governors. The board shall give careful consideration to the report of the aforementioned study of educational needs, and if the board finds

(a) that sufficient educational needs exist to justify the establishment of an additional campus of the University, and

(b) that it appears probable that sufficient additional funds can be made available to establish and maintain such additional campus without impairing the quality and extent of the instructional and research programs at the existing campuses of the University, the Board of Governors may recommend to the General Assembly that appropriate legislation creating or adding such campus be enacted.

(2) Whenever the Board of Governors finds that there may be a need for the creation of a branch campus by a constituent institution, the board shall direct that a study be made of the relevant educational needs of the state, such study to take particular account of the relevant educational needs of the area or areas of the state designated by the Board of Governors. The board shall give careful consideration to the report of the aforementioned study of educational needs, and if the board finds

(a) that sufficient educational needs exist to justify the establishment of a branch campus by a constituent institution, and

(b) that it appears probable that sufficient additional funds can be made available to establish and maintain such branch campus without impairing the quality and extent of the instructional and research programs at the constituent institution or at other constituent institutions, the Board of Governors may approve the creation of a branch campus.

(3) The University will use as its definition of a branch campus the one adopted by the Commission on Colleges of the Southern Association of Colleges and Schools. A branch campus is defined as a location of an institution that is geographically apart and independent of the main campus of the institution. A location is independent of the main campus if the location is (1) permanent in nature, (2) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential, has its own faculty and administrative or supervisory organization, and (4) has its own budgetary and hiring authority.

(4) Apart from new or branch campuses, the President is authorized to initiate other facilities arrangements for delivery of off-site programs such as use of community college space, multiple-use facilities among campuses, joint use facilities with community colleges, and rental space, following general university academic and budgetary procedures for relevant Board approval or reporting to the Board.

(5) The North Carolina Community College System shall be consulted in the process of assessing the need for a new campus, a branch campus or other facilities for off-site educational delivery.

(6) The Board of Governors shall have such other powers and duties as may be prescribed by law or as may be set forth elsewhere in this Code.

203 C. Reservation of Powers.

The Board of Governors shall possess all powers not specifically given to institutional boards of trustees. [See G.S. 116-11(14)]

SECTION 204. ETHICS AND CONFLICT OF INTERESTS

It is of critical importance that decisions made on behalf of the University by its governors 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. In order to assure public confidence in the integrity of the University, members of the Board of Governors of the University shall not use their positions, or appear to use their positions, to influence the decisions of the University for their personal financial gain. At the same time, the University should be able to take advantage of contracts that are advantageous to the citizens of North Carolina and to the University and should avoid having service to the University be so restrictive that persons with substantial financial interests will be reluctant to serve. In order to accomplish these goals, the Board of Governors shall adopt and enforce a policy governing conflicts of interest of its members. Each member of the Board of Governors shall comply with this policy.

SECTION 205. DELIVERY OF NOTICES.

All notices, documents, or materials required by The Code to be mailed to members of the Board of Governors may be delivered by electronic mail, facsimile transmission, or other reliable means that is available for notifying that member of the board.


[12] All policies, rules, and regulations adopted and actions taken prior to July 1, 1972, by the former boards of trustees of the constituent institutions shall be effective on and after July 1, 1972, as to the respective institutions, except as modified by this Code or by other action of the Board of Governors or by the institutional boards of trustees. [Session Laws 1972, Ch. 124, Sec. 18]

100.1.3 CHAPTER III- COMMITTEES OF THE BOARD OF GOVERNORS

SECTION 300. ESTABLISHMENT AND MEMBERSHIP OF COMMITTEES.

A. The Board of Governors may establish such standing committees as it may deem necessary. Standing committees shall be established and their duties prescribed by a vote of two-thirds of the voting membership of the Board of Governors then in office. Special committees may be created by the Board of Governors or the chair of the board to perform specific functions not requiring the continuous existence of a committee.

B. Each voting member of the board shall at all times serve on no more than one of the standing committees designated in subsections 301 B through E, below.

C. Special members of the board may be assigned to such standing or special committees as the chair of the Board of Governors may from time to time see fit.

D. The chair of the board may, upon request of a standing committee chair, appoint any voting member to serve temporarily as a voting member of a subcommittee of a standing committee when the chair of the board deems the work of the subcommittee to require such an appointment.

E. The vice chair of the Board of Governors shall at all times serve on one of the standing committees. The vice chair shall be assigned to a committee by the chair of the board following consultation between the chair and the vice chair. The vice chair's membership on a standing committee shall be in addition to the prescribed regular membership of the committee.

F. The chair of the Board of Governors shall be a voting member of all standing and special committees, but the chair's membership shall not be counted in determining a quorum.

SECTION 301. THE STANDING COMMITTEES' JURISDICTION.

301 A. The standing committees of the Board of Governors shall be: the Committee on Budget and Finance; the Committee on Educational Planning, Policies, and Programs; the Committee on Personnel and Tenure; the Committee on University Governance; the Committee on Public Affairs; and the Committee on Audit, Risk Management, and Compliance. Each of the standing committees shall consist of a number of voting members to be determined by the chair of the board, provided that each standing committee shall have a regular membership of no fewer than five voting members, unless otherwise specified herein.

301 B. The Committee on Budget and Finance shall advise and consult with the president concerning budget policy and preparation. The committee shall consider the budget proposed by the president and, upon its approval, shall submit the budget to the Board of Governors for final action. The committee shall make recommendations to the Board for the allocation of funds appropriated to the board. It shall also advise and assist the president, and submit recommendations to the board, with respect to real property transactions, investments, endowments, and other fiscal and property matters in accordance with valuation limits established in board policy and within the jurisdiction of the Board of Governors.

301 C. The Committee on Educational Planning, Policies, and Programs shall receive the advice and recommendations of the president and make recommendations to the board in all areas pertaining to the development of a coordinated system of higher education in North Carolina, including: (a) the definition of mission and assignment of functions of each constituent institution; (b) the review of requests for the initiation of new degree programs and recommendations for the termination of existing programs; (c) the provision of supportive services, facilities, and other resources for the instructional, research, and public service programs of the constituent institutions; (d) the review of policies affecting educational programs and academic affairs; (e) matters concerning the involvement of students in the University and in university life; (f) review of matters concerning health affairs in the University; and (g) review of matters concerning the utilization of information technology in furtherance of the University's mission. The committee shall also advise and assist the president and the board in maintaining close liaison with the State Board of Education, the State Board of Community Colleges, and the private colleges and universities, including the review of all requests for state aid to the private institutions. It shall further recommend to the board procedures and standards for the licensing of non-public educational institutions.

301 D. The Committee on Personnel and Tenure shall, upon recommendation of the president, review and make recommendations to the board with respect to the appointment and compensation of all vice chancellors, senior academic and administrative officers, and persons with permanent tenure. Notwithstanding the provision above, the committee shall not review or recommend the appointment and compensation of vice chancellors, senior academic and administrative officers, and persons with permanent tenure for those constituent institutions delegated the authority to appoint and set compensation for such employees so long as the boards of trustees act consistently with the policy and compensation ranges established by the Board of Governors. Further, the committee shall advise and assist the president in the review and evaluation of tenure policies and regulations which the president shall periodically conduct. It shall also review all appeals from employees of the University of North Carolina System Office who are exempt from the North Carolina Human Resources Act pursuant to Section 611 of the Code.

301 E. The Committee on University Governance shall keep under continuous review the application and interpretation of the Code of the University of North Carolina and all delegations of authority under that code, and it shall make such recommendations to the Board of Governors for the amending of the Code or delegations of authority as may seem appropriate for the effective and efficient operation of the University of North Carolina and its constituent institutions. The committee shall make nominations to the Board of Governors for elections to the boards of trustees of the constituent institutions. The committee shall receive all requests from students of the constituent institutions for appellate review by the Board of Governors pursuant to Section 502 D(3) of this Code.

301 F. The Committee on Public Affairs shall consist of no fewer than three and no more than five voting members to be determined by the chair of the board. A voting member serving on this committee shall also serve on one or more other standing committees. The Committee on Public Affairs shall assist the president and the chair of the board in maintaining a positive relationship with the governor, the North Carolina General Assembly, the United States Congress, and other governmental entities which affect the ability of the University to carry out its mission. The committee will review all state and federal policy priorities of the University.

301 G. The Committee on Audit, Risk Management, and Compliance (CARMC) shall consist of voting members to be appointed from the membership of the other standing committees. The CARMC shall recommend a committee charter for review and approval by the board, addressing the University's internal audit, enterprise risk management, and compliance functions; recommend for approval University-wide policies regarding internal audit, enterprise risk management, and compliance; review annual and other audit reports of the constituent institutions, the UNC System Office, and affiliated entities; review a summary of the internal audit plans and work of the audit committees of the constituent institutions; review a summary of the annual financial audit reports and management letters on University major associated entities; meet with the state auditor annually; and take such other actions as are necessary or appropriate to ensure that risks are identified and properly managed and to assure the integrity of the finances, operations, and controls of the University.
302 A. Appointment of Members.

The chair of the Board of Governors shall appoint voting members of the board to standing committees. The term of each voting member of a standing committee shall ordinarily be two years, commencing upon the effective date of the appointment to the committee and extending until the chair appoints a successor. The chair shall make appointments and reassignments in such a manner as to ensure that members gain experience on each of the standing committees and to utilize the expertise and talent of board members. To achieve balance and efficiencies in the committee system, to support full consideration of the governance and policy matters coming before the board, and to accommodate new appointments to the board, the chair may appoint members to one-year terms, reassign members who have served one of a two-year term, or appoint members to successive one- or two-year terms. The chair shall appoint members of standing committees to take effect at the first meeting of the committee after July 1. If a vacancy occurs on a standing committee during a term, the chair of the board may appoint a voting member of the board to fill the remainder of the unexpired term, notwithstanding Section 300 B of The Code.

302 B. Officers of Standing Committees.

A chair, vice chair, and secretary of each standing committee shall be designated by the chair of the Board of Governors for a one-year term starting at the first meeting after July 1 of the year and continuing until their successors are appointed. No standing committee chair or vice chair may concurrently serve as chair or vice chair of another standing committee. No person may serve more than four successive terms as chair of the same standing committee.

302 C. Meetings of Standing Committees.

Each standing committee shall meet at such times as either the chair of the standing committee or the Board of Governors shall designate. Written notice of each meeting of a standing committee shall be mailed to members of the Board of Governors by the secretary of the University at least five days in advance of the meeting date; but any notice which complies with the North Carolina Open Meetings Law may be given by telephone or other reliable means when, in the judgment of the chair of the committee or the chair of the Board of Governors, a necessity exists. The agenda for a meeting of a standing committee shall be prepared by the president with the approval of the chair of the committee, and, if practicable, a copy shall be mailed to the members of the Board of Governors, or transmitted by other reliable means, at least five days in advance of the meeting date; however, if such advance notice is not practicable in the judgment of the chair, the agenda shall be presented to the members of the committee and other members of the Board of Governors who are attending the meeting at the commencement of the meeting. Such materials as the committee may designate by standing rule, or as the chair of the committee may designate in the absence of a standing rule, shall be sent with the agenda and notice of the meeting.

If notice of an agenda item is not provided to the members of the Board of Governors at least 48 hours before the committee meeting, then any recommended action resulting from that item shall not be placed on the consent agenda of the Board of Governors. In the committee report the chair shall state that the recommended action was added to the committee agenda.

A majority of the elected membership shall constitute a quorum for the conduct of business of a standing committee. The chair of the standing committee shall preside at all committee meetings; in the absence of the chair, the vice chair shall preside. The procedures and rules of order governing the conduct of committee business shall be the same as those applicable to meetings of the Board of Governors. Minutes of every meeting of a standing committee shall be kept by the secretary of the committee.

302 D. Subcommittees.

Each standing committee may establish from its elected membership such subcommittees as it may deem necessary and appropriate for the effective discharge of its assigned responsibilities. The chair of the standing committee shall appoint the chair and the members of each subcommittee and shall report to the board the establishment of any subcommittee.


Each standing committee shall make a written report to the Board of Governors at least annually, reviewing the work of the committee during the preceding year.

302 F. Closed Sessions.

All meetings of committees shall be open to the public unless, consistent with the requirements of state law, a meeting of a committee is closed to the public by a motion duly made and adopted by the committee in an open meeting.

SECTION 303. SPECIAL COMMITTEES OF THE BOARD OF GOVERNORS.

Special committees may be created by the Board of Governors or the chair of the board to perform specific functions not requiring the continuous existence of a committee. The size, function, and procedures of special committees shall be determined either by majority vote of the board or by the chair of the board. The chair and members of a special committee shall be appointed by the chair of the board from the voting membership of the board unless the Board of Governors otherwise provides. Special committees shall cease to exist when their functions have been discharged; however, every special committee shall cease to exist one year after the date of its creation, unless continued by affirmative action of the board or the chair of the board. Notwithstanding the above, the size, function, procedures, membership, and selection of the chair of a presidential search committee shall be determined by majority vote of the Board of Governors.

The Code: 100.1, Amended 05/17/17, Technical Corrections 10/21/19, Technical Corrections 01/03/20

100.1.4 CHAPTER IV - BOARDS OF TRUSTEES

SECTION 400. MEMBERSHIP.

400 A. General Provisions.

1. Each constituent institution shall have a board of trustees composed of 13 persons—chosen as follows: (a) eight elected by the Board of Governors; (b) four appointed by the General Assembly, two of whom shall be appointed upon the recommendation of the President Pro Tempore of the Senate, and two of whom shall be appointed upon the recommendation of the Speaker of the House of Representatives; and (c) the president of the student government of the institution, ex-officio.[See G.S. 116-31(d)]

2. In every odd-numbered year, the Board of Governors shall elect four persons to each board of trustees; and the General Assembly shall appoint one person upon the recommendation of the President Pro Tempore of the Senate, and one person upon the recommendation of the Speaker of the
House of Representatives to each such board; and the term of office of all such elected or appointed trustees (excluding ex-officio trustees) shall be four years, commencing on July 1 of such odd-numbered year.[See G.S. 116-31(e)]

3. Whenever any vacancy shall occur in the membership of a board of trustees among those seats to be appointed by the General Assembly, it shall be the duty of the secretary of the board of trustees to inform the General Assembly of the existence of such vacancy, and the vacancy shall be filled as provided in G.S. 120-122, and whenever any vacancy shall occur among those elected by the Board of Governors, it shall be the duty of the secretary of the board of trustees to inform the Board of Governors of the existence of the vacancy, and the Board of Governors shall elect a person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill health or service in the interest of the state or nation, to be present for three successive regular meetings of a board of trustees, the individual’s place as a member shall be deemed vacant.[See G.S. 116-31(j)]

4. Any person who has served two full four-year terms in succession as a member of a board of trustees shall, for a period of one year, be ineligible for election or appointment to the same board but may be elected or appointed to the board of another institution.[See G.S. 116-31(g)]

5. No member of the General Assembly or officer or employee of the State, The University of North Carolina, or of any constituent institution shall be eligible for election or appointment as a trustee. No spouse of a member of the General Assembly, or of an officer or employee of a consistent institution may be a trustee of that constituent institution. Any trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the State, The University of North Carolina, or any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes an officer or employee of that constituent institution shall be deemed thereupon to resign from his membership on the board of trustees.[See G.S. 116-31(h)]

400 B. Dual Membership Prohibited.

No person may serve simultaneously as a member of a board of trustees and as a member of the Board of Governors. Any trustee who is elected to the Board of Governors shall be deemed to have resigned as a trustee effective as of the date that the individual’s term commences as a member of the Board of Governors.[See G.S. 116-31(h)]

SECTION 401. OFFICERS.

401 A. Chair, Vice Chair, and Secretary.

At the first regular meeting after June 30 of each year, each board of trustees shall elect from its membership a chair, a vice chair, and a secretary.[See G.S. 116-32] In no event shall officer elections take place before July 1, or before the swearing in of new board members whose terms commence on July 1. Any member of the board who is or who shall be duly appointed and sworn in at the time of the election shall be eligible to serve as an officer, regardless of length of service on the board. Elections shall be conducted such that each member of the board, including newly appointed members, can fully participate in the nomination, consideration, and selection of officers. Nominating committees convening prior to July 1 to determine a slate of officer candidates may include members who have been appointed but have not yet been sworn in, but may not include current members whose terms end June 30 and who have not been reappointed. Each elected officer shall serve until his or her successor is elected. If the term of the chair on the board of trustees expires before his or her successor as chair is elected, then the vice chair shall become the interim chair until the chair’s successor is elected.

401 B. Assistant Secretary.

Each board of trustees may also elect an assistant secretary, from among the members of the chancellor’s staff. Copies of all minutes, papers, and documents of a board of trustees may be certified by its assistant secretary with the same force and effect as though such certification were made by the secretary of such board.

SECTION 402. MEETINGS.

402 A. Frequency.

Each board of trustees shall hold not fewer than three regular meetings a year and may hold such additional meetings as may be deemed desirable.[See G.S. 116-32]

402 B. Rules of Procedure.

Each board of trustees shall determine its own rules of procedure and may delegate to such committees as it may create such of its powers as it deems appropriate. The board of trustees may convene in closed session, consistent with state law and policy.

402 C. Keeping Board of Governors Informed.

The secretary of each board of trustees shall keep the Board of Governors, through the secretary of the University, fully and promptly informed concerning activities of the board of trustees, including notice of any changes in the membership of the board or in its committee structure or bylaws, and notices of meetings.

402 D. Notice of Committee Meetings.

Each board of trustees shall provide timely notice of each of its meetings and committee meetings to every member of that board of trustees.

SECTION 403. POWERS AND DUTIES.

403 A. General Powers and Duties.

Each board of trustees shall promote the sound development of its institution within the functions prescribed for it, helping it to serve the people of the state in a way that will complement the activities of the other institutions and aiding it to perform at a high level of excellence in every area of endeavor. Each board of trustees shall serve as advisor to the Board of Governors on matters pertaining to its institution and shall also serve as advisor to the chancellor concerning the management and development of the institution.[See G.S. 116-33]

403 B. Other Powers and Duties.

Each board of trustees shall have such other powers and duties, not inconsistent with other provisions of this Code or with applicable provisions of state law, as shall be defined and delegated by the Board of Governors.[See G.S. 116-33 and G.S. 116-11(13) and (14)]

15

15 Fifteen trustees in the case of the University of North Carolina School of the Arts.[See G.S. 116-65] Twenty-seven trustees in the case of the North Carolina School of Science and Mathematics. [See G.S. 116-233 et seq.]
100.1.5 CHAPTER V - OFFICERS OF THE UNIVERSITY

SECTION 500. ELECTION OF OFFICERS.

500 A. President and Staff.

(1) The Board of Governors shall elect a president of the University of North Carolina [See G.S. 116-14(a)], whose compensation shall be fixed by the Board of Governors.

(2) The Board of Governors, on nomination of the president, shall elect and fix the compensation of such professional members of the presidential staff as may be deemed necessary to administer the affairs and execute the policies of the University of North Carolina unless the Board has otherwise delegated this authority to the president. These staff members shall include such senior vice presidents and other vice presidents and officers as may be deemed desirable. [See G.S. 116-14(b)]

(3) In addition, the president shall employ such other personnel, subject to the provisions of Chapter 126 of the North Carolina General Statutes ("State Human Resources Act"), as may be deemed necessary to assist the officers of the University in administering the affairs and executing the policies of the University of North Carolina. [See G.S. 116-14(b)]

(4) The professional staff complement shall be established by the board on recommendation of the president to ensure that there are persons on the staff who have the professional competence and experience to carry out the duties assigned and to ensure that there are persons on the staff who are familiar with the problems and capabilities of all of the principal types of institutions represented in the University of North Carolina. Provision shall be made for persons of high competence and strong professional experience in such areas as academic affairs, public-service programs, business and financial affairs, institutional studies and long-range planning, student affairs, research, legal affairs, health affairs and institutional development, and for state and federal programs administered by the board. [See G.S. 116-14(b)]

500 B. Chancellors and Staffs. [2]

(1) The Board of Governors shall elect, on nomination of the president, the chancellor of each of the constituent institutions and fix the chancellor's compensation. The president shall make a nomination from a list of not fewer than two names recommended by the institutional board of trustees. [See G.S. 116-110(i)]

(2) Unless the Board of Governors has delegated this authority to the president or to an institutional board of trustees, the Board of Governors shall, on recommendation of the president and of the appropriate institutional chancellor, appoint and fix the compensation of all vice chancellors, senior academic and administrative officers, and persons having permanent tenure. [See G.S. 116-110(k) and 116-40.22(b)]

SECTION 501. PRESIDENT OF THE UNIVERSITY.

501 A. General Authority.

The president of the University of North Carolina shall be the chief administrative and executive officer of the University. [See G.S. 116-14(a)] The president shall have complete authority to manage the affairs and execute the policies of the University of North Carolina and its constituent institutions, subject to the direction and control of the Board of Governors and the provisions of this Code. The president shall personally represent before the state, the region and the nation the ideals and the spirit of the University of North Carolina. As the chief executive, the president shall be the official administrative spokesperson for and the interpreter of the University to the alumni and alumnae as a whole, the news media, the educational world, and the general public. The president shall be responsible for the presentation and interpretation of all University policies, recommendations, and requests to the General Assembly, the governor, state officers and commissions, and the federal government.

501 B. Relation of the President to the Board of Governors.

(1) The president, as the chief executive officer of the University, shall perform all duties prescribed by the Board of Governors. The president shall be responsible to the Board of Governors for the prompt and effective execution of all laws relating to the University of North Carolina and of all resolutions, policies, rules, and regulations adopted by the board for the operation of the University of North Carolina and for the government of any and all of its constituent institutions, and the president's discretionary powers shall be broad enough to meet the extensive responsibilities of the presidency.

(2) The president shall make recommendations to the Board of Governors with respect to the adoption, modification, revision or reversal of policies, rules, and regulations applicable to the University of North Carolina and any or all of its constituent institutions. To this end, the president shall establish and maintain agencies of inquiry and administrative lines of communication, which include the constituent institutions, to ensure prompt perception of needs for problem identification and analysis, decision, and policy formulation.

(3) The president shall prepare and submit to the Board of Governors such reports and recommendations concerning the University of North Carolina and its constituent institutions as the president may deem wise or as the board may require.

(4) The president shall attend and may participate in, without the privilege of voting, the meetings of the Board of Governors and its various committees, and the president may attend the meetings of all the boards of trustees.

(5) The president shall be the official administrative medium of communication between the Board of Governors and all individuals, officials, agencies, and organizations, both within and without the University and its constituent institutions.

(6) The president, consistent with the provisions of Section 500 B(2), shall make nominations for all appointments that are to be acted upon by the Board of Governors and shall make recommendations for all promotions, salaries, transfers, suspensions, and dismissals that are to be acted upon by the board. The board reserves the right, in all instances, to act on its own initiative.

(7) The president shall assume, and retain at all times, control over the budget of the University of North Carolina, subject to the direction and control of the Board of Governors. The president shall prepare the proposed budget of the University of North Carolina and shall submit such proposed budget to the Board of Governors for approval; administrative procedures uniformly applicable to all institutions shall be established by the president to ensure that each institution has full opportunity to provide information and advice concerning the formulation of such proposed budget. The president shall be responsible for the presentation and explanation of budget requests approved by the Board of Governors to the director of the budget and the Advisory Budget Commission, the General Assembly and its committees, officers, and members. The president shall be responsible for the execution of the budget of the University of North Carolina as approved by the General Assembly. All revisions of the budget which require approval of the Advisory Budget Commission shall be acted upon by the Board of Governors on recommendation of the president.

(8) The president, with the approval of the Board of Governors, shall appoint an advisory committee composed of representative presidents of the private colleges and universities of the state. [See G.S. 116-14(c)]

501 C. Relation of the President to the University.
(1) The president shall be the leader of the University of North Carolina and its constituent institutions and shall coordinate the activities of all constituent institutions in accordance with the principle of allocated functions prescribed by the Board of Governors. The president shall promote the general welfare and development of the University in its several parts and as a whole.

(2) The president shall be a member of, and shall have the privilege of attending meetings of, all faculties of the constituent institutions of the University of North Carolina.

(3) In the absence of policies prescribed by the Board of Governors, the president shall resolve all issues of jurisdiction and dispute among the constituent institutions of the University.

(4) Repealed.

(5) The president may refer for investigation, report, and advice any question of University concern to any council, faculty, or scientific, extension, or administrative staff.

(6) The medium for official communications between the president and the constituent institutions of the University shall be the respective chancellors.

(7) The president shall establish administrative organizations to carry out the policies of the University and shall interpret these organizations to the Board of Governors and to the officers and faculties of the University. The president shall ensure that the University and its constituent institutions are properly staffed with personnel competent to discharge their responsibilities effectively. In carrying out the president's duties and responsibilities, the president shall be assisted by staff officers and by the chancellors of the constituent institutions. The president shall prescribe the duties and assignments of the staff officers reporting to the president. The president may establish and define the duties of all-University councils and committees to advise and assist the president in the execution of the president's duties. The president may delegate to other officers portions of the president's duties and responsibilities, with the required authority for their fulfillment. However, such delegation shall not reduce the president's overall responsibility for those portions of duties which the president may choose to delegate.

SECTION 502. CHANCELLORS OF CONSTITUENT INSTITUTIONS.

502 A. General Authority,

The administrative and executive head of each constituent institution shall be the chancellor, who shall exercise complete executive authority therein, subject to the direction of the president. The chancellor shall be responsible for carrying out policies of the Board of Governors and of the board of trustees. [See G.S. 116-34(a)]

502 B. Relation of the Chancellor to the Board of Governors and the President.

(1) It shall be the duty of the chancellor to keep the president, and through the president the Board of Governors, fully informed concerning the operations and needs of the institution. Upon request, the chancellor shall be available to confer with and make reports to the president or with the Board of Governors concerning matters that pertain to the institution. [See G.S. 116-34(c)]

(2) The chancellor shall make recommendations for development of the educational programs of the institution [See G.S. 116-34(d)] and shall serve as general adviser to the president, and through the president the Board of Governors, with respect to all programs and activities of the institution.

(3) The chancellor shall be responsible to the president for the administration of the institution, including the enforcement of the decisions, actions, policies, and regulations of the Board of Governors applicable to the institution.

(4) Subject to policies prescribed by the Board of Governors and by the institutional board of trustees, the chancellor shall make recommendations for the appointment of personnel within the institution. [See G.S. 116-34(d)] With respect to all personnel matters, including appointments, promotions, removals, and compensation for the institution's academic, administrative, and other staffs, which are required to be acted upon by the Board of Governors, the chancellor shall make recommendations to the president.

(5) The chancellor shall present to the president all matters concerning the institution which are to be considered by the Board of Governors or any of its committees. In accordance with prescribed administrative procedures uniformly applicable to all institutions, the chancellor shall participate in the development of the proposed budget of the University of North Carolina.

(6) The chancellor shall be the official medium of communication between the president and all deans, heads or chairs of departments, directors, and all other administrative officers, faculty members, students, and employees.

502 C. Relation of the Chancellor to the Board of Trustees.

(1) It shall be the duty of the chancellor to attend all meetings of the board of trustees and to be responsible for keeping the board of trustees fully informed on the operation of the institution and its needs. [See G.S. 116-34(b)]

(2) The chancellor shall submit such reports to the board of trustees as the chancellor may deem wise or as the board may require. The chancellor shall seek the counsel of the board of trustees concerning the affairs of the institution.

(3) The chancellor shall be responsible to the board of trustees for enforcing all policies, rules, and regulations of the board of trustees.

(4) The chancellor shall be the official medium of communication between the board of trustees and all individuals, officials, agencies, and organizations, both within and without the institution.

502 D. Relation of the Chancellor to the Constituent Institution.

(1) Subject to policies established by the Board of Governors, the institutional board of trustees, or the president, the chancellor shall be the leader of and the official spokesperson for the institution; shall promote the educational excellence and general development and welfare of the institution; shall define the scope of authority of faculties, councils, committees, and officers of the institution; and all projects, programs, and institutional reports to be undertaken on behalf of the institution shall be subject to the chancellor's authorization and approval.

(2) The chancellor shall be a member of all faculties and other academic bodies of the institution and shall have the right to preside over the deliberations of any legislative bodies of the faculties of the institution.

The chancellor shall be responsible for ensuring that there exists in the institution a faculty council or senate, a majority of whose members are elected by and from the members of the faculty. The general faculty, however, which shall include at least all full-time faculty and appropriate administrators, may function as the council or senate. The faculty shall be served by a chair elected either by the general faculty or by the council or senate. However, the chancellor may attend and preside over all meetings of the council or senate. The council or senate may advise the chancellor on any matters pertaining to the institution that are of interest and concern to the faculty.

In addition to ensuring the establishment of a council or senate, the chancellor shall ensure the establishment of appropriate procedures within the institution to provide members of the faculty the means to give advice with respect to questions of academic policy and institutional governance, with particular emphasis upon matters of curriculum, degree requirements, institutional standards, and grading criteria. The procedures for giving advice may be through the council or senate, standing or special committees or other consultative means.

(3) Subject to any policies or regulations of the Board of Governors or of the board of trustees, it shall be the duty of the chancellor to exercise full authority in the regulation of student affairs and student conduct and discipline. In the discharge of this duty, delegation of such authority may be made...
by the chancellor to faculty committees and to administrative or other officers of the institution, or to agencies of student government, in such manner and to such extent as may by the chancellor be deemed necessary and expedient. In the discharge of the chancellor's duty with respect to matters of student discipline, it shall be the duty of the chancellor to secure to every student the right to due process. Appeals from these disciplinary decisions are allowable only on the following grounds:

(a) A violation of due process; or
(b) A material deviation from the Minimum Substantive and Procedural Standards for Student Disciplinary Procedures, Section 700.4.1 of the UNC Policy Manual.

Where the sanction is suspension or expulsion, an appeal may be made to the board of trustees. No appeal to the president or Board of Governors is permitted.

[2] The merger of an institution into the University of North Carolina under Chapter 1244 of the 1971 Session Laws or the establishment of the North Carolina School of Science and Mathematics as a constituent institution under S.L. 2006-66 shall not impair any term of office, appointment, or employment of any administrative, instructional, or other personnel of the institution. Effective July 1, 1972, the title president and vice president of each constituent institution shall be changed to chancellor and vice chancellor, and the tenures of persons occupying these positions shall continue subject to the other provisions of this Code. [See Sec. 18, Ch. 1244, 1971 Session Laws]

The Code: 100.1, Amended 03/23/18, Amended 07/27/18

100.1.6 CHAPTER VI- ACADEMIC FREEDOM AND TENURE

SECTION 600 FREEDOM AND RESPONSIBILITY IN THE UNIVERSITY COMMUNITY.

(1) The University of North Carolina 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 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 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 men and women of learning. They should not represent themselves, without authorization, as spokespersons for the University of North Carolina 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.

(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 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.

(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.

(3) The tenure policies and regulations of each constituent institution 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 and distributed to its 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.

(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 from employment of a faculty member with permanent tenure or of a faculty member appointed to a specified term of service before that term expires only 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 Code Section 603;
(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) 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.

(b) 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 Personnel and Tenure and through the committee to the Board of Governors.

SECTION 603. DUE PROCESS BEFORE DISCHARGE OR THE IMPOSITION OF SERIOUS SANCTIONS.

(1) A faculty member who is the beneficiary of institutional guarantees of tenure shall enjoy protection against unjust and arbitrary application of disciplinary penalties. 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 fail to do so within a reasonable time;
(b) Neglect of duty, including sustained failure to meet assigned classes or to perform other significant faculty professional obligations; 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, mistreatment of students or other employees, research misconduct, financial fraud, criminal, or other illegal, inappropriate or unethical conduct. To justify serious disciplinary action, such misconduct should be either (i) sufficiently related to a faculty member's academic responsibilities as to disqualify him from effective performance of university duties, or (ii) sufficiently serious as to adversely reflect on the individual's honesty, trustworthiness or fitness to be a faculty member.

These sanctions may be imposed only in accordance with the procedures prescribed in this section. For purposes of this 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 (Section 604) or termination of employment (Section 605).

(2) Procedures for the Imposition of Discharge or Serious Sanction.
(a) The chief academic officer of the institution, however titled, shall send the faculty member a written notice of intention to discharge the faculty member or impose a serious sanction together with a written specification of the reasons. The notice and specification of reasons shall be sent by a method of mail or delivery that requires a signature for delivery. The statement shall include notice of the faculty member's right, upon request, to a hearing by a standing faculty committee on hearings. When the faculty member has been notified of the institution's intention to discharge the faculty member, the chancellor shall have the sole discretion to either reassign the faculty member to other duties or to place the faculty member on administrative leave with pay. Placement of a faculty member on administrative leave with pay shall be in exceptional circumstances, such as to avoid disruption in the work place or protect the safety of members of the campus community.
(b) If, within 14 calendar days after receiving the notice and written specifications referred to in paragraph (a) above, the faculty member makes no written request for a hearing, the faculty member may be discharged or serious sanction imposed without recourse to any institutional grievance or appellate procedure.
(c) If the faculty member makes a timely written request for a 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 intended discharge or imposition of a serious sanction. The hearing committee shall accord the faculty member 30 calendar days from the time it receives the faculty member's written request for a hearing to prepare a defense. The hearing committee may, upon the faculty member's written request and for good cause, extend this time by written notice to the faculty member. The hearing committee will ordinarily endeavor to complete the hearing within 90 calendar days except under unusual circumstances such as when a hearing request is received during official university breaks and holidays and despite reasonable effort the hearing committee cannot be assembled.
(d) The hearing shall be closed to the public unless the faculty member and the hearing committee agree that it may be open. 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 adverse demonstrative evidence, and to make argument. A written transcript of all proceedings shall be kept; upon request, a copy thereof 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 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 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 hearing and such written or oral arguments as the committee, in its discretion, may allow. The university has the burden of proof. In evaluating the evidence, the committee shall use the standard of "clear and convincing" evidence in determining whether the institution has met its burden of showing that permissible grounds for serious sanction exist and are the basis for the recommended action.
(g) Following receipt of the committee's written recommendations, the decision as to whether to discharge or impose serious sanction on the faculty member is the chancellor's. If the chancellor decides to discharge the faculty member, 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 impose one or more serious sanctions upon the faculty member, the institution may impose such sanctions upon issuance of the chancellor's decision. 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 to the board of trustees. An appeal 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, so as to raise questions about whether the faculty member's contentions were fairly and reliably considered; (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 or Serious Sanction. 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 on the basis of 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 request for an appeal to the trustees. This decision shall be the end of the University's appeals process.

(4) The procedures prescribed herein shall take effect with any discharge or serious sanction proposed on or after July 1, 2019.

SECTION 604. APPOINTMENT, NONREAPPOINTMENT AND REQUIREMENTS OF NOTICE AND REVIEW FOR TENURE TRACK FACULTY. 12.1

604 A. Notice of Reappointment or Nonreappointment.

(1) The decision not to reappoint a faculty member at the expiration of a fixed term of service shall be made by the appropriate institutional faculty and administrative officers early enough to permit timely notice to be given. For full-time faculty at the rank of instructor, assistant professor, associate professor, or professor, the minimum requirement for 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 90 calendar days' notice before the employment contract expires; and
   (b) During the second year of continuous service at the institution, the faculty member shall be given not less than 180 calendar days' notice before the employment 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' notice before the employment contract expires.

(2) Notice of reappointment or nonreappointment shall be written. If the decision is not to reappoint, then failure to give timely notice of nonreappointment will oblige the chancellor thereafter to offer a terminal appointment of one academic year.

604 B. Impermissible Reasons for Nonreappointment.

In no event shall a decision not to reappoint a faculty member 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; or (2) the faculty member's race, color, sex, religion, creed national origin, age, disability, veteran's status, or other forms of discrimination prohibited under policies adopted by campus boards of trustees; or (3) personal malice. For purposes of this section, the term "personal malice" means dislike, animosity, ill-will, or hatred based on personal characteristics, traits, or circumstances of an individual.

604 C. Review of Nonreappointment Decisions.

(1) Campus-Based Review. Subject to limitations contained in this 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 the decision of the constituent institution not to reappoint the faculty member. Such procedures shall at a minimum provide for the following:
   (a) A reasonable time of no less than 14 calendar days within which after receiving the notice of nonreappointment, the faculty member may request review of the decision by appropriate faculty committee and administrative officers. If the faculty member does not request review of the notice of nonreappointment in a timely fashion as specified by campus tenure policies, the nonreappointment is final without recourse to any further review by faculty committees, the institution, or the Board of Governors.
   (b) If the faculty member files a request for review in a timely fashion, the chancellor shall ensure a process in place so that a hearing is timely accorded before an elected standing committee of the institution's faculty.
   (c) In reaching written recommendations to the chancellor, 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 faculty member shall have 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).
   (d) The purpose of the campus-based review process is to determine (i) whether the decision was based on considerations that The Code provides are impermissible; and (ii) whether the procedures followed to reach the decision materially deviated from prescribed procedures such that doubt is cast on the integrity of the decision not to reappoint.

(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 without 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, so as to raise questions about whether the faculty member's contentions were fairly and reliably considered; (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 nonreappointment decision effective on or after July 1, 2019.

SECTION 605. TERMINATION OF FACULTY EMPLOYMENT.

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.

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 founded upon 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 by a method of delivery that requires a signature for delivery, and 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 this Section 605 may appeal the reconsideration decision to the board of trustees of the constituent institution.

SECTION 606. RETIREMENT OF FACULTY.

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

SECTION 607. FACULTY GRIEVANCE COMMITTEE FOR CONSTITUENT INSTITUTIONS.

(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 department chairs and department heads.
(2) The committee shall be authorized to hear and advise with respect to the adjustment of grievances of members of the faculty. The power of the committee shall be solely to hear representations by the persons directly involved in a grievance, to facilitate voluntary adjustment by the parties, and to advise adjustment by the administration when appropriate. Advice for adjustment in favor of an aggrieved faculty member may be given to the chancellor only after the dean, department head, or other administrative official most directly empowered to adjust it has been given similar advice and has not acted upon it within a reasonable time.
(3) "Grievances" within the province of the committee's power shall include matters directly related to a faculty member's employment status and institutional relationships within the constituent institution, including matters related to post-tenure review. However, no grievance that grows out of or involves matters related to a formal proceeding for the suspension, discharge or termination of a faculty member, or that is within the jurisdiction of another standing faculty committee, may be considered by the committee.
(4) If any faculty member has a grievance, the faculty member may petition the faculty grievance committee for redress. The petition shall be written and shall set forth in detail the nature of the grievance and against whom the grievance is directed. It shall contain any information that the petitioner considers pertinent to the case. The committee shall decide whether the facts merit a detailed investigation so that submission of a petition shall not result automatically in an investigation or detailed consideration of the petition.
(5) If, before this section is established, the faculty of an institution has adopted a faculty grievance procedure that in its judgment is adequate to its needs, it may retain that procedure in place of the one specified above.
(6) If neither the relevant administrative official nor the chancellor makes an adjustment that is advised by the faculty grievance committee in favor of the aggrieved faculty member, then the faculty member may appeal 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 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 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 of this 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 University 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.

(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, special faculty members are entitled to seek recourse under Section 607 of the University Code relating to faculty grievances.

(5) Special faculty members, whether paid or unpaid, are not covered by Section 604 of the University 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. REVIEW OF PERSONNEL ACTIONS AFFECTING SPECIFIED EMPLOYEES EXEMPT FROM THE STATE HUMAN RESOURCES ACT (EHLRA)

(1) Review Processes. Certain non-faculty employees, as described in subsection (b) below, who are exempt from the State Human Resources Act, may seek review under procedures provided for by this section in the event that the employee is discharged, terminated, or discharged from employment, suffers other adverse personnel action, or is not appointed following the end of a term appointment. 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:

(a) A reasonable time within which a covered employee or former employee may file a request for review, after receiving notice of a personnel action covered by this section. If a covered person does not timely file a written request for review, then the personnel action is final without recourse to any institutional review, appeal, or grievance procedure.

(b) Covered persons may seek review of personnel actions based on allegations that:

(A) For Senior Academic and Administrative Officers defined only in Section 300.1.1 LB., for discontinuations, expiration of term appointments, or terminations of employment with notice, such review may be sought only upon allegations of violations of applicable notice requirements set out in Section 300.1.1, ILB. 1., 2., and 3., of the UNC Policy Manual; and

(B) For other employees exempt from the State Human Resources Act, as described only in Section 300.2.1, for discontinuations, expiration of term appointments, or terminations of employment with notice, such review may be sought only upon allegations of violations of applicable notice requirements set out in Section 300.2.1 III. A., B., and C. of the UNC Policy Manual; or

(C) For the Senior Academic and Administrative Officers defined in subsection (i) above, for violations of any provision of subsections II.D. or E. of Section 300.1.1 of the UNC Policy Manual; and

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

(A) For the Senior Academic and Administrative Officers defined in subsection (i) above, for discharge for cause or other disciplinary action, or for interpretation and application of a policy provision, all pursuant to and limited by Section 300.1.1 ILD. of the UNC Policy Manual; and

(B) For the other employees exempt from the State Human Resources Act defined above in subsection (i), for discharge for cause or other 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 review may be sought only if the employee alleges the discharge, discipline, or policy interpretation or application was illegal or violated a policy of the Board of Governors.

(i) Notice

(ii) Equal Employment Opportunity and Protected Activity

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

(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.

(b) For employees of the 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) above. The decision of the Board of Governors is final with no further appeal.

Pursuant to NCGS § 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 University. See Policy 200.6, Delegation Authority to the President of the University, adopted 11/13/06, amended 06/08/07.

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 School of the Arts and for the 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.

See Footnote 8 on previous page.

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.

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 they hearing may take two or more sessions.

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.

Faculty at North Carolina School of Science and Mathematics shall be given notice no later than February 15 of the reappointment year.

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 Code: 100.1

100.1.7 CHAPTER VII - FINANCES, PROPERTY, AND OBLIGATIONS

SECTION 700. BUDGETS AND APPROPRIATIONS.

700 A. Budget Recommendations.

The Board of Governors shall develop, prepare, and present to the governor, the Advisory Budget Commission, and the General Assembly a single, unified recommended budget for all of public senior higher education. The recommendations shall consist of requests in three general categories: (i) funds for the continuing operation of each constituent institution, (ii) funds for salary increases for employees exempt from the State Personnel Act, and (iii) funds requested without reference to constituent institutions, itemized as to priority and covering such areas as new programs and activities, expansions of programs and activities, increases in enrollments, increases to accommodate internal shifts and categories of persons served, capital improvements, improvements in levels of operation, and increases to remedy deficiencies, as well as other areas. [See G.S. 116-11(9a)]

700 B. Appropriations and Allocations.

Funds for the continuing operation of each constituent institution shall be appropriated directly to the institution. Funds for salary increases for employees exempt from the State Personnel Act shall be appropriated to the Board of Governors in a lump sum for allocation to the institutions. Funds for the third category in Section 700 A above, shall be appropriated to the Board of Governors in a lump sum. The Board of Governors shall allocate to the institutions any funds appropriated, said allocation to be made in accordance with the board's schedule of priorities; provided, however, that when both the board and the Director of the Budget deem it to be in the best interest of the state, funds in the third category may be allocated, in whole or in part, for other items within the list of priorities or for items not included in the list. [See G.S. 116-11(9b)]

700 C. Transfers of Appropriated Funds.

The director of the budget may, on recommendation of the Board of Governors, authorize transfer of appropriated funds from one institution to another to provide adjustments for over- or under-enrollment or may make any other adjustment among institutions that would provide for the orderly and efficient operation of the institutions. [See G.S. 116-11(9c)]

SECTION 701. TUITION AND FEES.

The Board of Governors shall set tuition and required fees at the constituent institutions, not inconsistent with actions of the General Assembly, in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and
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SECTION 706. REVENUE BONDS.

The Board of Governors shall have authority, subject to such limitations and restrictions as may be established by state law, to issue revenue bonds and special obligation bonds. Revenue bonds may be issued for service and auxiliary facilities, student housing, student activities, physical education, and recreation facilities. [See G.S. 116-41.1 et seq., 116-175 et seq., and 116-187 et seq.] Special obligation bonds may be issued for the construction, renovation, improvement or expansion of any capital facilities located or to be located at a constituent or any affiliated institution of the University for the purposes of carrying out the mission of that institution. [See G.S. 116D-21 et seq.]

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Designated as Pembroke State University prior to July 1, 1996.

Designated as North Carolina School of the Arts prior to August 1, 2008.

The Code: 100.1

100.1.8 CHAPTER VIII - MATTERS INVOLVING NONPUBLIC INSTITUTIONS

SECTION 800 LICENSING POST-SECONDARY DEGREE ACTIVITY.

800 A. Institutions Required to Be Licensed.

All institutions conducting post-secondary degree activity in this state that are not subject to Chapters 115C or 115D of the General Statutes, nor some sector of Chapter 116 of the General Statutes other than G.S. 116-15, shall be subject to licensure by the Board of Governors under the standards of G.S. 116-15 unless exempt therefrom by one or another provision of G.S. 116-15. [See G.S. 116-15]

800 B. Regulatory Authority in the Board.

The Board of Governors shall establish such rules, regulations, and procedures as it may deem necessary or appropriate to effectuate the provisions of G.S. 116-15. [See G.S. 116-15(i)] These shall include the following:

1. The form of the license by which an institution may be authorized to conduct post-secondary degree activity. [See G.S. 116-15(a) and (b)]
2. Procedures under which an institution may seek to establish its exemption from licensure. [See G.S. 116-15(c), (d), and (e)]
3. Procedures under which an institution may seek to prove satisfaction of the standards for licensure. [See G.S. 116-15(f)]
4. Procedures through which the review of institutions previously licensed by the board may be conducted. [See G.S. 116-15(g)]
5. Procedures for the denial, revocation, and continuation of licensure. [See G.S. 116-15(h)]

800 C. Enforcement Authority in the Attorney General.

The Board of Governors shall call to the attention of the attorney general, for such action as the attorney general may deem appropriate, any institution failing to comply with the requirements of G.S. 116-15. [See G.S. 116-15(j)]

SECTION 801. ASSESSMENT OF NEEDS AND REVIEW OF REQUESTS.

The Board of Governors shall assess the contributions and needs of the non-public colleges and universities of the state and shall give advice and recommendations to the General Assembly to the end that the resources of these institutions may be utilized in the best interest of the state. [See G.S. 116-11(11)]

SECTION 802. FINANCIAL AID.

DELETED – see G.S. 116-19 through 116-22

The Code: 100.1, Revised 3/20/09

100.1.9 CHAPTER IX - MISCELLANEOUS PROVISIONS

SECTION 900. THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM

900 A. Composition.

There is established the University of North Carolina Health Care System to provide patient care, facilitate the education of physicians and other health-care providers, conduct research collaboratively with the health sciences schools of the University of North Carolina at Chapel Hill, and render other services designed to promote the health and well-being of the citizens of North Carolina. The University of North Carolina Hospitals at Chapel Hill and the clinical patient care programs established or maintained by the School of Medicine of the University of North Carolina at Chapel Hill shall be governed by the Board of Directors of the University of North Carolina Health Care System composed of both at-large and ex-officio members.

Vacant at-large positions shall be filled by the appointment of persons from the business and professional public-at-large who have special competence in business management, hospital administration, health-care delivery, or medical practice or who otherwise have demonstrated dedication to the improvement of health care in North Carolina, and who are neither members of the Board of Governors, members of the board of trustees of a constituent institution of the University of North Carolina, nor officers or employees of the state. No less than nine and no more than 21 members at large, which number to be determined by the Board of Directors, shall be appointed by the president of the University, and ratified by the Board of Governors, from among a slate of nominations made by the Board of Directors of the University of North Carolina Health Care System, said slate to include at least twice as many nominees as there are vacant positions to be filled. No at-large member may be appointed to more than two full four-year terms in succession. Any vacancy in an unexpired term shall be filled by an appointment made by the president, and ratified by the Board of Governors, upon the nomination of the Board of Directors, for the balance of the term remaining.

A minimum of six members ex-officio shall be the president of the University of North Carolina (or the president’s designee); the chief executive officer of the health care system; two administrative officers of the University of North Carolina at Chapel Hill designated by the chancellor; and two members of the faculty of the School of Medicine of the University of North Carolina at Chapel Hill designated by the dean of the School of Medicine; provided, that if not such a
member ex-officio by virtue of holding one or more of the offices aforementioned, additional ex-officio memberships shall be held by the president of the University of North Carolina Hospitals at Chapel Hill and the dean of the School of Medicine of the University of North Carolina at Chapel Hill, for a total potential ex-officio membership of eight.[See G.S. 116-37(a) and (b)]

900 B. Meetings of the Board of Directors of the University of North Carolina Health Care System shall meet at least every 60 days and may hold special meetings at any time and place within the state at the call of the chair. The Board of Directors, with each ex-officio and at-large member having a vote, shall elect a chair from among the at-large members, for a term of two years; no person shall be eligible to serve as chair for more than three terms in succession. In meeting the patient-care, educational, research, and public-service goals of the University of North Carolina Health Care System, the Board of Directors is authorized to exercise such authority and responsibility and adopt such policies, rules and regulations as it deems necessary and appropriate, not inconsistent with the provisions of G.S. 116-37, this Code, or the other policies of the Board of Governors. The Board of Directors may adopt policies that make the authorities and responsibilities established herein or by statute separately applicable either to the University of North Carolina Hospitals at Chapel Hill or to the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill, or to both. The board may authorize any component of the University of North Carolina Health Care System, including the University of North Carolina Hospitals at Chapel Hill, to contract in its individual capacity, subject to such policies and procedures as the Board of Directors may direct. The Board of Directors may enter into formal agreements with the University of North Carolina at Chapel Hill with respect to the provision of clinical experience for students and for the provision of maintenance and supporting services. The board's action on matters within its jurisdiction is final, except that appeals may be made, in writing, to the Board of Governors with a copy of the appeal to the chancellor of the University of North Carolina at Chapel Hill. The Board of Directors shall keep the Board of Governors and the Board of Trustees of the University of North Carolina at Chapel Hill fully informed about health care policy and recommend changes necessary to maintain adequate health care delivery, education and research for improvement of the health of the citizens of North Carolina.[See G.S. 116-37(b)]

900 C. Officers.

The executive and administrative head of the University of North Carolina Health Care System shall have the title of 'chief executive officer.' The Board of Directors, in cooperation with the Board of Trustees and the chancellor of the University of North Carolina at Chapel Hill, following such search process as the boards and the chancellor deem appropriate, shall identify two or more persons as candidates for the office, who, pursuant to criteria agreed upon by the boards and the chancellor, have the qualifications for both the positions of chief executive officer and vice chancellor for medical affairs of the University of North Carolina at Chapel Hill. The names of the candidates shall be forwarded by the chancellor to the president who, if satisfied with the quality of one or more of the candidates, will nominate one as chief executive officer, subject to selection by the Board of Governors. The chief executive officer shall have complete executive and administrative authority to formulate proposals for, recommend the adoption of, and implement policies governing the programs and activities of the University of North Carolina Health Care System, subject to all requirements of the Board of Directors.[See G.S. 116-37(c)] The chief executive officer shall serve at the pleasure of the Board of Governors which may terminate the chief executive officer's appointment (as distinguished from such person's joint appointment, if any, as vice chancellor for medical affairs of the University of North Carolina at Chapel Hill) on its own initiative or upon recommendation of the Board of Directors or the president of the University; provided, that in all instances, the Board of Governors shall consult with the Board of Directors prior to terminating the appointment of the chief executive officer.

The executive and administrative head of the University of North Carolina Hospitals at Chapel Hill shall have the title of "president of the University of North Carolina Hospitals at Chapel Hill." The Board of Directors shall elect, on nomination of the chief executive officer, the president of the University of North Carolina Hospitals at Chapel Hill, and such additional administrative and professional staff employees as may be deemed necessary to assist in fulfilling the duties of the office of the chief executive officer, all of whom shall serve at the pleasure of the chief executive officer.[See G.S. 116-37(c)]

The Board of Governors, on recommendation of the president of the University and of the Board of Directors, shall fix the compensation of the chief executive officer. On recommendation of the chief executive officer and the Board of Directors, with the concurrence of the president of the University, the Board of Governors shall fix the compensation of the president of the University of North Carolina Hospitals at Chapel Hill.

900 D. Health System Personnel.

Employees of the University of North Carolina Health Care System shall be deemed to be employees of the state and shall be subject to all provisions of state law relevant thereto; provided, however, that except as to the provisions of Articles 5, 6, 7, and 14 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not apply to employees of the University of North Carolina Health Care System, and the policies and procedures governing the terms and conditions of employment of such employees shall be adopted by the Board of Directors.[See G.S. 116-37(d)]

900 E. Health System Finances.

The University of North Carolina Health Care System shall be subject to the provisions of the Executive Budget Act. The chief executive officer, subject to the Board of Directors, shall be responsible for all aspects of budget preparation, budget execution, and expenditure reporting. The preparation and execution of the budget shall be subject to the requirements of Section 501B(7) of this Code.[See G.S. 116-37(e)]

900 F. Health Care System Purchases.

Notwithstanding the provisions of Articles 3, 3A, and 3C of Chapter 143 of the General Statutes to the contrary, the Board of Directors shall establish policies and regulations governing the purchasing requirements of the University of North Carolina Health Care System. These policies and regulations shall provide for requests for proposals, competitive bidding, or purchasing by means other than competitive bidding, contract negotiations, and contract awards for purchasing supplies, materials, equipment, and services which are necessary and appropriate to fulfill the clinical, educational, research, and community service missions of the University of North Carolina Health Care System.[See G.S. 116-37(f)]

900 G. Health System Property.

The Board of Directors shall establish rules and regulations for acquiring or disposing of any interest in real property for the use of the University of North Carolina Health Care System. These rules and regulations shall include provisions for development of specifications, advertisement, and negotiations with owners for acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of eminent domain, on behalf of the University of North Carolina Health Care System. Acquisitions and disposition of any interest in real property pursuant to this section shall not be subject to the provisions of Article 36 of Chapter 143 of the General Statutes or the provisions of Chapter 146 of the General Statutes.[See G.S. 116-37(g)]

900 H. Health Care System Property -- Construction.

Notwithstanding G.S. 143-341(3) and G.S. 143-135.1, the Board of Directors shall adopt policies and procedures with respect to the design, construction, and renovation of buildings, utilities, and other property developments of the University of North Carolina Health Care System requiring the expenditure of public money.[See G.S. 116-37(h)]
SECTION 901. UNIVERSITY OF NORTH CAROLINA SCHOOL OF THE ARTS.

901 A. Policy.

It is declared to be the policy of the State to foster, encourage, promote, and provide assistance in the development of skills and careers in science and mathematics among the people of the State. [See G.S. 116-68]

901 B. Establishment.

The University of North Carolina School of the Arts is reestablished as a constituent high school of The University of North Carolina, effective July 1, 2007, and shall thereafter be governed by the Board of Governors and a Board of Trustees. [See G.S. 116-231]

901 C. Board of Trustees.

The North Carolina School of Science and Mathematics is reestablished as a constituent high school of The University of North Carolina, effective July 1, 2007, and shall thereafter be governed by the Board of Governors and a Board of Trustees. [See G.S. 116-231]

901 D. Powers of Board.

The Board of Governors shall appoint 21 members as follows: 13 members, one from each congressional district; four members without regard to residency; three members, ex officio and voting, who shall be the chief academic officers, or their designee, respectively, of three constituent institutions designated by the Board of Governors in 1985 and quadrennially thereafter; and one member, ex officio and voting, who shall be the chief academic officer of a college or university in North Carolina other than a constituent institution and designated by the Board of Governors in 1985 and quadrennially thereafter. The Chancellor shall serve ex officio and non-voting as the Secretary of the Board. [See G.S. 116-233]

901 E. Endowment Fund.

There is established, and there shall be maintained, a school for the professional training of students having exceptional talent in the performing arts which shall be defined as an educational institution of the state, to serve the students of North Carolina and other states, particularly other states of the South. The school shall be designated the "University of North Carolina School of the Arts." [See G.S. 116-64]

SECTION 902. NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS.

902 A. Policy.

It is declared to be the policy of the state to foster, encourage and promote, and to provide assistance for, the cultural development of the citizens of North Carolina, and to this end the General Assembly has created and provided for a training center for instruction in the performing arts. [See G.S. 116-63]

902 B. Establishment.

The Board of Trustees is authorized to establish a permanent endowment fund, and shall perform such duties in relation thereto as are prescribed by the provisions of Chapter VII of this Code. [See G.S. 116-68]
provisions of Chapter VII of this Code.[See G.S. 116-68]

902 F. Purposes of the School.

The purposes of the School shall be to foster the educational development of North Carolina high school students who are academically talented in the areas of science and mathematics and show promise of exceptional development and global leadership through participation in a residential educational setting emphasizing instruction in the areas of science and mathematics; and to provide instruction, methods, and curricula designed to improve teaching and learning in North Carolina and the nation with an emphasis on distance education and programs that expand pathways for students into careers in science and mathematics. [See G.S. 116-232]

902 G. Tuition and Mandatory Fees

Neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or fee at the North Carolina School of the Arts in Science and Mathematics without the approval of the General Assembly. [See G.S. 116-143] Service charges are permitted in accordance with University policy.

902 H. Educational Advisory Council

The Board of Trustees is authorized to establish an Educational Advisory Council, which shall give advice and counsel to the Chancellor and the Board of Trustees. The School shall invite membership, ex officio, of the State Superintendent of the Department of Public Instruction, or designee, and the chairman of the State Board of Education, or designee, and other persons who are scientists, mathematicians, public school representatives, or other persons having an interest in the School and desiring to contribute to its work.

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17 "Designated as North Carolina School of the Arts prior to August 1, 2008.

The Code: 100.1, Revised 3/20/09

100.1.99 Appendix 1 - DELEGATIONS OF DUTY AND AUTHORITY TO BOARDS OF TRUSTEES

Pursuant to authority vested in it by the General Statutes, and consistent with the provisions of The Code of the University of North Carolina, the Board of Governors hereby delegates to the boards of trustees of the constituent institutions of the University of North Carolina the following duties and powers:

I. ACADEMIC AND ADMINISTRATIVE PERSONNEL

A. Appointment and Compensation

1. Upon recommendation of the chancellor, the board of trustees of a special responsibility constituent institution with management flexibility for personnel appointments shall, for all positions excepted from the State Personnel Act except the position of the chancellor, appoint, promote, and set the compensation for such employees consistent with the policies and salary ranges set by the Board of Governors and the regulations and guidelines established by the Office of the President.

2. Personnel actions at a constituent institution, other than a special responsibility constituent institution with management flexibility, shall be governed as follows:
   a. With respect to all faculty positions with permanent tenure and all senior administrative positions, namely vice chancellors, provosts, deans and directors of major educational and public service activities, the chancellor, following consultation with the board of trustees, shall forward to the president recommendations with respect to such appointments, promotions, and compensation; if the president concurs in such recommendations, the president shall forward them to the Board of Governors for approval.
   b. With respect to all faculty and administrative positions other than those identified in subparagraph 2a above, and other than those subject to the State Personnel Act, the chancellor shall forward the chancellor's recommendations for appointment, promotion and compensation to the board of trustees; subject to applicable provisions of the University Code and to such policies as may be established by the Board of Governors, the action of the board of trustees with respect to such personnel actions shall be final.

B. Discharge or Suspension

Subject to regulations of the board of trustees and consistent with applicable policies of the Board of Governors, all discharges or suspensions of faculty members and administrative personnel, other than those subject to the State Personnel Act, shall be effected by the chancellor. A discharged or suspended employee shall have such rights of appeal from the action of the chancellor as may be prescribed by the University Code, policies of the Board of Governors, or regulations of the board of trustees.

C. Personnel Policies

The board of trustees may adopt personnel policies not otherwise prescribed by state law, the University Code, or policies of the Board of Governors, for personnel in all categories of university employment. 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.

D. Chancellor Selection

In the event of a vacancy in the chancellorship, the board of trustees shall establish, in consultation with the president, a search committee composed of representatives of the board of trustees, the faculty, the student body, staff, the alumni, the local community, and other campus constituencies as may be appropriate. Upon the establishment of the search committee, the chair of the board of trustees, in consultation with the president, shall establish a budget and identify staff for the committee.

The search committee, through the chair of the board of trustees, shall make a preliminary report to the president when the committee is preparing a schedule of initial interviews. At the completion of the campus interview process, the search committee shall recommend an unranked slate of no fewer than two candidates to the trustees for consideration.

The board of trustees, following receipt of the report of the search committee, shall, subject to the direction of the president, recommend an
unranked slate of no fewer than two candidates for consideration by the president in designating a nominee for the chancellorship for approval by the Board of Governors.

II. ACADEMIC PROGRAM

The board of trustees shall be responsible for ensuring the institution's compliance with the educational, research, and public service roles assigned to it by the Board of Governors, either by express directive or by promulgated long-range plans of the Board of Governors.

III. ACADEMIC DEGREES AND GRADING

Subject to authorization by the Board of Governors of the nature and general content of specific degree programs which may be offered by an institution, each institution shall determine whether an individual student shall be entitled to receipt of a particular degree. Each institution also shall determine what grade a student will be assigned in a particular course. No appeal from any of these decisions or any other academic determination is allowable to the president or to the Board of Governors.

IV. HONORARY DEGREES, AWARDS AND DISTINCTIONS

The board of trustees shall be responsible for approving the names of all individuals on whom it is proposed that an honorary degree or other honorary or memorial distinction be conferred by the institution, subject to such policies as may be established by the Board of Governors.

V. BUDGET ADMINISTRATION

The board of trustees shall advise the chancellor with respect to the development of budget estimates for the institution and with respect to the execution and administration of the budget of the constituent institution, as approved by the General Assembly and the Board of Governors.

VI. PROPERTY AND BUILDINGS

The board of trustees of a constituent institution shall be responsible, subject to policies of the Board of Governors and all legal requirements relative to the construction of state-owned buildings, for the following matters concerning campus capital construction projects which have been approved by the Board of Governors and authorized by the state of North Carolina: (1) the selection of architects or engineers for buildings and improvements requiring such professional services; (2) the approval of building sites; (3) the approval of plans and specifications; and (4) the final acceptance of all completed buildings and projects.

The board of trustees shall be responsible to the Board of Governors for preparing and maintaining a master plan for the physical development of the institution, consistent with the total academic and service mission of the institution as defined and approved by the Board of Governors.

Any proposal involving the acquisition or disposition by an institution of any interest in real property shall be recommended by the board of trustees and shall be approved by the Board of Governors; provided, that:

(a) If a proposal involves acquisition or disposition of any interest in real property other than a leasehold, the board of trustees may authorize such a transaction with a value less than $500,000, and the president may authorize such a transaction with a value less than $750,000, without obtaining approval of the Board of Governors; and

(b) If a proposal involves acquisition or disposition of a leasehold interest in real property, the board of trustees may authorize such a transaction with an annual value less than $500,000 and a term of not more than 10 years, and the president may authorize such a transaction with an annual value less than $750,000 and a term of not more than 10 years, without obtaining approval of the Board of Governors.

(c) If the president or a board of trustees of a constituent institution has been delegated additional authority by the Board of Governors to do so under Section 600.1.3 of the UNC Policy Manual, the president or board of trustees of a constituent institution may authorize acquisition or disposition of an interest in real property with a value greater than that listed in paragraphs (a) and (b), above, without obtaining approval of the Board of Governors.

The Board of Governors, under circumstances which it considers appropriate and following notice from it to the board of trustees, may take action necessary to effect the acquisition or disposition of an interest in real property which is related to or which affects the institution, without receipt of a recommendation from the board of trustees.

All delegations of authority in this section are subject to any necessary authorizations and approvals from State officials and agencies.

VII. ENDOWMENTS AND TRUST FUNDS

Subject to applicable provisions of state law and to such terms and conditions as may be prescribed from time to time by the Board of Governors, each board of trustees shall be responsible for the preservation, maintenance, and management of all properties, both real and personal, funds and other things of value which, either separately or in combination, constitute all or any part of the authorized endowment or trust funds, either currently in existence or to be established in the future, for the benefit of the individual constituent institution. [See G.S. 116-11(2); 116-12; 116-36; 116-36. 1; 116-36. 2; 116-36. 3]

VIII. ADMISSIONS

Subject to such enrollment levels and minimum general criteria for admission as may be established for a constituent institution by the Board of Governors, each constituent institution of the University of North Carolina shall establish admissions policies and resolve individual admission questions for all schools and divisions within the institution. No appeal concerning an individual admission case shall lie beyond the institutional board of trustees.

IX. TUITION, FEES, AND DEPOSITS

A. General Authority of Boards of Trustees

The boards of trustees of the constituent institutions other than the board of the North Carolina School of Science and Mathematics shall cause to be collected from each student, at the beginning of each semester, quarter, or term, such tuition, fees, and other amounts necessary to pay other expenses for the term, as have been approved by the Board of Governors. [See G.S. 116-11(7) and G.S. 116-143]

B. Tuition and Fee Deposits

Each board of trustees shall require the payment of such advance deposits, at such times and under such conditions as it determines are
C. Application Fee

Each board of trustees shall require the payment of such nonrefundable application fees, in connection with each application for admission, as may be required by state law or by the Board of Governors. [See G.S. 116-143]

D. Acceptance of Obligations in Lieu of Cash

Subject to policies prescribed by the Board of Governors, the boards of trustees shall establish regulations concerning the acceptance of obligations of students, together with such collateral or security as may be deemed necessary or proper, in lieu of cash, in payment of tuition and fees. [See G.S. 116-143]

E. Fee Recommendations

Subject to policies prescribed by the Board of Governors, each board of trustees, in consultation with the chancellor, shall recommend to the president the amounts to be charged at the constituent institution for application, athletics, health services, student activities, educational and technology, retirement of debt incurred for capital improvements projects authorized by the General Assembly, course, and special fees. In carrying out this responsibility, each board of trustees and the chancellor shall ascertain that the benefits of the activity or service are commensurate with the recommended fee which is required to support the activity or service. Recommended fees should be consistent with the philosophy set forth in the North Carolina Constitution which states that the benefits of the University of North Carolina should be extended to the people of the state free of expense, as far as practicable.

X. STUDENT FINANCIAL AID

All scholarships and other forms of financial aid to students which are limited in their application to or are supported from sources generated by an individual campus shall be administered by the constituent institution pursuant to such regulations as may be prescribed by the board of trustees and subject to the terms of any applicable laws and to policies of the Board of Governors.

XI. STUDENT SERVICES

Each board of trustees, upon recommendation of the chancellor, shall determine the type, level, and extent of student services (such as health care, athletic programs, and counseling) to be maintained for the benefit of students at the institution, subject to general provisions concerning types and levels of student services as may be prescribed by the Board of Governors.

XII. STUDENT ACTIVITIES AND GOVERNMENT

Under such policies as may be prescribed by the Board of Governors and the board of trustees, the chancellor shall be responsible for the regulation and approval of organized, institutionally recognized student activities, the definition of roles and functions of any institutionally recognized system of student self-government and student participation in the governance of any aspect of the institutional programs and services. No appeal concerning such activities are allowable to the president or to the Board of Governors.

XIII. INTERCOLLEGIATE ATHLETICS

Subject to such policies as may be prescribed by the Board of Governors and the board of trustees, the chancellor shall be responsible for the establishment and supervision of the institution’s program of intercollegiate athletics.

XIV. TRAFFIC AND PARKING REGULATIONS

XV. CAMPUS SECURITY

Subject to applicable provisions of state law and such policies as may be adopted by the Board of Governors or the board of trustees, the chancellor shall be responsible for the maintenance of campus security.

XVI. AUXILIARY ENTERPRISES, UTILITIES AND MISCELLANEOUS FACILITIES

Pursuant to applicable provisions of state law and policies of the Board of Governors, the boards of trustees of affected constituent institutions shall have authority and responsibility for the adoption of policies applicable to and the control and supervision of campus electric power plants and water and sewer systems, other utilities and facilities [G.S. 116-35], and child development centers [G.S. 116-38].


[2] The value of an interest in real property shall, with respect to a leasehold interest, be deemed the annual rental value thereof.

[3] Board of trustees are authorized to delegate to the respective chancellors the power to authorize for the institutions the acquisition or disposition of any interest in real property valued at less than $50,000, subject to any necessary approval from state officials and agencies, in accordance with Section 600.1.3 of the UNC Policy Manual.

[4] Legislation adopted by the 1973 session of the General Assembly, on recommendation of the Board of Governors, gave the boards of trustees broad authority in this area and superseded the authority originally granted in this paragraph; hence it is omitted here. [See G.S. 116-44.3 et. seq.]

Chapter 100.1 - The Code: Appendix 1, CODE

100.2 Adoption of the UNC Policy Manual, Promulgation of Policies, and Use of Reporting Requirements

The Board of Governors adopts the University of North Carolina Policy Manual (UNC Policy Manual) as the official document articulating Board of Governor policies and the administrative regulations and guidelines of the president. Policies existing prior to the adoption of this policy and not included in the UNC Policy Manual are rescinded and are no longer in effect.
I. Definitions
A. Policies. Policies direct the University of North Carolina, its constituent institutions, and affiliated entities according to the Board’s mission and philosophy. Policies should articulate in a concise manner the official statement of the Board on issues it deems important to the governance of the University. The Board of Governors is the only entity that may establish a policy of the University.

B. Regulations. Regulations are those rules or requirements of the president that the UNC System Office, the constituent institutions, and the designated affiliated entities are required to follow.

C. Guidelines. Guidelines are interpretations of policies or other requirements that are issued for the assistance of the UNC System Office, the constituent institutions, and the University’s affiliated entities in conducting the affairs of the University.

D. Transmittal Letters. Transmittal letters will be used to transmit new or amended policies, regulations, or guidelines to the campuses. They will not contain information with long-term significance and will not be included in the UNC Policy Manual. Transmittal letters will be sequentially numbered.

II. Procedures for Adoption or Amendment of Policies, Regulations, and Guidelines
A. Before the Board may adopt, amend, or repeal a policy, a standing or special committee of the Board must give notice of its proposed action concerning the policy by making a public announcement at a prior meeting of the Board or by notice given to members of the Board at least 28 days prior to the meeting at which action on the policy is proposed. At the meeting of the Board at which the Board is to take action, the committee’s proposal may be adopted, adopted with amendments, or rejected.

B. Regulations and guidelines pertaining to Board policies, or other matters not addressed by a policy, will be promulgated only by the president. The terms “policy,” “policies,” or “procedures” will not be used to designate regulations or guidelines. Regulations or guidelines may be issued by the president on the president’s initiative or on the recommendation of a vice president after senior officers and staff designated by the president have had an opportunity to review and comment on the proposal. All regulations and guidelines issued by the president will be signed and dated by the president.

III. Limitation on Reporting Requirements in Policies, Regulations, and Guidelines
A. The Board of Governors, the president, chancellors, and University staff require access to business information, data, and reports in order to carry out their responsibilities for the governance and leadership of the University and the constituent institutions. University boards and leadership should rely on business information and data systems for reporting and oversight. Any data collection and reporting requirements that are established by the Board or the president should: (1) inform decision-making; (2) be relevant to strategic priorities or federal or state regulatory requirements; (3) be cost effective compared to the reporting burden; (4) support risk management and risk mitigation; and (5) be directed to the appropriate University board or official, such as the Board of Governors, the president, the chancellor, or the board of trustees.

B. It is the sense of the Board of Governors that University policies, regulations, and guidelines should generally not contain specific data collection and reporting requirements. When a clear need for a specific data collection and reporting requirement is identified, the president, as the chief administrative and executive officer of the University, may establish the requirement, and adjust or amend the requirement from time to time as the president deems appropriate. The president is encouraged to maintain and periodically update a master list of data collection and reporting requirements that is accessible to the leadership and staff and of the University and the constituent institutions who are responsible for fulfilling the requirements.

IV. Maintaining the UNC Policy Manual; Technical Corrections
A. The senior vice president and general counsel will assign each policy, regulation, and guideline a number and the secretary of the University will incorporate it in the UNC Policy Manual. The first page of every policy, regulation, or guideline shall note its promulgation date and dates of amendment. Policies, regulations, guidelines, and amendments thereto, shall state an effective date if that date is different from the date of adoption.

B. The secretary of the University will maintain a permanent record of each policy, regulation, and guideline adopted or amended by the Board of Governors or the president and will prepare a transmittal letter to transmit each to the senior officers, chancellors, and others, as designated by the president. The secretary of the University will control the numbering of transmittal letters and will keep a permanent record of each transmittal letter and the accompanying policy, regulation or guideline.

C. The UNC Policy Manual will be maintained in hard copy form and in a format accessible on the University’s website and will be updated regularly to include new or amended policies, regulations, and guidelines.

D. The secretary of the University, in consultation with the senior vice president and general counsel, is authorized to make technical changes to the UNC Policy Manual as defined below:
   1. Correct typographical errors;
   2. Make conforming changes to names, titles, statutory and regulatory references, and other designations;
   3. Correct inconsistencies among policies that may result due to a more recent policy adoption, amendment, or rescission;
   4. Ensure that Board delegations and resolutions are accurately reflected throughout The Code and the UNC Policy Manual; and
   5. Annotate policies, regulations, and guidelines to cross-reference other provisions of the UNC Policy Manual.

   Any corrections or changes that are made pursuant to this policy shall be summarized and reported in writing to the chair of the Board of Governors and the Committee on University Governance.

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

B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

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

100.2: Adopted 09/14/01, Amended 07/29/16, Amended 07/14/17, Technical Corrections 03/08/19

100.3 Policy on Waivers from University Policies, Regulations, and Guidelines

I. Purpose. The Board of Governors adopts this policy to permit constituent institutions to petition for waiver from the requirements of University policies, regulations, and guidelines. Based upon a demonstration of sufficient institutional capacity and the establishment by the UNC System Office of appropriate compliance and monitoring measures, constituent institutions may seek waivers in whole or in part of policies, regulations, and guidelines within the UNC Policy Manual.

II. Submission of Constituent Institution Waiver Request. The chancellor of a constituent institution may, after consulting the board of trustees, submit to the president a request for waiver from the requirements of a University policy, regulation, or guideline. Requests may seek waiver from a policy, regulation, or guideline in its entirety, or may seek limited waiver from specific requirement(s) within the policy, regulation, or guideline.

The president shall specify the format for and content of waiver requests consistent with this policy. Each request shall include, at a minimum, the
following:

A. An explanation of the need for the desired waiver;
B. An explanation of the constituent institution's ability to otherwise achieve the purpose served by the policy, regulation, or guideline requirement being waived;
C. A proposed monitoring and reporting framework that can provide information to the president, the Board of Governors, and the Board of Governors concerning the constituent institution's performance and effectiveness in relation to the subject matter and requirements of the waived requirement; and
D. A declaration that the constituent institution's chancellor and board of trustees support the waiver request.

III. Evaluation by the President. The president shall receive and evaluate waiver requests submitted by constituent institutions. In evaluating requests, the president may choose to consult constituent institution and UNC System Office staff, request additional information to support the request, and recommend amendment of the requested waiver, including the institution's proposed monitoring framework.

The president may approve constituent institution requests for waivers from the requirements of University regulations and guidelines. The president shall refer requested waivers from University policy requirements to the Board committee of appropriate jurisdiction along with the president's recommendation concerning the disposition of the requested waiver. The president shall have an appropriate method for tracking requests, monitoring waivers, and informing constituent institutions of approved waivers.

IV. Board of Governors Review. Waiver requests referred to the Board by the president shall be considered by the standing committee with jurisdiction over the policy subject matter. Informed by the president's recommendation, the committee shall evaluate the waiver request and make a recommendation to the full Board for the request's acceptance or rejection. The full Board may then take action to accept or reject the waiver request in accordance with the Board's existing procedures for adoption or amendment of policies (Section 100.2.B.A., of the UNC Policy Manual).

V. Review of Requirements Subject to Multiple Waivers. Requests by constituent institutions for waiver from the requirements of University policies, regulations, or guidelines may indicate that existing requirements could be more effective or less burdensome in meeting their intended objective. In the event that multiple constituent institutions request waiver of the same policy, regulation, or guideline, the president shall evaluate the existing requirement(s) subject to multiple waiver requests and consider whether the requirement(s) should be amended or rescinded. If the president concludes that an existing policy should be amended or rescinded, the president shall formulate a proposal for improving the policy and refer the proposal to the Board committee with jurisdiction over the policy subject matter.

VI. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of its adoption by the Board of Governors.
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 from time to time by the president.

100.3: Adopted 03/22/19

100.4 Review of Umstead Act Exceptions

Introduction. The Umstead Act contains numerous exceptions for UNC to the Act's general prohibition of state agencies selling goods or providing services to the public that are ordinarily and customarily provided by private enterprises. G.S. 66-58(a). Three of those exceptions, contained in G.S. 66-58(b)(8), (9), and (10), require that the Board of Governors establish a panel to determine whether the University is authorized to undertake questioned activities in competition with an existing or proposed nongovernmental entity. The purpose of this policy is to establish this panel and to establish procedures for it to use in making its determinations, as required by G.S. 66-58(j) and (l).

Definitions. The following definitions apply to this policy:

1. "An affected party" is a nongovernmental person or entity in the state that is in or proposes to be in the same, a similar, or competing business.
2. "The Exceptions" are the exceptions to the Umstead Act created by G.S. 66-58(b)(8), (9), and (10).
3. "The Panel" is the UNC Umstead Review Panel.
4. "The Registry" is the registry required by G.S. 66-58(j)(2) and established by Part II of this Policy.
5. "The Umstead Act" is G.S. 66-58.
6. The "University" means the University of North Carolina.
7. "Institution" or "Entity" means a constituent institution or entity of the University of North Carolina, or any component thereof.
8. "Day" mean calendar day unless otherwise noted.

I. Establishment of Panel

There is hereby created a panel to be known as the UNC Umstead Review Panel consisting of members appointed in accordance with G.S. 66-58(j).

A. Terms of Appointment. Appointments to the panel shall be for a term of four years, though the initial appointments to the panel may be for terms shorter than four years in order to stagger the terms of appointment. A person appointed to the Panel shall serve until his successor is appointed.
B. Officers. The Panel shall, by a majority vote of those members present, elect a chair and a vice chair, each to serve a two-year term.
C. Staff to Panel. The senior vice president and general counsel, or designee, of the University of North Carolina shall provide staff to the Panel.
D. Expense Reimbursement. Members of the Panel shall receive per diem compensation and travel expense reimbursement consistent with G.S. 138-5.

II. Establishment of Registry

The president, or the president's designee, shall create and maintain a registry in accordance with G.S. 66-58(j)(2) through which any member of the public may register to receive electronic notices of the meetings and hearings, agendas, and determinations of the Panel. In addition, the Panel's meeting and hearing notices, agendas, minutes, and determinations shall be posted on the University website.

III. Notice of New Activities

S. 66-58(b)(8)(3) provides an exception for activities that enable the community in which the institution or the entity is located, or the people of the state, to utilize the institution or entity's facilities, equipment, or expertise. If a constituent institution or other University entity proposes to
engage in a new type of activity that is justified by the exception to the Umstead Act that is contained in G. 66-58(b)(8)m., n. as to whether a proposed or ongoing University activity is unauthorized competition.

B. The Panel may make a determination under G. 66-58(b)(8)o. as to whether a proposed or ongoing University activity is unauthorized competition or is unfair competition.

C. The Panel may not make determinations under any of the other exceptions to the Umstead Act if the University claims that a proposed or ongoing activity is allowable under any other exception to the Umstead Act, the Panel is without jurisdiction to consider the activity.

D. The Panel does not have the authority to overrule a prior determination of the Attorney General.

VI. Initiation of Proceedings

A. Any person or nongovernmental entity in the State that is in or proposes to be in the same, a similar, or competing business is an affected party that may initiate a Panel proceeding by submitting a request to the Panel Staff that the Panel make a determination as to whether a specified activity of the University is justified by one of the Exceptions.

B. A constituent institution or other University entity that proposes to engage in an activity may initiate a Panel proceeding by submitting a request to the Panel staff that the Panel make a determination as to whether the activity is justified by one or more of the specified Exceptions.

C. A request must include at least the following:
   1. The name, address, email address (if any), and phone number of the affected party making the request.
   2. If an entity is making the request, the name, address, email address (if any), and phone number of the contact person for the entity.
   3. A short and plain statement of the proposed or ongoing activity about which the affected party requests that the Panel make a determination and the name of the constituent institution or University entity engaged in or proposing to engage in the activity.
   4. If an affected party is making the request, a short and plain statement as to why the party claims the activity is not justified by one of the Exceptions and the nature and location of the same, similar or competing business in which the affected party engages or proposes to engage.
   5. If a University entity is making the request, a short and plain statement of why it claims that the activity is justified by a designated one or more of the Exceptions.

D. A request is deemed filed with the Panel when it is received by the Panel Staff at the UNC System Office.

E. Within seven days after receiving the request, the Panel staff shall give electronic notice of all requests to initiate proceedings to the persons who have requested to be included on the Registry and to the chancellors of all constituent institutions. In addition, the Panel staff shall provide a copy of the request to the chancellor or director of the affected University entity within seven days of receiving the request.

VII. Attempt to Resolve

If a matter is initiated by an affected party, the chancellor, the chancellor’s designee, the director of the affected University Entity, or the director’s designee shall contact the party initiating the request within 15 days after the request is filed and shall confer in an attempt to reach a resolution by agreement. The chancellor or director shall notify the Panel Staff in writing, with a copy to the party that initiated the matter, that this conference has been held and shall indicate whether the matter has been resolved. If the matter was not resolved, the party making the request and the affected University entity may resume their efforts to resolve the matter at any time and shall notify the Panel Staff if the matter is resolved.

VIII. The Panel’s Proceeding

A. If the matter has not been resolved within 15 days after the request is filed, the Panel shall schedule a hearing on the request. This hearing shall be held within 45 days after a request is filed at a time and place to be determined by the chair of the Panel. This time may be extended by agreement of both the requesting party and the affected University Entity or by order of the chair for extenuating circumstances.

B. If a request is made concerning a proposed activity, the affected University Entity shall not initiate the activity until the Panel makes its determination unless the request is withdrawn.

C. The Panel staff shall give electronic notice of the Panel’s hearing to consider a request to the members of the public that have requested to be on the Registry, to the affected party making the request, and to the affected University Entity at least seven days prior to the Panel’s hearing to consider the request. The notice must include the date, time, and location of the Panel’s hearing, and must specify the activity that is the subject matter of the hearing.

D. At the hearing, the party making the request, the affected University Entity, and any other affected person or entity that has notified the Panel Staff in advance of the hearing may state its position and present documents and witnesses to support its position. The chair of the Panel shall preside over and conduct the hearing and shall rule on all matters of procedure, including the admission of evidence. In the absence of the chair the vice chair shall serve as chair for the purposes of the hearing. The hearing will be conducted informally and without adherence to the rules of evidence required in judicial proceedings. The chair may exclude irrelevant, immaterial, or unduly repetitious or unreliable evidence.

E. The Panel is not required to make a recording of the hearing but any party may do so at its own expense.

F. Upon completion of the hearing, the members of the Panel who were present at the hearing will deliberate and will make a written determination as to whether the matter falls with the Panel’s jurisdiction and, if so, whether the specified activity is justified by one of the Exceptions. These deliberations may be by teleconference or other means of simultaneous communication as long as the requirements of North Carolina’s Open Meetings Law are observed. The determination will be made based on the evidence and arguments presented at the hearing and shall state the basis for the determination.

G. The written determination of the Panel will be made within 15 days after the close of the hearing and will be transmitted to the persons and entities that participated in the hearing and, electronically, to the persons and entities who have requested to be included in the Registry.

IX. Effect of Determination

A. The University will be bound by the Panel’s determination that a proposed or ongoing activity is not justified by one of the Exceptions.
101.3 Appeals of Nonreappointment Decisions

101.3.1 Policy on Regulations and Guidelines Implementing Chapter VI of The Code

The constituent institutions shall interpret and apply the provisions of Chapter VI of the Code, including but not limited to Sections 603, 604, and 607, in accordance with regulations and guidelines adopted by the president.


101.3.1.1[R] Regulation on Review of Intention to Discharge or Impose Serious Sanction Under Section 603 of The Code

I. The Purpose of the Review Process under Section 603 of The Code

A. Section 603 of The Code provides a tenured faculty member with certain procedural safeguards before imposition of discharge or serious sanction (defined as demotion in rank or suspension without pay); specifies the reasons for imposition of discharge or serious sanction; and establishes the processes for notice of intention to impose discharge or serious sanction, faculty hearings, and appeals. The process of discharge or imposition of serious sanction must be fundamentally fair to the faculty member. Section 603 includes certain procedures to assure fairness, but there is no expectation that the process be attended by the formality or technicality which characterizes civil or criminal legal proceedings in a court of law. Rather, the process should be conducted by administrators and faculty in a manner designed to determine whether discharge or imposition of serious sanction is warranted under relevant provisions of The Code.

B. The purpose of a hearing by a hearing committee is to make a recommendation about whether by clear and convincing evidence grounds for discharge or serious sanction exist and are the basis for the recommended action. The hearing committee bases its written recommendations to the chancellor on the competent evidence presented at the hearing. The decision as to whether to discharge or impose serious sanction on the faculty member is the chancellor's.

C. The purpose of appellate review by the board of trustees is to determine whether (1) the campus-based process for making the decision was materially flawed, so as to raise questions about whether the faculty member's contentions were fairly and reliably considered; (2) the result reached by the chancellor was clearly erroneous; and/or (3) the decision was contrary to controlling law or policy.

II. Decision to Discharge or Impose Serious Sanction Under Section 603 of The Code

A. Basis for Decision. A decision to impose discharge or serious sanction (demotion in rank or suspension without pay) may only be made for one or more of the three permissible reasons in Section 603(1) of The Code:

1. 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;
2. Neglect of duty, including sustained failure to meet assigned classes or to perform other significant faculty professional obligations; or
3. 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, mistreatment of students or other employees, research misconduct, financial fraud, criminal, or other illegal, inappropriate or unethical conduct. To justify serious disciplinary action, such misconduct should be either (a) sufficiently related to a faculty member's academic responsibilities so as to disqualify the individual from effective performance of university duties, or (b) sufficiently serious as to adversely reflect on the individual's honesty, trustworthiness or fitness to be a faculty member. A serious sanction less severe than discharge may be imposed depending on the nature and circumstances of the misconduct.

B. Role of the Hearing Committee. The primary role of the hearing committee is to provide the opportunity for a formal hearing on the intent to discharge or impose serious sanction. Such hearing committees provide an opportunity for both parties to present relevant evidence and provide written recommendations to the chancellor on the merits of the written reasons for discharge or imposition of serious sanction. The hearing committee creates a clear, permanent record of the evidence presented at the hearing and advises the chancellor whether or not the institution has demonstrated, by clear and convincing evidence, that the intention to discharge or impose serious sanction is based on one or more of the permissible reasons outlined in the above section I.A. The institution has the burden of proof. The hearing committee does not have authority to render a decision or any part of a decision. The chancellor has the authority to render the final decision.

1. Training. Because hearings in matters of discharge or imposition of serious sanction can present complex and difficult questions of fact, policy, and law, and because of the central role of the hearing in gathering and preserving the evidence upon which a decision related to the matter will be based, chancellors, in consultation with campus counsel, should ensure that hearing committee members have access to appropriate training materials and that relevant administrators and aggrieved faculty members have access to information regarding the hearing process.
2. Election Procedures. The faculty council or senate of each constituent institution should consider whether to establish election procedures for the hearing committee to extend the length of service of appropriately trained committee chairs, in order to make it more likely that each hearing has an experienced member to oversee a hearing committee. Election procedures may permit the establishment of a pool of trained hearing committee members from which hearing committee members and a chair may be drawn for each hearing.

3. Counsel. Each constituent institution must allow the faculty member to have counsel who is able to represent the faculty member's interests before the hearing committee. If an attorney will be representing the faculty member during the hearing, then the campus should provide legal counsel for the institution. Legal counsel for the institution may be provided by in-house campus counsel, counsel from another constituent institution, a member of the Attorney General's Office, or outside counsel.

C. Preservation of Evidence. It is essential that all testimony and other evidence received by a hearing committee be preserved for review by the parties to the proceeding, the chancellor, and, if applicable, the board of trustees. Both the chancellor, in making the final decision, and the board of trustees in reviewing any appeal, must have access to a complete record of the evidence received at the hearing. The chancellor is responsible for determining whether the competent evidence in the record supports the proposed discharge or serious sanction. Similarly, the board of trustees, when considering an appeal of the chancellor's decision, must be able to determine whether the competent evidence in the record supports the chancellor's decision.

A professional court reporter, or a similarly reliable means, should be used to enable the production of a verbatim written transcript of the hearing and to maintain a record of the documents received by the hearing committee. Any such record shall be considered part of the faculty member's personnel file and is confidential. Access to such materials is only allowable as provided by law.

D. The Chancellor's Decision. Following receipt of the hearing committee's written recommendations, the decision whether to discharge or impose serious sanction on the faculty member is the chancellor's. If the chancellor is considering taking an action that is inconsistent with the recommendation of the hearing committee, the chancellor should consult with the hearing committee, either in person or in writing, before making a decision. The chancellor shall notify the faculty member and relevant administrators of the chancellor's decision in writing. Notice of the decision is to be conveyed to the faculty member by a method which produces adequate evidence of delivery.

E. Notice of Appeal Rights. The chancellor's notice to the faculty member of the decision must inform the faculty member: (1) of the permissible grounds for appeal pursuant to Section 603 of The Code; (2) of the time limit within which the faculty member may file a notice of appeal through the chancellor requesting review by the board of trustees; (3) that a written notice of appeal with a brief statement of the basis for the appeal is all that is required within the 14-day period; and (4) that, thereafter, a detailed schedule for the submission of relevant documents will be established if such notice of appeal is received in a timely manner.

F. Time Limits for Appeal. The campus policies, faculty handbook, or other informational document which addresses imposition of discharge or serious sanction shall indicate the time limits for appeal of such decisions.

III. Appeals to the Board of Trustees

A. Schedule. If the board determines that the faculty member has set forth appropriate grounds for an appeal, the board will notify the parties of a schedule for perfecting and processing the appeal. If the faculty member fails to comply with the schedule established for perfecting and processing the appeal, the board may extend the period for complying with the schedule for good cause shown or it may dismiss the appeal. The board of trustees will issue its decision on appeal as expeditiously as is practical.

B. Review on Appeal by the Board of Trustees. Consistent with The Code, deference is given to the chancellor's decision; the board of trustees will exercise jurisdiction under Section 603 of The Code in a manner that assures the integrity of campus procedures.

The first step in any appeal to the board of trustees will be an evaluation by the chancellor requesting review by the board of trustees in reviewing any appeal, must have access to a complete record of the evidence received at the hearing. The chancellor is responsible for determining whether the competent evidence in the record supports the proposed discharge or serious sanction. Similarly, the board of trustees, when considering an appeal of the chancellor's decision, must be able to determine whether the competent evidence in the record supports the chancellor's decision.

A professional court reporter, or a similarly reliable means, should be used to produce a verbatim written transcript of the hearing and maintain a record of the documents received by the hearing committee. Any such record shall be considered part of the faculty member's personnel file and is confidential. Access to such materials is only allowable as provided by law.

D. The Chancellor's Decision. Following receipt of the hearing committee's written recommendations, the decision whether to discharge or impose serious sanction on the faculty member is the chancellor's. If the chancellor is considering taking an action that is inconsistent with the recommendation of the hearing committee, the chancellor should consult with the hearing committee, either in person or in writing, before making a decision. The chancellor shall notify the faculty member and relevant administrators of the chancellor's decision in writing. Notice of the decision is to be conveyed to the faculty member by a method which produces adequate evidence of delivery.

E. Notice of Appeal Rights. The chancellor's notice to the faculty member of the decision must inform the faculty member: (1) of the permissible grounds for appeal pursuant to Section 603 of The Code; (2) of the time limit within which the faculty member may file a notice of appeal through the chancellor requesting review by the board of trustees; (3) that a written notice of appeal with a brief statement of the basis for the appeal is all that is required within the 14-day period; and (4) that, thereafter, a detailed schedule for the submission of relevant documents will be established if such notice of appeal is received in a timely manner.

F. Time Limits for Appeal. The campus policies, faculty handbook, or other informational document which addresses imposition of discharge or serious sanction shall indicate the time limits for appeal of such decisions.

III. Appeals to the Board of Trustees

A. Schedule. If the board determines that the faculty member has set forth appropriate grounds for an appeal, the board will notify the parties of a schedule for perfecting and processing the appeal. If the faculty member fails to comply with the schedule established for perfecting and processing the appeal, the board may extend the period for complying with the schedule for good cause shown or it may dismiss the appeal. The board of trustees will issue its decision on appeal as expeditiously as is practical.

B. Review on Appeal by the Board of Trustees. Consistent with The Code, deference is given to the chancellor's decision; the board of trustees will exercise jurisdiction under Section 603 of The Code in a manner that assures the integrity of campus procedures.

The first step in any appeal to the board of trustees will be an evaluation by the chancellor requesting review by the board of trustees in reviewing any appeal, must have access to a complete record of the evidence received at the hearing. The chancellor is responsible for determining whether the competent evidence in the record supports the proposed discharge or serious sanction. Similarly, the board of trustees, when considering an appeal of the chancellor's decision, must be able to determine whether the competent evidence in the record supports the chancellor's decision.

A professional court reporter, or a similarly reliable means, should be used to produce a verbatim written transcript of the hearing and maintain a record of the documents received by the hearing committee. Any such record shall be considered part of the faculty member's personnel file and is confidential. Access to such materials is only allowable as provided by law.
B. Relation to State Laws. The foregoing regulations as adopted by the president are meant to supplement, and do not purport to supplant or modify, applicable state law or administrative regulations.

101.3.1.2[R]: Regulation on Review of Nonreappointment Decisions Under Section 604 of The Code

I. The Purpose of the Review Process under Section 604 of The Code

A. Within the University, important faculty personnel decisions are based on evaluations of performance rendered by a candidate’s colleagues and supervisors, who are in the best position to make such judgments. These assessments are not the product of mechanically applied checklists, criteria, or formulas; there is no simple litmus test for outstanding job performance. Rather, these decisions must reflect careful exercises of discretion, in which the faculty colleagues draw on their own academic knowledge, experience, and perceptions to evaluate the candidate’s qualifications and performance. The academic review process seeks to obtain the collective good faith professional academic judgment of the candidate’s colleagues and responsible university administrators, as the basis for personnel decisions. These decisions are entitled to great deference and weight and, as such, must be based on considerations that are relevant to the candidate’s performance and potential to contribute to the good of the institution.

B. The purpose of reviewing decisions not to reappoint is to determine whether the decision was materially flawed, in violation of applicable laws, policies, standards, or procedures. A review is not to second-guess professional judgments based on permissible considerations. The purpose of the campus-based review process in Section 604 C(1) of The Code is to determine (1) whether the decision was based on considerations that The Code provides are impermissible; and (2) whether the procedures followed to reach the decision materially deviated from prescribed procedures such that doubt is cast on the integrity of the decision not to reappoint.

C. The purpose of appellate review by the board of trustees is to determine whether (1) the campus-based process for making the decision was materially flawed, so as to raise questions about whether the faculty member’s contentions were fairly and reliably considered; (2) the result reached by the chancellor was clearly erroneous; and/or (3) the decision was contrary to controlling law or policy.

II. Nonreappointment Decisions Under Section 604 of The Code

A. Basis for Review. A decision not to reappoint a faculty member may be made for any reason that is not an impermissible reason. The three impermissible reasons for a decision not to reappoint a faculty member, as stated in Section 604 B of The Code, are: (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) forms of discrimination prohibited under policies adopted by the University; or (3) personal malice. A faculty member who asserts that the decision not to reappoint was based on impermissible reasons may file a request for review from that decision in accordance with the procedure established by the constituent institution.

B. Definition of “Personal Malice.” As used in The Code, the term “personal malice” means dislike, animosity, ill-will or hatred based on personal characteristics, traits or circumstances of an individual that are not relevant to valid University decision making. However, a faculty member’s inability or incapacity to relate constructively to his or her peers, in a necessarily collegial environment, may warrant a decision not to reappoint. Disposition of such a case requires a determination as to whether the faculty member’s lack of collegiality or other attitudinal considerations impeded the faculty member’s job performance. While the terms “ill-will,” “dislike,” “hatred,” and “malevolence” may connote different degrees of antipathy, such distinctions make no difference in applying the fundamental rationale of the prohibition. Any significant degree of negative feeling toward a candidate based on irrelevant personal factors is an improper basis for making decisions.

C. Role of the Faculty Committee. The primary role of a faculty committee is to provide, through the established campus process, the opportunity for a formal hearing to review the decision not to reappoint. Such faculty committees provide an opportunity for both parties to present relevant evidence and provide a recommendation to the chancellor on the merits of the faculty member’s contentions. The faculty committee creates a clear, permanent record of the evidence presented at the hearing and advises the chancellor whether or not the faculty member has demonstrated, by a preponderance of the evidence, that the decision not to reappoint was materially flawed or was based in significant part on an impermissible reason. The faculty member has the burden of proof. The faculty committee does not have authority to render a decision or any part of a decision. The chancellor has the authority to render the final decision.

1. Training. Because hearings in matters of non-reappointment can present complex and difficult questions of fact, policy, and law, and...
D. Preservation of Evidence. It is essential that all testimony and other evidence received by a faculty committee be preserved for review by the board of trustees, when considering an appeal from a chancellor's decision, must be able to determine whether the competent evidence in the record supports the faculty committee's recommendation. Similarly, the board of trustees, when considering an appeal from a chancellor's decision, must be able to determine whether the competent evidence in the record supports the chancellor's decision.

A professional court reporter, or a similarly reliable means, should be used to enable the production of a verbatim written transcript of the hearing and properly to maintain a record of the documents received by the faculty committee. Any such record shall be considered part of the faculty member's personnel file and is confidential. Access to such materials is only allowable as provided by law.

E. The Chancellor's Decision. The chancellor must base his or her decision on a thorough review of (1) the record evidence from the hearing, and (2) the recommendation of the faculty committee. While the chancellor should give appropriate deference to the advice of the faculty committee, the final decision is the chancellor's. If the chancellor is considering an action that is inconsistent with the recommendation of the hearing committee, the chancellor should consult with the hearing committee, either in person or in writing, before making a decision. The chancellor shall notify the faculty member and relevant administrators of the chancellor's decision in writing. In addition, the notice of the decision is to be conveyed to the faculty member by a method which produces adequate evidence of delivery.

F. Notice of Appeal Rights. The chancellor's notice to the faculty member of the decision concerning the faculty member's case must inform the faculty member: (1) of the permissible grounds for appeal; (2) of the time limit within which the faculty member may file a notice of appeal through the chancellor requesting review by the board of trustees; (3) that a simple written notice of appeal with a brief statement of the basis for the appeal is all that is required within the 14-day period; and (4) that, thereafter, a detailed schedule for the submission of relevant documents will be established if such notice of appeal is received in a timely manner.

G. Time Limits for Appeal. The campus policies, faculty handbook, or other informational document which addresses procedures for review of faculty nonreappointment decisions shall indicate the time limits for appeal of such decisions.

III. Appeals to the Board of Trustees

A. Schedule. If the board determines that the faculty member has set forth appropriate grounds for an appeal, the board will notify the parties of a schedule for perfecting and processing the appeal. If the faculty member fails to comply with the schedule established for perfecting and processing the appeal, the board may extend the period for complying with the schedule for good cause shown or it may dismiss the appeal. The board of trustees will issue its decision on appeal as expeditiously as is practical.

B. Review of Appeal by the Board of Trustees. Consistent with The Code, deference is given to the chancellor's decision; the board of trustees will exercise jurisdiction under Section 604 C of The Code in a manner that assures the integrity of campus procedures.

The first step in any appeal to the board of trustees will be an evaluation of the faculty member's written grounds for appeal to determine whether the issues raised on appeal fall within one of the three grounds for appeal as set out in this regulation and Section 604 of The Code. If the appeal does not present issues that fall within the established grounds for appeal, the board may dismiss the appeal without further proceedings.

The three grounds for appeal to the board of trustees are as follows:

1. Material procedural error. A faculty member may allege on appeal that the hearing conducted by the responsible faculty committee or the process followed by the chancellor included a material procedural error that, but for the error, could have resulted in a different decision. The board may review allegations that the faculty committee and/or the chancellor did not follow its own procedures and such failure materially affected the credibility, reliability, and fairness of the process. A faculty member must demonstrate that, because of a material procedural error, he or she did not receive a fair hearing or fair review by the chancellor such that, but for such error, a different decision may have been reached.

2. Clearly erroneous. A faculty member may allege on appeal that the competent evidence in the record established that the decision not to reappoint was based on an impermissible reason. A clearly erroneous decision is one that a reasonable person could not have reached, based on the competent evidence in the record taken as a whole and the relevant controlling laws or policies. To demonstrate that a decision was clearly erroneous, the faculty member must show that a reasonable person could not have reached the conclusion that the chancellor reached. Such an appeal constitutes a request that the board of trustees review the entire record of evidence to determine whether a reasonable person could have arrived at the decision in question. The issue is not whether the board of trustees would have evaluated the evidence the same way and reached the same conclusion as did the faculty committee or the chancellor; rather, the question is whether the decision reached was a reasonable one, in light of the competent evidence.

3. Contrary to law or policy. A faculty member may allege on appeal that, in disposing of the request for review, controlling law or University policy was disregarded, misinterpreted, or misapplied to the facts of the case.

During its review, the board of trustees considers whether the campus-based process or decision had material procedural errors, was clearly erroneous, or was contrary to controlling law or policy.

In reviewing whether a decision was clearly erroneous, the board of trustees considers whether the evidence introduced at the hearing and reviewed by the chancellor is such that a reasonable fact finder could find the applicable burden of proof, preponderance of the evidence, was met by the faculty member. When conducting its review, the board of trustees does not reweigh the evidence, express its independent judgment on the factual issues, determine credibility of witnesses, or otherwise conduct the same review that would be conducted by the chancellor. Instead, the board of trustees views the record in the light most favorable to the judgment below and decides
if the evidence in support of that decision is reasonable, credible, and of solid value, such that a reasonable fact finder could find that nonreappointment is appropriate based on a preponderance of the evidence.

After review on appeal, the board of trustees may affirm the chancellor’s decision; or, if the board finds that the campus-based process or decision had material procedural errors, was clearly erroneous, or was contrary to controlling law or policy, the board may remand the matter to the chancellor to provide for a new hearing or a supplemental review inquiry. The remedy available on appeal is never an award by the board of trustees of the conferral of tenure, reappointment or promotion.

IV. Other Matters

A. Effective Date. The requirements of this regulation shall be effective for any non-reappointment decision effective on or after July 1, 2019.

B. Relation to State Laws. The foregoing regulations as adopted by the president are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern or relate to faculty personnel decisions.

101.3.2 Grievances Filed Pursuant to Section 607 of The Code

Effective Date: This policy shall apply to all faculty grievances submitted on or after January 1, 2004

I. The Purpose of the Grievance Procedure

Section 607 of the Code provides a process for faculty members to seek redress concerning employment related grievances. The function of the grievance procedure is to attempt to reach a consensual resolution of the dispute and, if that fails, to determine whether the contested decision was materially flawed, in violation of applicable policies, standards or procedures. The grievance process is not intended to second-guess the professional judgment of officers and colleagues responsible for making administrative decisions.

II. Initiation of the Grievance Process

a. Any faculty member who has a grievance, as defined in Section 607(3) of The Code, may file a petition for redress in accordance with the procedure established by the constituent institution. The petition of the faculty member shall be in writing and shall set forth in detail the nature of the grievance and against whom the grievance is directed. The petitioner shall set forth any information that he or she considers pertinent to the grievance. The faculty member shall deliver a copy of the petition to the respondent administrator by certified mail or by another means that provides proof of delivery.

b. When a decision not to promote is made at the same time as a decision not to reappoint a faculty member, all challenges to those decisions will proceed pursuant to Policy 101.3.1. When a decision not to promote is not made as a part of a reappointment decision, campus policy shall determine which faculty committee has jurisdiction to hear such disputes.

c. Unless the parties to the grievance have participated in mediation prior to the faculty member’s filing the petition, before taking any action on the petition, the faculty grievance committee shall refer the matter for mediation in accordance with the policies of the constituent institution.
III. Mediation of Grievances

a. Mediation is a procedure in which disputing parties enlist the assistance of a neutral party to help them in achieving a voluntary, bilateral agreement that finally and definitively resolves all or portions of their dispute, without resorting to adversarial procedures such as grievance hearings, administrative hearings or litigation. Any such mediated agreement that the parties are able to negotiate will be embodied in a written agreement.

b. The appropriate functions of a mediator are to assist the parties in defining, clarifying, communicating about, and ascertaining the substantiality and relevance of the issues that appear to divide the parties and to aid the parties in generating, considering, and communicating with each other about possible bases for resolving the dispute.

c. Each constituent institution will have a policy either that requires the parties to a dispute made under Section 607 to participate in mediation as a prerequisite to access to the formal access to the formal grievance process or that permits the parties voluntarily to do so. While there is no requirement that forces a party to reach a mediated agreement, a constituent institution may have a policy that require the parties to participate in a mediation process about the dispute. If a constituent institution requires participation in mediation, the mediator may assess the value of continuing the mediation. If the mediator determines that the parties are not amenable to a settlement, then the mediator may end the mediation, and the formal grievance hearing process will then begin.

d. Each constituent institution will have a mediation process available which:
   1. Has available the number of campus mediators necessary based on the size of the campus and the estimated need. Mediators may be trained members of the faculty or staff, outside mediators from the community, or mediators from other campuses within the University.
   2. Requires every mediator to have successfully completed formal mediation training substantially equivalent to that required for certification by the North Carolina Administrative Office of the Courts or to have been formally trained in mediation specifically designed for use in a university setting.
   3. Determines under what circumstances, if any, attorneys will be allowed to participate in the mediation process.
   4. Assures the parties that a decision by either party not to pursue mediation beyond the campus required minimum will not be held against that party in any way and that no blame will be attached to either party if mediation does not produce a settlement.
   5. Provides that no record of a failed mediation process will be produced by the mediator other than an unelaborated written statement to the appropriate authority necessary to invoke the next step in the grievance process, i.e., that mediation was attempted but settlement was not reached.
   6. Prohibits the mediator from being called as a witness in any subsequent proceeding, and prohibits anything done or said by either party during a mediation process from being referred to or used against a party in any subsequent proceeding.

e. The adopted mediation policy of each constituent institution must provide that any mediation agreement that obligates the university must be signed by a university official with the authority to bind the university concerning the particular agreement.

f. Any time limit adopted by a constituent institution or by Board of Governors Policy concerning the formal resolution of Section 607 grievances will be suspended for the duration of a mediation process being held pursuant to this policy.

IV. Administrative Decision

a. If the grievance is not resolved through the mediation process, then the matter will be reviewed by the faculty grievance committee established pursuant to Section 607(1) of The Code.

b. Standard for determining contested grievances. In order to prevail in the grievance process, a faculty member must establish that the faculty member experienced a remediable injury attributable to the alleged violation of a right or privilege based on federal or state law, university policy or regulations, or commonly shared understandings within the academic community about the rights, privileges and responsibilities attending university employment. Examples would be if the decision-maker disregarded an established standard for evaluation, relied on impermissible considerations such as race or sex, or failed or refused to consult with or receive information from mandated advisory bodies.

c. If mediation fails to produce a voluntary resolution, the faculty grievance committee must decide whether a hearing should be held in response to the petition. The submission of a petition shall not result automatically in an investigation of or hearing on the petition. The committee shall determine whether the facts alleged merit a detailed investigation. The committee is to consider the content of the grievant's petition. Assuming the truth of the information contained in the petition, the committee is to determine whether the contentions advanced by the grievant justify a hearing. A petition properly is dismissed if the grievant fails to allege an injury that would entitle the faculty member to relief in accordance with the standard set out in paragraph IV. B., above. Dismissal is also required if the petition addresses a problem that is not within the committee's jurisdiction.

d. If the petitioner has presented an apparently substantial issue within the purview of the committee's responsibility, the committee will hold an evidentiary hearing. At the hearing, which is to be attended by the grievant and the respondent, the faculty member is to present evidence in support of the faculty member's contentions and the person charged with wrongdoing is to be given an opportunity to respond. The committee is to maintain a complete transcript of all evidence received. Only the evidence so compiled is to form the basis for committee conclusions about the case and any resulting advice to the responsible administrator and the chancellor. The burden is on the grievant to establish by a preponderance of the evidence that the faculty member has experienced an injury that would entitle the faculty member to relief in accordance with the standard set out in paragraph IV. B., above.

e. If, after hearing the matter, the faculty hearing committee determines that an adjustment in favor of the aggrieved faculty member is appropriate, the faculty grievance committee shall so advise the faculty member and the dean, department head, or other respondent administrator. If the relevant administrator does not make the recommended adjustment, or a different adjustment satisfactory to the faculty member, within a reasonable period of time, the faculty grievance committee shall advise the chancellor of its recommendation that an adjustment is appropriate.

f. If, after reviewing the petition or hearing the matter, the faculty grievance committee determines that no adjustment in favor of the grievant is appropriate, it shall so advise the faculty member and the chancellor.

g. The chancellor shall base his or her decision on the recommendation of the faculty committee and the record from the faculty grievance committee hearing. The chancellor may, in his or her discretion, consult with the faculty grievance committee before making a decision. The decision of the chancellor is the final administrative decision.

h. The chancellor shall notify the faculty member and the respondent administrator in writing of the chancellor's decision. The notification shall include a notice of appeal rights, if any, and, if the decision is appealable, it shall contain the information specified in paragraph V.C.ii, below.

i. The faculty grievance process is a process available to current members of the faculty of a constituent institution. A faculty member whose employment is terminated during the pendency of a grievance proceeding is not entitled to continue to pursue the grievance. If the employment of a faculty member is terminated after the grievance is filed, the chancellor may, however, in the chancellor’s discretion, determine that it is in the best interest of the institution to continue the grievance process.

V. Appeal to the Board of Trustees

a. Decisions which may be appealed.
   i. If the faculty grievance committee did not advise that an adjustment in favor of the grievant was appropriate, then the decision of the chancellor is final and may not be appealed.
   ii. If neither the relevant administrative official nor the chancellor makes an adjustment that is advised by the faculty grievance committee in favor of the aggrieved faculty member, then the faculty member may appeal to the board of trustees of the constituent institution. The appeal to the board of trustees shall include the information specified in paragraph V.C.ii, below.

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The board of trustees may delegate to a designated committee the authority to make procedural decisions and to make final decisions on behalf of the board concerning appeals of faculty grievances submitted pursuant to section 607 of The Code.

c. **Timeline for Appeals**

   i. A grievant who seeks to appeal the chancellor's disposition of his grievance must file written notice of appeal with the board of trustees, by submitting such notice to the chancellor, with adequate evidence of delivery, within 10 days after the grievant's receipt of the chancellor's decision. The notice shall contain a brief statement of the basis for the appeal. If the board agrees to consider the appeal, it will do so on a schedule established by the chancellor, subject to any instructions received from the board or from a committee of the board which has jurisdiction of the subject matter of the grievance. The board will issue its decision as expeditiously as is practical. If the grievant fails to comply with the schedule established for perfecting and processing the appeal, the board in its discretion may extend the time for compliance or it may dismiss the appeal.

   ii. If the chancellor's decision is appealable, the chancellor's notice of the disposition of a grievant's case must inform the grievant: (1) of the time limit within which the grievant may file a petition for review by the board of trustees, (2) that a written notice of appeal containing a brief statement of the basis for appeal is required within the ten day period and, (3) that, after notice of appeal is received in a timely manner, a detailed schedule for the submission of relevant documents will be established. All such notices of decision are to be conveyed to the grievant by a method which produces adequate evidence of delivery.

   iii. To insure full understanding by the faculty, the appropriate informational document regularly published by the institution (e.g., the faculty handbook), shall include a statement of the time limits established by the Board of Governors or Board of Trustees policy.

d. **Standard of Review:** Unless a board of trustees provides by policy for a broader scope of review, in order to prevail before the board of trustees, the faculty member must demonstrate that the chancellor's decision was clearly erroneous, that it violated applicable federal or state law or university policies or regulations, or that the process used in deciding the grievance was materially flawed.

VI. **Regulations and Guidelines**

The President may promulgate appropriate regulations or guidelines to implement this policy.

**Effective Date:** This policy shall apply to all faculty grievances submitted on or after January 1, 2004.

**Appendix for Policy 101.3.2**

**Process for Faculty Grievances**

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101.3.2: Adopted 03/21/03, Amended 06/18/03, Amended 03/19/04

**101.3.3 Delivery of Notices**

The Code of the University of North Carolina (The Code) specifies a particular mode of delivery for certain notices sent to affected parties in specified personnel actions. This policy will provide clarification and description of those notice requirements.

In Chapter VI of The Code, in some circumstances, the institution is required to send notice of a personnel action to the affected party by a "method of..."
delivery that requires a signature for delivery. "The following paragraphs describe a proper delivery that would meet the requirements of The Code.

A. The delivery method must have as a requirement that the deliverer obtain the signature of the affected employee upon delivery. Such modes include, but are not limited to: certified mail, registered mail, Federal Express, or another commercial delivery service that obtains a signature.

B. It is not necessary that the signature actually be obtained as long as the method noted above is used and a signature is requested or sought.

C. If the signature cannot be obtained, a notation of this fact, the reason therefore if known, and the date of the attempted delivery shall be made and retained in institutional records.

D. Personal or hand-delivered service is sufficient under paragraph A as long as the deliverer is an employee of the university and is not directly involved in the personnel action at issue, and the deliverer attempts to obtain a signature from the addressee. If these conditions are met, the delivery is proper and meets The Code requirements. If the deliverer cannot obtain a signature, a notation of this fact, the reason therefore if known, and the date of the attempted delivery shall be made to and retained in institutional records.

E. For deliveries outside the United States, if no mode of delivery requiring the signature is available, the institution shall make a reasonable effort to utilize a reliable alternative mode, and the date and result of this attempted delivery shall be noted and retained in institutional records. A delivery meeting the requirement of this paragraph will be proper delivery under The Code provisions.

F. Each constituent institution shall have a requirement that each employee provide an accurate and current mailing address to appropriate institutional offices.

101.3.3: Adopted 9/12/03, Technical Corrections 04/25/19
Chapter 200 Board of Governors Affairs

200.1 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 Board of Governors will not consider for membership on any board to which it makes appointments any person who was a member of the Board of Governors at any time during the two-year period immediately preceding the effective date of the appointment. 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 to 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. 163A-152(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. 163A-152(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 163A-152(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 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. 163A-187. These disclosure statements are public records.

      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. 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:
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 his capacity as a board member or employee of the University for the person’s financial gain.

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 the receipt of advertising items of nominal value, awards such as plaques or trophies, food served at professional meetings or banquets, or gifts from family members or personal friends when it is clear that the friendship extends beyond the business relationship.

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 the person has a potential conflict is a permissible or impermissible activity and to make recommended findings 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.iii., 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.iii., 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 of 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 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.i.i., 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.

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G.S. 163A-152(5) defines a "business" as, "Any of the following organized for profit:

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

G.S. 163A-152(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.

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.

G.S. 163A-152(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 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.

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

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200.2 Election Procedures
I. Officers. In accordance with Section 201 of The Code, a chair, a vice chair, and a secretary (Board offices) shall be elected. Nominations and elections for Board offices shall be conducted pursuant to the schedule set forth in this policy, in the following order: chair, vice chair, and secretary.

II. General Provisions for Board Office Elections
   A. Nominations and elections for regular full terms of Board offices shall take place during the Board’s last regular meeting before July 1 in each even-numbered year. Alternatively, the Board may schedule a special meeting for the purpose of conducting nominations and election of Board offices before July 1 of an even-numbered year. Nominations and elections for partial terms shall occur only in the event of a vacancy and will be conducted consistent with Section 201 of The Code.
   B. Only voting members of the Board may make nominations for Board offices, be nominated for Board offices, vote for Board offices, or be elected to Board offices.
   C. A voting member may hold only one Board office at a time.

III. Nominations
   A. Subject to the requirements of section II., of this policy, any voting member of the Board may be nominated for any office unless prohibited from serving by The Code. Self-nominations are permitted.
   B. Any voting member of the Board may orally nominate any voting Board member for any office. No “second” to the nomination will be permitted or required. The Board member making the nomination may offer remarks in support of the nomination that do not exceed five minutes. Nominations may be declined by the nominated voting member. Once a Board member is nominated for an office, no additional nominations for the Board member with respect to that office will be received or registered.
   C. Nominations shall be made in open session. Every voting member so nominated shall be a candidate for that office, unless the voting member has declined the nomination.
   D. Nominees for the offices of chair, vice chair, and secretary may offer remarks in support of their candidacies. Nominees for each office who choose to offer remarks shall be recognized in alphabetical order by last name and may speak for no more than 10 minutes.

IV. Election
   A. Written ballots for each office shall be distributed by the Office of the Secretary to each member of the Board who shall cast one vote from the list of candidates for that office. Voting shall be completed for each office separately and in succession, in the order of chair, vice chair, and secretary.
   B. After the first and each succeeding ballot, if no candidate receives the requisite majority and when votes are received for three or more candidates, the name of the candidate receiving the smallest number of votes shall be dropped from the list of nominated members and shall cease to be a candidate.
   C. All written ballots for each office shall be signed by the member casting the ballot. A committee consisting of no fewer than two chancellors appointed by the chair shall tally the ballots for each office and announce the results to the Board. The ballots shall be collected and retained by the assistant secretary of the Board of Governors for disposition under G.S. 143-318.13(b).
   D. If the chair is a candidate for re-election, the vice chair shall preside over the election portion of the meeting. If the chair and the vice chair are both candidates for re-election, the chair shall designate another individual to preside over the election portion of the meeting.

V. Procedures. Except as above modified, the procedure shall be under Section 202 C(4) of The Code and Robert’s Rules of Order.

VI. Other Matters
   A. Effective Date. The requirements of this policy shall be effective on July 1, 2018.
   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.

200.2: Adopted 07/27/84, Amended 06/14/13, Amended 05/24/18

200.3 Selection of the President of the University of North Carolina

I. Purpose
   The Board of Governors desires to establish a framework for the process of identifying and electing the president of the University of North Carolina. The procedures specified herein are intended to lead to the selection, from a diverse candidate pool, of the best qualified person to be president and result in that person’s full acceptance by the University community and the State.

II. Nominating Committee
   A. A nominating committee shall be established by the Board of Governors for the purpose of filling the various committee positions set forth in this policy. The committee shall consist of the officers of the Board of Governors, the immediate past chair, and five (5) members recommended by them and approved by the Board of Governors.
   B. The nominating committee shall nominate a slate of members of the Board of Governors for membership on the search committee, along with a chair and vice chair for the committee.
   C. The nominating committee shall nominate a slate of additional individuals to serve on the leadership statement committee and the screening committee, as set forth in this policy. All nominations shall take into consideration the diversity, talent, and experience represented on the Board of Governors and its various constituencies.
   D. The student member of the Board of Governors, who is the president of the Association of Student Governments, is eligible for and shall be considered for membership on the search committee, but in any event shall be a member of either the search committee, the leadership statement committee, or the screening committee.

III. Search Committee
   A. The Board of Governors shall approve, on recommendation of the nominating committee, a search committee consisting of nine (9) members, each of whom shall, at the time of their appointment, be members currently serving on the Board of Governors. The committee shall include the three (3) officers of the Board of Governors at the time of its establishment, who shall not serve as officers of the committee.
   B. The search committee shall serve as the coordinating committee for the entire selection process and its various committees. The search committee may establish guidelines, strategies, plans, and procedures to govern its work. The search committee shall use the leadership statement adopted by the Board of Governors as criteria.
   C. The search committee shall confer with the Committee on Personnel and Tenure and consult other appropriate sources of information in examining the salary, benefits, housing, memberships, and other perquisites that accompany the position of the president for referral to the Board of Governors.
   D. The search committee shall present one or more nominee(s) to the Board of Governors for election as the University’s next president.
   E. The chair of the search committee shall give regular status reports to the Board of Governors on the work of the selection process. Members of the board who are not members of the various committees of the selection process may be asked to undertake specific tasks in connection with the selection process.
   F. The search committee shall exist for ninety (90) days following the assumption of duties of the president of the University for the purpose of
assisting the president in assuming the roles and duties of the office.

IV. Leadership Statement Committee
A. The leadership statement committee shall consist of all members of the search committee and up to twenty (20) additional members approved by the Board of Governors on recommendation of the nominating committee, composed of four (4) chancellors; three (3) representatives of the faculty, including the chair of the Faculty Assembly at the time the committee is appointed, and two (2) other faculty members selected from a list of persons nominated by the Faculty Assembly; the chair of the Staff Assembly at the time the committee is appointed, and such other staff as may be selected from a list of persons nominated by the Staff Assembly; up to four (4) current members of the Board of Governors who are not serving on the search committee; and representatives of the student body, the boards of trustees, the alumni, and such other constituencies as may be appropriate. The search committee chair shall serve as the chair of the leadership statement committee, but may designate one or more other members of the Board of Governors to chair meetings of the committee and perform other essential leadership committee functions.
B. As soon as practicable, the leadership statement committee shall hold public meetings at times and places to be determined by the committee chair. These hearings will solicit comments from interested citizens on the future of the University and on the characteristics and qualifications needed in the next president. These meetings shall be open to the public. The committee, through its chair, shall extend special invitations to faculty members, student members, students, alumni, and other interested persons. After receiving public input and relevant information from a variety of sources, the committee shall develop a statement setting forth the leadership characteristics to be used in selecting the next president. This statement of criteria and characteristics shall be presented to the Board of Governors for its approval.

V. Screening Committee
A. The screening committee shall include all members of the search committee and five (5) to seven (7) additional members approved by the Board of Governors on recommendation of the nominating committee. All members of the screening committee shall be members currently serving on the Board of Governors at the time of their appointment. The search committee chair shall serve as the chair of the screening committee.
B. The committee shall review the initial pool of applicants for the position of president of the University. After the committee’s review in relationship to the leadership statement established by the Board of Governors, it will recommend a list of applicants to the search committee for further review.

VI. Confidentiality
A. The search committee and screening committee shall meet in closed session to the extent allowable under the provisions of the North Carolina Open Meetings Law (N.C.G.S. §§ 143-318.9 - 143-318.18). Whenever the committees are meeting in closed session, no person who is not a member of the committees or of its staff shall be permitted to attend without the express invitation of the chair of the search committee.
B. It is recognized that confidentiality is vital for the success of the selection process, and the members of the Board of Governors, the members of any ancillary committee, and the members of the staff, including any consultants, of the search committee shall be expected to sign appropriate confidentiality agreements and will be reminded of the absolute necessity for confidentiality.

VII. Spokesperson
The chair of the search committee shall be the sole spokesperson for all committees during the selection process. The search committee chair shall work with the Board of Governors chair to ensure that the Governor of the State, Speaker of the House, and President Pro Tem of the North Carolina Senate receive appropriate nonconfidential information about the progress of the search.

VIII. Search Plan
The search committee shall develop and submit to the Board of Governors for approval a written search operating plan and budget addressing the following items:
A. Staffing needs that will be met from General Administration;
B. Consultants and other professional support, including an administrative officer if applicable;
C. Expenses for consulting/professional fees, materials, meals, travel, office space, advertising, and other charges;
D. Estimated timetable for the selection process; and
E. Plans for advertising and publicizing the position in order to ensure a diverse pool of qualified candidates.

Any material change in the search operating plan shall be submitted to the Board of Governors for approval.

IX. Changes to the Selection Procedures
The Board of Governors may modify or adjust these procedures at any time by majority vote to address the circumstances of a particular selection process.

200.3: Adopted 06/14/96, Amended 02/27/15

200.4 Assessment Process for the Chief Executive and Governing Boards of The University of North Carolina

Background
In 1996 the Board of Governors adopted an assessment process for chief executives and governing boards of the University. This revision of the assessment policy retains the philosophy that the assessment process should include the Board of Governors and the President as well as the institutional Boards of Trustees and the chancellors. This comprehensive assessment provides an opportunity for the Board of Governors to assess its own work as well as the performance of the President and for the institutional Boards of Trustees to comment to the President about their respective chancellor’s performance as well as to review their own progress.

The objectives of these assessment processes are to build and sustain effective relationships within the University’s constituencies, to promote consensus building and develop group strength, and to develop strategic directions for achieving the mission of the University and the mission of each constituent institution. Regular and systematic assessments, if conducted properly, will enable the governing boards and the chief executives to fulfill more effectively their respective roles and responsibilities. This process affords the trustees an opportunity to provide information to the President regarding their respective chancellors. Also, this process provides a method for monitoring any potential problems that may require attention.

I. Board of Governors
The Board of Governors should perform a self-assessment every four years, at a time to be determined by the chairperson of the Board of Governors, after consultation with the President. The Board of Governors should review the most recent long range planning document for the University when they begin the assessment process and shall review the goals achieved, the goals unmet, and the goals that need modification. Assessment tools such
as those developed for the University of North Carolina in collaboration with the Association of Governing Boards (AGB) Self Study Criteria can be especialmente helpful in facilitating the goals of the assessment process.The Board of Governors should also review their previous self-assessment summaries. The Chairperson may appoint a committee and may retain an outside consultant to guide the Board in its self-assessment process.

II. Board of Trustees

The Board of Trustees of each constituent institution will conduct a self-assessment every four years at a time determined by the Chairperson of the Board of Trustees after consultation with the chancellor and the President. The Board of Trustees should review the most recent institutional long-range planning document and the most recent long-range plan for the University adopted by the Board of Governors. After reviewing the goals achieved, the goals unmet, and the goals that need modification, the Board of Trustees will conduct a self-assessment. A review of these plans should provide the framework for the assessment. Assessment tools such as those developed for the University of North Carolina in collaboration with the Association of Governing Boards (AGB) Self Study Criteria for a Single Campus can be especially helpful in facilitating the goals of the assessment process. The Board of Trustees should also review their previous self-assessment summaries and may find the use of a consultant especially helpful. The chancellor and board chairperson shall submit a summary report to the President and the Board of Governors at the conclusion of the assessment. This report will provide a basis for improving the biennial trustee orientation, the trustee conference held in the fall of odd-numbered years and other programs of continuing education for trustees.

III. The President

The objective of the performance reviews of the President is to promote good communication and build strong working relationships between the President, the Board of Governors and the constituent organizations of The University. It is desirable for the Board of Governors to give informal feedback to the President on an ongoing basis. The more formal assessment of the President is designed to provide focused feedback and the opportunity for professional reflection and development. The performance reviews will be performed in accordance with criteria described below:

1. Every year the President will provide the Board of Governors with a report assessing goals and accomplishments and the Board will review the performance of the President. An assessment committee, consisting of the officers of the Board and the chairs of the Board’s standing committees, will review the report with the President and may prepare a written response, which would be placed in the President’s personnel file along with the President’s report.
2. Every fourth year the annual review for that year will be replaced by a comprehensive assessment that will include the Board, campus chancellors and heads of other University constituent organizations, University officers and staff, faculty, students and other internal and external constituencies. An assessment committee of the Board of Governors in consultation with the President will retain an outside consultant to guide the process, to gather written feedback from the Board, to conduct confidential interviews and to assist the committee in the preparation of a report. The final report along with any response from the President and the President’s report on goals and accomplishments would be placed in the President’s personnel file.

IV. The Chancellors

The objective of the performance reviews of a chancellor is to promote good communication and build strong working relationships between the chancellor and the President, the Board of Trustees and the campus constituents. The assessment of chancellors is designed to provide each chancellor with feedback from each of these and to provide the chancellor with the opportunity for professional reflection and development. The performance reviews of the chancellors will be conducted in accordance with criteria and procedures determined by the President on the following schedule:

1. Every year the chancellor will provide the President with a report assessing goals and accomplishments, a copy of which may be provided to the Board of Trustees. The President will review the performance of the chancellor. The chancellor’s report and any written response from the President will be placed in the chancellor’s personnel file.
2. In the second spring after the appointment of the chancellor, and every four years thereafter, the Board of Trustees will review the performance of the chancellor. An assessment committee of the Board of Trustees will ask each trustee to fill out a questionnaire developed by the President’s office. The results will be shared with the President and reviewed in a meeting of the chancellor, the chair of the Board of Trustees and the President.
3. In the fourth spring after the chancellor’s appointment, and every four years thereafter, the President and the Board of Trustees will conduct a comprehensive review of the chancellor’s performance that will include major campus constituencies such as faculty, students, and staff. The chairperson of the Board of Trustees will appoint an assessment committee. The Chairperson of the Board of Governors may appoint a member of the Governance Committee or another member of the Board of Governors to participate in the assessment. The assessment committee in consultation with the chancellor and the President may retain an outside consultant to guide the process, to gather written feedback from the Board, to conduct confidential interviews and to assist the committee in the preparation of a report. The final report along with any response from the chancellor and the President will be placed in the chancellor’s personnel file.

For chancellors appointed prior to 2001 who have had a review by the Board of Trustees under the previous assessment policy, the reviews designated in paragraphs 2 and 3 above will be conducted in the spring of years in accordance with the existing biennial and quadrennial schedule.

200.4: Adopted 05/11/01


Drawing upon the report of William Weary[2] and the feedback from members of the 2000-2001 board assessment committee of the President, the following suggestions are made for future rounds of the quadrennial comprehensive Presidential performance review:

1. The next comprehensive performance review of the President would occur in 2004-2005.
2. In the spring of that year, and every four years thereafter, the chairperson of the board will appoint a presidential assessment committee consisting of 5 to 7 members with a plan for the committee’s work to be completed in 60 to 90 days.
3. In consultation with the President, the committee will retain an outside consultant to guide the process. The Secretary to the University will provide the committee with background materials relevant to the presidential assessment process.
4. Meetings of the committee will be held in closed session, open only to members of the Board of Governors, the consultant and, when requested by the committee, the President.
5. At the beginning of the process the committee and the President will jointly develop the criteria to be used in the assessment.
6. The President will write a self-assessment that addresses goals and accomplishments and will suggest goals for the coming years.
7. Each board member will fill out a questionnaire developed by the consultant and be interviewed by a committee member or the consultant.
8. The committee, in consultation with the President, will develop a list of people other than board members who will be interviewed. The list may include chancellors, senior officers, student and faculty leaders, Board of Trustees members, State, community and national leaders, and peers in other professions.

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200.4.1[G]: Adopted 05/11/01

200.4.2[G] Guidance for Fourth Year Comprehensive Performance Review of the Chancellor

1. The chair of the Board of Trustees appoints an assessment committee comprised of selected trustees or the full board.
2. The chair of the Board of Governors designates a representative of the Board of Governors to serve as a full participant in the chancellor performance assessment process.
3. The chair of the Board of Trustees serves as the chair of the assessment committee unless he or she chooses another trustee to serve as chair in his or her place.
4. The assessment committee with the advice and consent of the President and in communication with the chancellor selects an outside consultant to guide the process.
5. The chancellor provides a self-assessment of goals and accomplishments to the Board of Trustees and the President.
6. The assessment committee sends out survey/evaluation forms to a random sampling of current and former members (especially chairs) from the Board of Trustees, faculty, staff, community/alumni representatives, and students to be returned as specified to either the consultant or to the chair of the assessment committee.
7. The consultant schedules a number of interviews with members of the faculty, the administration, and the Board of Trustees to supplement the survey results.
8. The consultant prepares a comprehensive report and shares it with the chancellor and the chair of the Board of Trustees to review for factual accuracy.
9. The consultant shares the report, after review by the chancellor and the chair of the Board of Trustees, with the assessment committee for further adaptations or modifications.
10. The chair of the Board of Trustees then presents the report to the full Board of Trustees in closed session at the next meeting.
11. The chair of the Board of Trustees provides copies of the comprehensive report and the final analysis of the Survey Questionnaire to the President.
12. The chair of the Board of Trustees, the chancellor, the consultant, and the Board of Governors representative meet with the President to review the report and its findings.
13. The President and the Board of Governors representative present the assessment report to the full Board of Governors in closed session.

200.4.2[G]: Adopted 08/05/02, Amended 06/15/04

200.5 Initiating and Settling Potential and Pending Litigation

By virtue of N.C.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 of North Carolina, and on behalf of the constituent institutions, lies exclusively with the Board of Governors. A constituent 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.

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:

I. 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 N.C.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 N.C.G.S § 7A-243 upon the approval of the president.

II. 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. 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, 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 Governance Committee before authorizing the litigation if it is practical to do so. If emergency litigation is initiated without the authorization of the Governance Committee, the president, or the president's designee, shall inform the Governance Committee about the litigation at the Committee's next regular or special meeting.

III. If a settlement of potential or pending litigation involving a constituent institution or the University of North Carolina:
   A. Is solely 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 constituent institution or involves more than one constituent institution, the president is authorized to approve the settlement.
   B. Is solely 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.

[1] Adopted by the Board of Governors on May 11, 2001, as guidance and not policy.
[2] The full report provided by William Weary, consultant to the Board of Governors presidential assessment committee of 2000-2001, may be found in the board's files.
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.

IV. 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.

V. 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 [3].

VI. 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.

VII. 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.

This policy applies to the University of North Carolina Health Care System, to the UNC Physicians and Associates, and to the ECU Medical Faculty Practice plan except as otherwise provided in Policy §§ 1200.4 and 1200.5 and except as otherwise provided by State law, including G.S. § 116-219 et seq.

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

[1] Pursuant to N.C.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 UNC Policy 200.6, Delegation Authority to the President of the University, adopted 11/13/06.


200.5: Adopted 08/14/98, Replaced 05/14/04, Amended 09/08/05, Amended 09/09/16

200.6 Policy on Delegation of Authority to the President

I. Pursuant to N.C.G.S. § 116-11(13) and other North Carolina law as referenced herein, and notwithstanding The Code or any other Board of Governors policy, 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 (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).

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 (§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, for the chief executive officer of the UNC Health Care System, and for the UNC-TV executive director and general manager (§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 (§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 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 percent (25%) and twenty-five thousand dollars ($25,000) of the compensation in effect at the end of the last fiscal year.

2. Authority to approve all actions relating to the administration of the Optional Retirement Program (N.C.G.S. §135-5.1) and the Phased Retirement Program (§300.7.2).

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 $40,000,000 (§200.5).

2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina, 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 claims is less than $250,000 (§200.5).

3. Authority to approve the political activities of employees of the University who are candidates for or serving in public office (§300.5.1).
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\[^{[3]}\] (Sections 600.1.3 and 600.1.3[R] of the UNC Policy Manual).

2. Authority to approve capital improvement projects funded entirely with non-General Fund money\[^{[4]}\] that are projected to cost less than $750,000 (Section 600.1.1 of the UNC Policy Manual).

E. Institutional Trust Funds

Authority to delegate to the chancellors management of institutional trust funds (Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual).

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

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\[^{[1]}\] The Secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

\[^{[2]}\] 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."

\[^{[3]}\] The Board of Governors may delegate additional authority to the president or boards of trustees for real property transactions consistent with Section 600.1.3 of the UNC Policy Manual.

\[^{[4]}\] This delegation shall be interpreted consistent with G.S. 143C-8-12.

\[^{[5]}\] 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.

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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

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200.7 Duties, Responsibilities, and Expectations of Board Members

I. Applicability and Purpose. This policy sets forth the duties, responsibilities, expectations, and standards of conduct for members of the Board of Governors of the University of North Carolina, the boards of trustees of the constituent institutions, and the boards of University-affiliated organizations where membership includes individuals appointed by the Board of Governors.

II. Definitions. For purposes of this policy:

   A. "Board" means the Board of Governors, a board of trustees of a constituent institution of the University of North Carolina, or a board of a University-affiliated organization with members appointed by the Board of Governors.

   B. "Board member" means any member of the Board of Governors, a board of trustees of a constituent institution of the University of North Carolina, or the board of a University-affiliated organization.

   C. "Institution" means the University of North Carolina or a constituent institution of the University of North Carolina.

   D. "University-affiliated organization" means an institution or organization that the Board of Governors is authorized to establish or to which it is authorized to appoint board members pursuant to statute, but does not include Associated Entities covered by Section 600.2.5.2[R] of the UNC Policy Manual or Centers or Institutes covered by Section 400.5[R] of the UNC Policy Manual.

III. Duties and Responsibilities. Board members are responsible for performing essential functions that are central to the governance of the University, as described in Chapter 116 of the North Carolina General Statutes, The Code of the University of North Carolina, the Policy Manual of the University, and the policies and by-laws of the constituent institutions. Board members shall adhere to the standards of conduct and fulfill duties and expectations set forth in this policy.

   A. Attendance. Board members shall attend board meetings. If a member of the Board of Governors is, for any reason other than ill health or service in the interest of the State or nation, absent for four (4) successive regular meetings of the Board, his or her place as a board member shall be deemed vacant\[^{[1]}\] if a member of a board of trustees of a constituent institution is, for any reason other than ill health or service in the interest of the State or nation, absent for three (3) successive regular meetings of a board of trustees, his or her place as a board member shall be deemed vacant\[^{[2]}\].

   B. Participation in Policy and Oversight Functions. Board members are expected to prepare for meetings; actively contribute to the work of the board; and act in accordance with the governance, oversight, and advisory functions allocated to the board by:

      1. Reviewing and inquiring about materials that involve the institution or University-affiliated organization, such as board minutes and annual reports;
      2. Understanding and participating appropriately in the oversight function allocated to the board with respect to the finances and effectiveness of the institution or University-affiliated organization;
      3. Seeking information from and consulting appropriately with the chief executive officer of the institution or University-affiliated organization to gain additional context, make well-informed policy decisions, and carry out responsibilities for board-level oversight and monitoring of the affairs of the institution or University-affiliated organization;
      4. Participating as requested in the preparation and revision of long-range plans for the institution or University-affiliated organization;
      5. Serving on and contributing to the work of assigned committees;
      6. Listening to and considering differing opinions, and otherwise making reasonable efforts to conduct oneself in accordance with the practices and customs of formality and decorum articulated in Robert's Rules of Order\[^{[3]}\].
The Board of Governors adopts the following policy regarding the chancellor search and election process.

200.8 Policy on Chancellor Searches and Elections

I. Purpose. The search for and election of a new chancellor of a constituent institution of the University of North Carolina requires the participation, involvement, and collaboration of the board of trustees of the constituent institution, the chancellor search committee, the president, and the Board of Governors, each of which performs distinct roles and functions. Within the University, chancellors report to the president. The president therefore has...
the primary responsibility for ensuring there is a thorough and reliable process for chancellor searches, culminating in the election of the chancellor by the Board of Governors.

Consistent with the statutory responsibilities of the board of trustees, president, and Board of Governors, this policy establishes requirements for the chancellor search and election process, and describes the resources that shall be provided through the UNC System Office and the constituent institutions during each search.

II. Search Process

A. President. As further described in this policy, the president shall have the overall responsibility for overseeing System Office staff with responsibility for managing and supporting chancellor searches, helping determine search committee membership, charging the search committee, developing chancellor leadership competencies, interviewing chancellor finalists, participating in the reference checking process, negotiating the terms of employment for a chancellor-elect consistent with state law and Board policy, and offering a chancellor-elect for final consideration by the Board of Governors.

B. Board of Trustees. As further described in this policy, members of the boards of trustees shall serve as members of the search committee, shall consider candidates proposed by the search committee as potential finalists, and shall refer a final slate of candidates to the president for additional vetting and consideration.

C. Board of Governors. As further described in this policy, selected members of the Board of Governors shall provide input and advice to the president on a slate of finalists and the governors both in committee and then as the full body shall consider and vote on a proposed chancellor-elect.

D. Search Committee

1. The search committee shall be composed of representatives of the board of trustees, the faculty, the student body, the staff, the alumni, the local community, and other campus constituencies as may be deemed appropriate, which can ordinarily be achieved with a committee of no more than 20 members.

2. No member of the Board of the Governors may serve as a member of the search committee.

3. The chair of the board of trustees in consultation with the president shall identify a chair of the search committee; the chair of the board of trustees may also serve as chair of the search committee with the agreement of the president.

4. As further described in this policy, the search committee shall work on behalf of the board of trustees and the president to receive the input of institutional stakeholders and community members, to develop a leadership statement that describes the desired qualities for the new chancellor, to conduct interviews and consider the qualifications of candidates, and to propose a slate of finalists for consideration of the board of trustees, who recommends the slate to the president.

E. Budget and Staff. Upon the establishment of the search committee, the chair of the board of trustees, in consultation with the president, shall establish a budget and identify staff for the committee. With the exception of assigned System Office professional staff and their direct expenses, the costs for a chancellor search are the responsibility of the constituent institution. This shall include the fees and expenses of any engaged outside professional search and/or background investigation firms.

F. UNC System Office. The UNC System Office shall provide the necessary resources and support to effectively carry out a chancellor search, including but not limited to qualified human resources staff with expertise in executive search, logistical and administrative support to the chair of the search committee, and training materials which shall serve to orient trustees and search committee members with respect to their roles and responsibilities in the search process. The System Office may also obtain the support of the constituent institution in providing local logistical support to the operations of the search committee.

G. Search Status. Members of the Board of Governors may elect to receive public notices of search committee meetings and chancellor search open forums. The chair of the board of trustees shall ensure that the president receives periodic updates concerning the status of the search and the projected schedule for concluding interviews and delivering recommendations of two (2) candidates to the president.

H. Engagement of Key Stakeholders

1. The chair of the search committee shall assure that the search process engages a broad cross-section of institutional stakeholders to obtain well-rounded input on candidates. At the discretion of the search committee chair, such engagement could involve students, faculty, staff, alumni, and community members.

2. The search committee chair is encouraged to engage selected members of the Board of Governors who may live within proximity to the institution or otherwise have a particular interest in or knowledge of the institution and its mission to attend constituent forums, candidate receptions, or other events at which candidates are present.

3. All individuals provided the opportunity to meet with chancellor candidates on campus will be expected to sign confidentiality agreements equivalent to that signed by members of the search committee.

I. Confidential Searches and Confidentiality

1. Consistent with state law protecting the identity of applicants, searches for chancellors of the University of North Carolina shall be conducted as “confidential searches,” which shall mean the identity of candidates, semi-finalists, or finalists shall not be disclosed to the general public. Conducting confidential searches is intended to maximize the quality of the candidate pool by not discouraging the interest of individuals who would not otherwise apply in the event of a publicly disclosed candidate pool.

2. Any individual involved in the search process, including but not limited to members of the Board of Governors, the search committee, the board of trustees, and staff, shall keep confidential all search-related records and information that are required by law to be kept confidential. Confidential information includes, but is not limited to, personnel records and information of candidates, attorney-client communications, and closed session deliberations and information.

III. Search Philosophy and Candidates for Chancellor

A. Each chancellor search committee and the boards of trustees for constituent institutions shall make every effort to recruit and consider a pool of exceptionally well-qualified individuals for chancellor vacancies and to consider candidates with both traditional academic experience as well as candidates with alternative backgrounds in business, industry, government, the military, and the not-for-profit sector.

B. The president shall undertake reasonable efforts to develop an internal pipeline of talent within the University of North Carolina that shall serve to benefit future applicant pools for the position of chancellor.

C. The president shall assure that opportunities for chancellor vacancies shall be promoted in a manner that encourages interest from well qualified candidates who are current residents of the State of North Carolina.

D. In keeping with Board policy in order to avoid actual or potential conflicts of interests, no presently serving member of the Board of Governors or a board of trustees shall be eligible to be appointed as an acting or interim chancellor or to be considered for the position of chancellor unless they first resign their position on said body.

IV. Board of Trustee Recommendations to the President. The board of trustees, following receipt of the report of the search committee shall, subject to the direction of the president, recommend an unranked slate of no fewer than two (2) candidates for consideration by the president in designating a nominee for the chancellorship.

V. Consideration by the President. Once the slate of candidates is received from the board of trustees, the president may choose to interview one (1) or more of the candidates and may include members of his or her senior staff in the interviews, as deemed appropriate. The president may also consider asking the appointed officers of the Board of Governors and the chair and vice chair of the Committee on Personnel and Tenure to participate in these.
Other Matters

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

B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, any state law which may govern or relate to chancellor searches.

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

200.8: Adopted 04/10/15, Amended 10/10/18, Amended 09/20/19

200.9 Policy on Requests for Information or Data from the General Assembly

I. Applicability and Purpose. The Board of Governors, its committees, or its individual members may receive requests for information or data related to University of North Carolina System and Board of Governors matters from the North Carolina General Assembly, its committees, or its individual members, as authorized by N.C. Gen. Stat. § 120-19. General Assembly requests for information or data may be formal or informal, written or oral. The Board of Governors expects to respond to any such request as soon as reasonably practicable under the circumstances, consistent with the requirements of applicable law. To assure accuracy of information and compliance with applicable law, this policy sets expectations for the manner in which Board members and the UNC System Office staff will process and respond to such requests from the North Carolina General Assembly on behalf of the Board and the president.

II. Receipt and Confirmation of Request. Any Board of Governors member or UNC System Office staff member who receives a request for information or data from a member of the General Assembly or legislative staff, whether formal or informal in nature, shall promptly deliver or otherwise communicate the request to the chair of the Board and the president, or his or her designee(s), for written confirmation of the request and handling.

III. Authority to Respond to Requests for Information or Data. The chair of the Board of Governors or his or her designee will respond on behalf of the Board to any request for information or data related to Board of Governors or University matters directed to the Board or any of its individual members from a member of the General Assembly or legislative staff. The president or his or her designee will respond on behalf of the University to any request for information or data directed to the University or North Carolina.

IV. Other Matters

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

B. Relation to State and Federal Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, any state law which may govern or relate to chancellor searches.

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.

200.9: Adopted 01/26/16, Technical Corrections 10/21/19
Chapter 300 Personnel Policies

300.1 Senior Academic and Administrative Officers

300.1.1 Policy on Senior Academic and Administrative Officers

The duties and responsibilities of the president and the chancellors, and of their respective senior staff members, and their relationships to one another, to the Board of Governors, to the Boards of Trustees, and to all other officers and agencies within and without the University are set forth in Chapter V of The Code of The University of North Carolina (The Code). To complement the provisions of Chapter V and further to clarify these duties, responsibilities, and relationships, the following regulations are adopted by the Board of Governors:

I. Definition of “Senior Academic and Administrative Officers” (SAAO)

A. Senior officers of the University of North Carolina who are subject to the provisions of Section II of this policy are designated as 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(a)]; the vice chancellors, provosts, and deans 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(i)].

B. Other senior officers of the University of North Carolina 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(i)].

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

A. Appointments and Discontinuation of Appointments

1. Tier I SAAOs are employed in their administrative positions pursuant to this policy. Except with regard to the appointment of the president and the chancellors, no contract or other writing (except for The Code) may vary these terms, nor may any oral agreement modify these provisions. The appointments of these Tier I SAAOs are subject to the approval of the Board of Governors or a board of trustees delegated such authority by the Board of Governors.

Such officers do not have tenure in their administrative positions. Except for the president and the chancellors, they serve at the discretion of their employer and are not appointed to serve for specified periods of time. The continuance of these administrators in office therefore is at all times subject to determination by the appropriate authority, as follows:

a. The president’s continuance in office is determined by the Board of Governors.

b. The continuance in office of members of the president’s 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 appropriate chair of the board of trustees prior to terminating the appointment of a chancellor. The president may place a chancellor on temporary leave, with or without pay, if the president has reason to believe that illness, injury, misconduct, neglect of duty, or other circumstances may interfere with the chancellor’s performance of the duties of the position. Before placing a chancellor on temporary leave, the president shall consult with the chair of the Board of Governors, the chair of the Committee on Personnel and Tenure, and the appropriate chair of the board of trustees.

d. The continuance in office of vice chancellors, provosts, deans, and directors of major educational, research and public services activities of the constituent institutions shall be determined by the chancellor of the institution.

e. Notwithstanding the provisions of (b) and (d) above, the Board of Governors, in accordance with the provisions of Section 501 B(6) of The Code, reserves the right to initiate action to terminate appointment of those officers when it deems such action to be necessary in the best interests of the University.

2. Tier I 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; thus, the chancellor may not purport to confer on any such officer a period of employment of fixed duration or otherwise confer any property interest in such employment. However, such an officer may be appointed to a period of employment not to exceed a specified number of years, so long as the instrument accomplishing such an appointment states clearly that the incumbent officer is subject to removal at any time, during that period, at the option of the chancellor.

3. Tenure status as a member of the faculty of a constituent institution, held concurrently by any Tier I SAAO of the University is separate and distinct from the administrative office, 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.

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.

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 severance pay and retreat rights; and any other terms it agrees upon.

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. 116-114(a). 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.

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 severance pay and retreat rights; and any other terms it agrees upon.

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.
B. Compensation

The compensation of Tier I SAAOs shall be set by the Board of Governors or a board of trustees delegated such authority by the Board of Governors.

No president, chancellor, or other Tier I SAAO 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 officers of the University, that is controlled by the University, or that is tax exempt based on being a support organization for the University, without the express approval of the Board of Governors. 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 a support organization for the University from providing some of the funds to support the Board of Governors’ approved compensation of the president, chancellor, or other Tier I SAAO.

C. Equal Employment Opportunity

It is the policy and intention of the University of North Carolina 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. Employment in a Tier I 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

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 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 of the UNC Policy Manual, as they may be revised from time to time, shall apply to Tier I SAAO positions covered by this policy.

E. Holiday and Leave Entitlement

1. Holidays

A Tier I SAAO shall be subject to the same State-prescribed holidays given employees subject to the North Carolina Human Resources Act.

2. Annual Leave

   a. Basic Leave Policy

      A permanent full-time (1.00 FTE) Tier I SAAO shall be entitled to accrue 26 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.

      The 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 leave from a UNC constituent institution or State or local governmental agency whose leave is currently transferable in accordance with the policy prescribed for employees subject to the North Carolina Human Resources Act. Upon discontinuation of employment from the employing institution, the employee may either elect a payout of accrued annual leave (see d., below) or transfer the remaining balance of any unused annual leave to another State or local governmental agency, subject to the receiving agency’s approval.

   c. 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 year or during a twelve-month period. 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.

   d. Payout of Accrued Annual Leave

      A Tier I SAAO who has accrued unused annual leave upon termination of employment from the employing institution and who does not elect to transfer such accrued leave to another State or local governmental agency, shall be paid for such unused annual leave subject to a maximum of 30 such days. Each institution shall establish guidelines for payout of leave if a change in employment status occurs and such employee is no longer covered by this policy.

3. Sick leave, family and medical Leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus

   A Tier I SAAO shall be entitled to such sick leave, family and medical leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus as may be prescribed for employees subject to the North Carolina Human Resources Act.

   However, with respect to sick leave, subject to institutional policy and approval by the employee’s supervisor, a Tier I SAAO may be advanced the amount of sick leave that can be accrued during the remainder of the year or during a twelve-month period. If the 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 salary check accordingly.
4. Miscellaneous Leaves of Absence

A Tier II SAAO who desires a leave of absence for an interval of 90 days or less must obtain the approval of the president, who shall report all such arrangements to the Board of Governors. A leave of absence for a period exceeding 90 days shall require the approval of the Board of Governors.

5. Voluntary Shared Leave

A Tier II SAAO 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.

F. Educational Entitlement

A Tier I SAAO is 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.

G. Statutory and Other Rules of Employment

1. Privacy of Personnel Records

A Tier I SAAO enjoys the protections of and is subject to the provisions of Article 7 of G.S. 126, entitled, "The Privacy of State Employee Personnel Records."

2. Employment Preference for Veterans

A Tier I SAAO enjoys the protections of and is subject to the provisions of G.S. 128-15, which provide for preference in employment for veterans of United States military service and their spouses and widows or widowers.

3. Employment of Related Persons

A Tier I SAAO is subject to the Board of Governors' policy concerning employment of related persons, Section 300.4.2 of the UNC Policy Manual, as it may be revised from time to time, and any associated guidelines.

H. Retirement

A Tier I SAAO may retire in accordance with the provisions of G.S. 135.

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

A. Appointments

1. Tier II SAAOs are employed in their administrative positions pursuant to this policy. The authority to make appointments and determine salaries for positions within Section I.B(1) is exercised by the Board of Governors, on recommendation of the president, or a board of trustees delegated such authority by the Board of Governors; for positions within Section I.B(2), such authority is delegated by the Board of Governors to the chancellor, and the respective Boards of Trustees of the constituent institutions.

2. Every Tier II SAAO appointment within a constituent institution covered by this policy shall be made by the chancellor, or the chancellor’s delegate, by means of a letter of appointment that fulfills the requirements of this Section III.

3. Every letter of appointment to a Tier II SAAO position shall include:
   a. The title of the position;
   b. The initial salary;
   c. A provision for the periodic review of compensation;[11]
   d. A provision consistent with Sections III.A.4., and III.B.5., below, if contingencies based on availability of funding are applicable;
   e. The annual leave entitlement of the employee;
   f. Notice that the employment conferred is an "employment at will" subject to continuation or discontinuation at the discretion of the president or of the chancellor, with the exception of contracts or letters of appointment of directors of athletics, which may be for a term of years and are governed by Policy 1100.3; and
   g. Notice that the employment is subject to this policy as originally adopted and as it may be periodically revised from time to time, and a copy of the policies shall be attached to the letter of appointment.

4. When a Tier II SAAO 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 of such funds, and shall state that the effect of such contingency may apply without the additional notice otherwise required by Sections III.B.1., III.B.2., and III.B.3.; provided, that the affected employee shall be informed at the earliest practicable date of the occurrence of such a funding contingency.

5. When a Tier II SAAO 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 prescriptions may appear to obtain with respect to a particular condition of employment or a right or responsibility of the employee, one position shall be designated the base position to determine the conditions of employment and the rights and responsibilities of the employee. If appointment to a position covered by this policy occurs subsequent to appointment to a position not covered by this policy, the letter of appointment to the position covered by this policy shall embody the required designation of base employment; 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 embody the required designation of base employment. In either case, the designation of base employment shall specifically describe the different rights, duties, and compensation for each position and the relationship, if any, between the two positions.

Any funding contingency of the type referred to in Section III.A.4., 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.

When an appointment to a Tier II SAAO position is to be accompanied by appointment to a faculty position that is intended to be nominal or honorary, or to create a faculty affiliation not entailing significant duties or compensation, the term “adjunct,” or similar nomenclature, shall be used to identify the faculty appointment.

B. Discontinuation of Employment
1. Discontinuation of Appointment, with Notice or Severance Pay

Employment within a Tier II SAAO position that is established by the letter of appointment to be an employment at will is subject to discontinuation at any time at the discretion, respectively, of the president or of the chancellor; provided, that such a discontinuation (as distinguished from discharge for cause, Section III.B.4.) shall be subject to advance timely notice of discontinuation or the payment of severance pay, in calendar days, as follows:

a. During the first year of service, not less than 30 days' notice prior to discontinuation of employment or the payment of severance pay for 30 days;

b. During the second and third years of service, not less than 60 days' notice prior to discontinuation of employment or the payment of severance pay for 60 days; and

c. During the fourth and all subsequent years of continuous service, not less than 90 days' notice prior to discontinuation of employment or the payment of severance pay for 90 calendar days.

The chancellor or the president may provide the employee with a combination of notice and severance pay that totals the respective required number of days. The determination of whether the employee shall receive notice of discontinuance of the appointment or severance pay or a combination of the two shall be in the sole discretion of the respective chancellor or the president.

2. Expiration of Term Appointment

Employment within a Tier II SAAO position that is established by the letter of appointment dated prior to December 1, 2004, to be for a stated definite term expires automatically at the conclusion of the stated term; such an appointment may be extended at the option of the employing institution on an employment at will basis, by written notice satisfying the requirements of Section III.A.

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 in 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 letter of appointment 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.

If the financial exigency or curtailment or elimination of a program is such that the contractual obligation to an employee within a position covered by this policy cannot be met, the employment of the individual may be terminated, subject to the following notice requirements:

a. During the first year of service, not less than 30 days' notice prior to termination;

b. During the second and third years of employment, not less than 60 days' notice prior to termination; and

c. During the fourth and all subsequent years of service, not less than 90 days' notice prior to termination.

4. Discharge for Cause

Any Tier II SAAO may be discharged for stated cause.

Discharge for cause is to be distinguished from discontinuation with notice (Section III.B.1.), automatic expiration of term (Section III.B.2.), and termination because of financial exigency or program curtailment or elimination (Section III.B.3.). 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 his or her employment. Discharge for cause is to be preceded by written notice of intent to discharge and is subject to invocation by the affected employee of the review procedures of Section III.C., of this policy. When an employee occupying a position covered by this policy has been notified of the intention to discharge for cause, the president or chancellor, as applicable, may suspend the employment at any time and continue the suspension until the president's or chancellor's decision concerning discharge has been reached; such suspension during this time period shall be with full pay. If the final university decision is to discharge the employee, then the employee may be discharged without further pay without regard to whether there is an appeal to a board of trustees or the Board of Governors in accordance with Section 611 of The Code. No provision of this policy shall be interpreted to extend an employee’s right to pay beyond the expiration of the employee’s term of appointment while an appeal is pending under this policy.

C. Reviews

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 concerning discharge for cause or other disciplinary action, or review concerning the interpretation and application of any provision of this policy; provided, however, that reviews concerning discontinuations, expiration of term appointments, or terminations of employment with notice, pursuant to Sections III.B.1., III.B.2., and III.B.3., may be brought only upon allegations of violations of applicable notice requirements or violations of any provision of Section III.D. or III.E., of this policy.

2. Decisions reached pursuant to such review procedures concerning the discontinuation, expiration of term appointment, termination, or discharge for cause may be appealed in accordance with the provisions of Section 611 of The Code.

D. Equal Employment Opportunity

It is the policy and intention of the University of North Carolina 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. Employment in a Tier II 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.

E. Protected Activity

Employment in Tier II 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 II SAAO 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 Tier II SAAO positions covered by those policies.

F. Holiday and Leave Entitlement

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

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.

The maximum number of unused days of annual leave that can 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 leave from a UNC constituent institution or State or local governmental agency whose leave is currently transferable in accordance with the policy prescribed for employees subject to the North Carolina Human Resources Act. Upon discontinuation of employment from the employing institution, the employee may either elect a payout of accrued annual leave (see (d), below) or transfer the remaining balance of any unused annual leave to another State or local governmental agency, subject to the receiving agency's approval.

c. 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 year or during a twelve-month period. 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.

d. Payout of Accrued Annual Leave

A Tier II SAAO who has accrued unused annual leave upon discontinuation of employment from the employing institution and who either does not elect or is not eligible to transfer such accrued leave to another State or local governmental agency, shall be paid for such unused annual leave. The amount paid to an employee who has been employed an aggregate of 24 months or less by one or more State or local governmental agencies is equal to one day for each month worked less the number of days of annual leave taken during the employment period. An employee who has been employed for more than 24 months shall be paid subject to a maximum of 30 such days. Each institution shall establish guidelines for payout of leave if a change in employment status occurs and such employee is no longer covered by this policy.

3. Sick Leave, Family and Medical Leave, Family Illness Leave, Civil Leave, Military Leave, Community Service Leave and Special Annual Leave Bonus

Tier II SAAOs shall be entitled to such sick leave, family and medical leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus as may be prescribed for employees subject to the North Carolina Human Resources Act.

However 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 twelve-month period. If the 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 salary check accordingly.

4. Leave of Absence without Pay

Tier II SAAOs may request a leave of absence without pay, subject to approval of such leave by the president or by the chancellor, as applicable.

5. Voluntary Shared Leave

Tier II SAAOs 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.
G. Educational Entitlement

Tier II SAAOs 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. Statutory and Other Rules of Employment

1. Privacy of Personnel Records

Tier II SAAOs enjoy the protections of and are subject to the provisions of Article 7 of G.S. 126, entitled, "The Privacy of State Employee Personnel Records."

2. Employment Preference for Veterans

Tier II SAAOs enjoy the protections of and are subject to the provisions of G.S. 128-15, which provide for preference in employment for veterans of United States military service and their spouses and widows or widowers.

3. Employment of Related Persons

Tier II SAAOs are subject to the Board of Governors’ policy concerning employment of related persons, Section 300.4.2 of the UNC Policy Manual, as it may be revised from time to time, and any associated guidelines.

I. Retirement

Tier II SAAOs may retire in accordance with the provisions of G.S. 135.

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

2. Other officers include (a) members of the chancellor’s professional staff; (b) those responsible for the administrative direction of separately designated divisions or departments of institutional activity commonly associated with institutions of higher education; (c) those positions whose primary responsibility is to attract external funds for and/or market the University; and, (d) other officers holding positions characterized by active, continuing involvement in formulating, interpreting, and implementing institutional policy and exercising substantial independence of administrative authority and discretion in areas such as program planning and design and allocation of resources.

3. 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.

4. See Footnote 3, above.

5. 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.

6. For the purposes of determining leave under this policy, “year” shall be defined by the employing institution as either a “fiscal year” (July 1 – June 30) or a “calendar year” (January 1 – December 31). Institutions currently defining a “year” as a “contract year” may continue to do so.

7. Subject to any compensation policies adopted by the Board of Governors or the board of trustees.

8. 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.


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

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300.1.1.1[R] Regulations Concerning Senior Academic and Administrative Officers[1]

I. Background

On November 13, 1998, the Board of Governors took three actions that affect the employment of senior academic and administrative officers (SAAO) of the University:

A. The board enlarged the complement of senior academic and administrative officers at each campus by approving, with the President’s endorsement, the addition of positions recommended by the SAAO Review Committee from among those nominated by the campuses under the revised definition previously adopted by the Board of Governors in January 1998.

B. The board approved a revised SAAO personnel policy that recognizes two separate categories of administrative employment: one category consists of positions that require Board of Governors approval for appointment and establishment of compensation; the other consists of positions for which decisions concerning appointment and compensation are delegated to the constituent institutions. The terms and conditions of employment for the two categories are different.

C. The board prescribed that “administrators” shall be deemed eligible for enrollment in the Optional Retirement Program only if the position they occupy is within the SAAO category of employment (and subject to the “faculty status” prerequisite described in Section C hereinafter).

The purpose of these regulations is to identify and prescribe a schedule for accomplishing all actions now required to implement these enactments of the Board of Governors.

II. Actions Required
A. Accommodating approved additions to the SAAO category; elections as to SPA or EPA status.

Persons who currently occupy the positions that have been converted from SPA to the exempt SAAO category may elect to retain their SPA status rather than be reassigned to EPA status (although new appointees to such positions in the future uniformly will have EPA status). Each such incumbent must be provided an opportunity for a personal interview with an appropriate University official who will assist in determining how the change from SPA to EPA status would affect individual career plans. Directors of human resources and EPA personnel officers will receive detailed information concerning these interviews in their next meeting at General Administration, which is scheduled for early December. In order to assure ample time for individual interviews and individual employee elections as to status, no affected employee will move from SPA to exempt SAAO status before February 1, 1999.

Until further notice, no change is to be made in currently authorized levels of compensation for any of the positions subject to transition from SPA to exempt SAAO status by virtue of the November 13, 1998, action of the Board of Governors, either for incumbents or for new hires into such positions.

B. Arraying SAAO positions within the revised SAAO personnel policies.

As noted above, the revised SAAO personnel policy recognizes two categories of administrative employment, for which different terms and conditions of employment obtain. One category (defined in Section I.A. of the revised policy) is subject to direct appointment and compensation oversight by the Board of Governors; the other (defined in Section I.B. of the revised policy) is subject to delegated campus oversight. All SAAO positions—both those that were established on November 13, 1998, and those that were established previously by action of the Board of Governors (e.g., vice chancellors, associate and assistant vice chancellors, deans, and associate and assistant deans)—now must be assigned to the appropriate category under the revised SAAO personnel policy and made subject to the correspondingly different terms and conditions of employment.

Attachment 5 lists all SAAO positions, designated prior to November 13, 1998, that in the past have been subject to direct Board of Governors oversight (e.g., vice chancellors and deans). The operative presumption is that such positions remain subject to Board of Governors oversight, within the purview of Section I.A. of the revised SAAO personnel policy. However, with respect to any position that is marked by an asterisk, the position should be reviewed to determine whether it actually still qualifies for and should remain subject to board oversight (Section I.A. of the revised policy) or, under the revised board policy, should be removed and made subject to campus-administered oversight (Section I.B. of the revised policy). If, following such review, one or more of the positions should be removed to campus-administered oversight, a copy of the list should be returned to the Division of Academic Affairs at General Administration, with proposed changes marked and accompanying explanation of reasons for such changes, by no later than January 15, 1999. The President also retains the option of recommending to the Board of Governors that a position be removed from Board of Governors oversight to campus oversight.

All other SAAO positions established by the Board of Governors (i.e., other than those identified in Attachment 5) also must now be assigned to the appropriate category under the revised SAAO personnel policy: (1) those recognized before November 13, 1998, and traditionally subject to delegated campus oversight (e.g., associate and assistant vice chancellors, associate and assistant deans); (2) the former SPA positions newly designated as SAAO by the Board of Governors on November 13, 1998. The operative presumption is that all such positions are subject to campus oversight under Section I.B. of the revised SAAO personnel policy, with applicable terms and conditions of employment prescribed by Section III of the revised policy. Please review that aggregate list of SAAO positions, as augmented by the recently approved additions, to determine whether any such position should be considered for reassignment to direct Board of Governors oversight under Section I.A. of the revised SAAO personnel policy. Any such proposed reassignment should be presented to the Division of Academic Affairs at General Administration by no later than January 15, 1999. Again, the President retains the option of recommending to the Board of Governors that a position be removed from Board of Governors oversight to campus oversight.

C. Limiting enrollment in the Optional Retirement Program (ORP).

By Administrative Memorandum Number 387, a moratorium was placed on enrollment in the Optional Retirement Program of otherwise eligible senior administrative officers of the University who do not hold faculty rank of instructor or above, due to unresolved questions about the proper interpretation of the enabling statute, N.C.G.S. § 135-5.1. Following additional discussion with interested State officials and the receipt of an opinion from the Attorney General, enrollment in the ORP, without reference to concurrent faculty status, may be offered to:

1. those persons who heretofore [prior to November 13, 1998] were appointed to a permanent full-time or permanent three-quarter-time employment position within the University now designated [on or before November 13, 1998] as a senior academic or administrative office and who hereafter properly elect to participate in the Optional Retirement Program; and
2. those persons who hereafter are appointed to a permanent full-time or permanent three-quarter-time employment position within the University now designated or hereafter designated as a senior academic or administrative office and who hereafter properly elect to participate in the Optional Retirement Program.

It is to be clearly understood that authority within the University to interpret the enabling ORP statute rests with the Board of Governors, and no variance from the board’s policies and prescriptions is to be undertaken, with respect to eligibility for enrollment or other aspects of administering the ORP, without the express permission of the President, consistent with the requirements of the Board of Governors. The current, essential understanding, in that regard, is that only occupants of senior administrative positions approved pursuant to board definitions through implementing procedures mandated by the President may be offered enrollment in the ORP.

III. Anticipated Future Actions

The decisions of the Board of Governors on November 13, 1998, when fully implemented, constitute a major step in achieving a more coherent and useful configuration and management of university employment. However, as anticipated in several recommendations of the SAAO Review Committee, additional steps will be required to complete work on the administrative category of employment.

First, the committee observed that some campuses may wish to augment their original list of SPA positions nominated as appropriate for conversion to SAAO status, based on the Board of Governors definitions. An opportunity to augment such lists, based on further review of each institutional work force, will be provided in the near future.

Second, there may be a number of administrative positions that historically have been treated as EPA but for which no entirely satisfactory rationale for exemption has been posited (e.g., positions within the so-called EPA non-faculty category of University employment) or which may fit more appropriately within the revised “instructional and research” complement. An inventory of such positions will be undertaken in the future to determine how they should be arrayed, so as to fit clearly within either the SAAO category or the instructional and research category, or be changed to an SPA classification.
Finally, it will be necessary, in the interest of fidelity to board standards and consistency among campuses, to reexamine some positions that currently may be considered SAAO by the campuses but that have not been evaluated in accordance with the definitions supplied by the Board of Governors in January 1998. Additional instructions concerning these remaining steps in the process will be provided, with the assistance of the newly established EPA Advisory Board.

[This is a rewrite of Administrative Memoranda #387 and #391.]

Attachments have been omitted.

300.1.1.1[R]: Adopted 11/20/98, Amended 01/08/99

300.1.2 Evaluation of Positions for Designation as Senior Academic and Administrative Officer

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.).
- 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 description of the authority and responsibility of the position as well as an organization chart for the unit. Persons nominated to fill such positions normally must have an advanced educational degree and extensive relevant experience and be recruited in a national search process. The President shall determine, on the basis of the chancellor's representation and such additional information as the President shall require, whether the position satisfies the prescribed criteria.

A University administrative position may be designated as a senior academic or administrative officer, and thereby exempt from the State Personnel Act, only by action of the President. To qualify, the position must bear one of the approved titles (e.g., dean, associate or assistant vice chancellor, associate or assistant dean, assistant to the chancellor [category A above], director of a major division or department [category B above], have significant responsibilities for fund raising and/or marketing of the institution [category C above], or be recommended on the basis of an evaluation of job content [category D above].

The Board of Governors shall appoint and fix the compensation of all persons nominated to fill the presidency, vice presidencies, presidential staff positions, chancellorships, vice chancellorships, and deanships. With respect to other positions designated by the board as senior academic and administrative officers, the authority to make appointments and determine salaries shall be delegated to the chancellors and the Boards of Trustees of the constituent institutions. The terms and conditions of employment of all persons appointed by the board to exempt administrative positions shall be governed by policies adopted by the Board of Governors.

300.1.2: Adopted 01/09/98

300.1.3 Attorney Licensing

Every person employed by the University of North Carolina or any of its constituent institutions to serve as a lawyer for the University 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.

300.1.3: Adopted 05/11/01

300.1.4 Campus State Relations Officers

UNCP Policy Manual
As set forth in The Code, the president is the University's representative to all governmental bodies. The president is presumed by the Governor and members of the General Assembly to direct all activities on behalf of all parts of the University and to be answerable for them. These are the most important principles in ensuring effective communication and advocacy of the interests of the University and its constituent campuses.

Under the direction of the president, the vice president for public affairs and his or her staff have primary responsibility for representation of the University before governmental bodies. They may be assisted in this effort by campus officers who shall act at the request and under the direction of the vice president and his or her staff.

The chancellors may designate, in consultation with the president and the vice president for public affairs, a campus officer to carry out the functions of state relations officer. The campus state relations function shall constitute no more than 25 percent of each designee's time, and no campus title shall refer to government or state relations. The duties and responsibilities of the campus designee with regard to state relations shall be to assist the president and his or her designees with building support for the University's budget request and legislative priorities. It is the expectation of the Board that the state relations function shall be a minor part of each such designee's responsibilities.

In each instance, the individual so designated shall, in addition to reporting to his or her campus supervisor report to the vice president for public affairs solely with regard to any state relations responsibilities. The vice president shall provide to the campus supervisor an annual performance evaluation of the campus officer with state relations responsibilities.

The president shall take necessary and appropriate actions to implement this policy and shall report on such implementation to the Committee on Personnel and Tenure. The president shall also report to the committee periodically on the efficacy of the structure established pursuant to this policy, and shall make recommendations regarding the continuance and/or modification of the policy.

300.1.4: Adopted 02/11/00, Amended 11/08/02

### 300.1.5 Occupation of Official Residences of the Chancellors and the President

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 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.

300.1.5: Adopted 09/11/87

### 300.1.6 Policy on Administrative Separation and/or Retreat to a Faculty Position

Every board of trustees and the Board of Governors must establish a policy governing separation and/or retreat of administrators. Conditions of employment for chancellors or the President are not a part of this policy. Policies must address both voluntary and involuntary relinquishment of administrative positions and must include specific language referring to the retreat of those administrators who hold a tenured faculty position. The president has the authority to establish severance terms and conditions for senior academic and administrative officers who are members of the president’s staff. In accordance with the policy of the Board of Governors, and the chancellors have the authority to establish severance and retreat terms and conditions for senior academic and administrative officers at their respective constituent institutions, in accordance with the policy of the board of trustees and regulations or guidelines established by the president. Campus policies must be approved by the president, and the Office of the President policies must be approved by the Board of Governors.

300.1.6: Adopted 03/21/03

### 300.1.6.1 Policy on Administrative Separation

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.

300.1.6: Adopted 02/13/04

### 300.1.6.2 Administrative Separation of the President and the Chancellor

1. 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, the chancellor or president will receive a research leave upon the following terms:
   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 his or her discretion additional leave time is warranted;
   d. Non-salary compensation such as a house and an automobile will not be continued during the research leave;
   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 research leave, the former chancellor shall submit a summary report to the president, the Board of Governors, and the applicable Board of Trustees;
   f. At the end of the research 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 research leave in accordance with this policy, the president is authorized, in his or her discretion, to require repayment of compensation paid during the leave period from the nonreturning chancellor. With respect to the president, such discretionary authority rests with the Board of Governors.

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

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

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 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 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. 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.

4. 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.

5. 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.

300.1.6.2

Adopted 08/12/05

This version of policy titled Administrative Separation of the President and Chancellors applies to individuals who began service in a covered position prior to 01/08/10.

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.

   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.

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.
Regulations on Administrative Separation and/or Retreat to a Faculty Position

300.1.6.2: Adopted 08/12/05, Amended 01/08/10

300.1.6[R] [Applies to individuals who began service in a covered position on or after 05/02/10]

Regulation on Administrative Separation

1. Administrative Separation and Return to a Tenured Faculty Position.[1]
   a. Return to a Tenured Faculty Position. An administrator who holds a concurrent tenured faculty appointment may 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. If there has been an administrative stipend during the appointment, that stipend shall be removed. The salary shall be adjusted from a 12-month administrative salary to a 9-month or 12-month faculty salary that is commensurate with the salaries of comparable faculty members.
   b. Research Leave. At the discretion of the Chancellor, or the President in the case of a UNC General Administration employee, the Chancellor or President may provide for up to a one semester research leave for any tenured faculty member who has served in one or more consecutive Senior Academic and Administrative Officer positions subject to Policy 300.1.1, LA for at least five years in order to provide an opportunity for the faculty member to prepare for teaching and research responsibilities. Prior to the beginning of the research leave, the administrator shall submit a work plan for the leave period to include expected outcomes. The plan will be reviewed and approved by the Chancellor in the event that an employee of UNC General Administration is returning to the faculty of a constituent institution. The President shall review and approve the work plan. The leave will be paid at a salary commensurate with the salaries of comparable faculty members.
   c. Exception Provision. Exceptions may be made to recognize extraordinary circumstances including, but not limited to, extended or superior service in administrative roles. Any exception to these provisions must be approved by the Board of Trustees and by the President.
   d. Failure to Return to Faculty Role. In the event that the faculty member does not assume faculty responsibilities for at least a semester after the research leave in accordance with this policy, the Chancellor, or the President in the case of the UNC General Administration employee, is authorized, in his or her discretion, to require repayment of compensation paid during the leave period from the non-returning faculty member.

2. Reappointment of an Administrator without Faculty Return Rights. An administrator leaving a position that is categorized as "at will" has no claim to a position at the university; however, there may be circumstances in which assignment to another administrative or teaching position would be beneficial for both the institution and the employee. In these cases, the new salary should be appropriate to the assignment. Any exception must be approved by the Board of Trustees and by the President. This Regulation 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 of the institution to negotiate a severance agreement with an administrator. UNC policy addresses timely notice for termination of Senior Academic and Administrative Officers hired pursuant to Policy 300.1.1, I.B. In certain circumstances, these employees are entitled to notice of the discontinuation of their employment with full pay for up to 90 days or severance pay, depending on their length of service. A Chancellor or the President may, at his or her discretion, determine that the circumstances justify continuing full pay for employees subject to Policy 300.1.1, LA for up to 90 days. Any agreement that results in a longer period of compensation must be approved by the Board of Trustees or the Board of Governors for employees of UNC General Administration.

4. Retirement. Nothing in these Regulations shall prevent a tenured faculty member from immediately participating in phased retirement, consistent with existing UNC policies.

5. Coverage. These regulations apply to Senior Academic and Administrative Officers hired on or after the approval date. Employees serving as Senior Academic and Administrative Officers prior to the approval date remain covered under the previous regulations dated 03/21/03.

6. Retirement. Nothing in these Regulations shall prevent a tenured faculty member from participating in phased retirement consistent with existing University of North Carolina policies.

[1] Campuses that do not have tenured faculty positions will follow campus-based policies approved by the President that are consistent with the intent of this

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300.1.7[R] Regulation on Contacts with Covered Federal Government Officials

This regulation governs all University contacts with covered federal government officials. This regulation applies to employees who in their official capacities interact with covered federal government officials and is intended to assist these employees and the University in presenting an authorized, accurate, and persuasive presentation.

1. Official Policy Positions and Contact on Behalf of The University

The President shall initiate a collaborative federal agenda development process to determine the federal priorities of the University on an annual basis called the Unified Federal Agenda. The Unified Federal Agenda shall consist of the University's "Federal Policy Priorities" and "Federal Appropriations Guide." Upon Board of Governors approval, the Unified Federal Agenda shall serve as the basis for all official federal lobbying efforts. Campus-based Congressionally-directed funding requests shall be at the discretion of the individual campus. When federal policy questions that are not on the University's Unified Federal Agenda arise, the President will determine the official position and the priority of the policy issue on behalf of the University. Under direction from the President, the Vice President for Federal Relations shall have primary responsibility for representing the University with the federal government.

2. University and Campus Federal Relations Personnel

The Vice President for Federal Relations and the Director of Federal Relations shall serve as Federal Relations Officers for the University at large as well as the General Administration, and shall at a minimum have the following duties and responsibilities:

- Represent the President and the Board of Governors with the federal government;
- Represent the President and the General Administration on the University Federal Relations Council;
- Coordinate General Administration and Federal Relations Council activities in support of the University's approved Unified Federal Agenda;
- Represent the President and the Board of Governors in pursuit of Congressionally-directed grant funding;
- Assist the Vice President for Research in the pursuit of contracts, grants and cooperative agreements with federal government agencies;
- Assist the Vice President for Research in the proper training of campus research personnel for compliance with the Byrd Amendment (31 U.S.C. 1352);
- Coordinate visits between covered federal government officials and the Board of Governors, General Administration personnel, constituent institution personnel and affiliated entity representatives;
- Manage external consultants engaged in a federal lobbying capacity on behalf of the General Administration.
- Work with the University's General Counsel to educate General Administration employees and the Federal Relations Council on their role in and the obligations of the campuses to comply with the federal Lobbying Disclosure Act of 1995, as amended.
- Monitor all lobbying activities on behalf of the campus and file registration and quarterly reports as appropriate to ensure full compliance with the federal Lobbying Disclosure Act of 1995, as amended.

Federal Relations Officer Designation

Each Chancellor shall designate a campus officer to carry out the function of Federal Relations Officer (FRO). The duties and responsibilities of the campus Federal Relations Officer shall be, but are not limited to:

- Represent the campus on the University's Federal Relations Council;
- Coordinate campus activities in support of the University's approved Unified Federal Agenda;
- Assist the campus research officer in pursuing contracts, grants and cooperative agreements with federal government agencies;
- Assist the campus research officer in the proper training of campus research personnel for compliance with the Byrd Amendment (31 USC 1352);
- Coordinate visits by covered federal government officials to the campus or affiliated campus program;
- Represent the campus in pursuit of Congressionally-directed grant funding;
- Manage external consultants engaged in a federal lobbying capacity on behalf of the campus;
- Work with the campus attorney to educate all campus employees on their role in compliance, and the obligations of campus personnel to comply, with the Lobbying Disclosure Act of 1995 as amended; and
- Monitor all lobbying activities on behalf of the campus and file registration and quarterly reports as appropriate to ensure full compliance with the federal Lobbying Disclosure Act of 1995, as amended.

3. Federal Relations Council

The Federal Relations Council (FRC) shall serve as a coordinating body in support of the following activities:

- Development, strategy, and advocacy in support of the University's Unified Federal Agenda;
- Training of FRC members on lobbying best practices, federal policy and funding trends and activities;
- Compliance with federal lobbying disclosure requirements.

Composition

The FRC is composed of one representative, the Federal Relations Officer, from each of the seventeen constituent institutions of the University of North Carolina, as well as the Vice President for Federal Relations and the Director of Federal Relations from the General Administration. Additional representatives or alternates may be named as ad hoc members to the FRC.
Official FRC meetings shall be conducted on a semi-annual basis. The Vice President for Federal Relations and Director of Federal Relations will organize FRC meetings and develop the agenda based upon current federal issues and input from the FRC. At each FRC meeting, lobbying and ethics compliance guidance and best practices will be provided. Additional meetings may be arranged to enable information sharing on specific topics.

4. Contact by University Employees with Covered Federal Government Officials

Prior approval from the Chancellor or his/her designee is required before any campus employee may initiate contact with covered federal government officials on behalf of the University. The Chancellor may delegate this responsibility to the Federal Relations Officer. The following scenarios specifically require advance approval by the Chancellor or the Federal Relations Officer:

- Appearances on behalf of the University before federal bodies, including testimony before Congressional Committees or participation in meetings with White House personnel. **Note:** When University employees appear before such bodies as representatives of other agencies, such as professional societies, it is requested that they notify the campus Federal Relations Officer prior to the appearance.
- Any request on behalf of the University to a covered federal government official, particularly requests for Congressionally-directed funding, support of grant proposals or nominations to federal advisory councils.
- The delivery of materials, University publications, and periodicals to covered federal government officials.
- Any verbal or written statement made on behalf of the University that concerns federal policies, legislation or regulations.
- Invitations to covered federal government officials to visit campus in an official capacity. **Note:** The visit should be coordinated by the FRO.
- Responses to requests for information, reports, and statistics from covered federal government officials and their staffs, including responses to inquiries from investigative congressional committees.
- Participation in press events with covered federal government officials intended to promote federal policy or funding priorities.
- Any planned University event to honor a covered federal government official including but not limited to, the naming of a building or endowed chair, conferral of an honorary degree, or hosting of a meeting, retreat, conference or other similar event in the name of the official.

After contacts or visits have been made with covered federal government officials by a person on behalf of the University, a short report on the contact should be made to the campus Federal Relations Officer.

5. External Consultants

Chancellors may retain external consultants to assist the campuses in securing Congressionally-directed grant funding for special projects. No State or federal funds may be used for this purpose. Consultants shall never engage Congress, covered officials at the agencies, or White House personnel on policy matters on behalf of the University. Care should be taken to ensure that all external consultant expenditures are reported as “lobbying activity” as appropriate.

6. Personal and Professional Society Contacts

Personal and professional society contacts by University employees with elected officials or governmental agencies, whether in person or in writing, must be done in the name of the individual or the professional society. University letterhead may not be used. In each instance, the employee is obligated to make clear that the contact is not made on behalf of the University. Nothing in this Regulation shall prevent faculty or staff from expressing personal views on personal time, with personal resources.

7. Disclosure of Lobbying Activity

Employees who engage in approved lobbying activities shall report issues lobbied upon, officials contacted, time spent, and an estimate of expenses on a quarterly basis to the Federal Relations Officer. Consistent with federal law, even those University employees who do not qualify as lobbyists must report all lobbying activities with covered officials to the Federal Relations Officer. For purposes of this Regulation, the phrase “lobbying activities” shall be defined in accordance with the definitions set forth in the Lobbying Disclosure Act of 1995, as amended [2].

No University of North Carolina employee, administrator, faculty member, or other individual retained to provide outside assistance shall engage in activities that require registration with the United States House of Representatives or Senate under the Lobbying Disclosure Act of 1995 without prior review and approval by the respective Chancellor and the President.

8. Tickets to University Events

University events that require tickets for which there is a charge to the public may be extended to Members of Congress and their staff free of charge. Invitations to free University events are also appropriate and may be extended to Members of Congress and/or other covered federal government officials. Invitations to Members of Congress and/or covered federal government officials must be extended by the President of the University, Vice President for Federal Relations, Chancellor, or campus Federal Relations Officer.

[1] Covered federal government officials include any member, officer, or employee of Congress or the President, Vice President; officers and employees of the Executive office of the President, and various high-level officials and uniformed officers in the executive branch outlined in the "Plum Book."

[2] "Lobbying activity is defined as "lobbying contacts and efforts in support of such contacts, including background work that is intended, at the time it was performed, for use in contacts, and coordination with the lobbying activities of others."

300.1.7 [R]: Adopted 11/04/08

300.2 Employees Exempt from the State Personnel Act

300.2.1 Employees Exempt from the State Personnel Act

1. Scope and Applicability of Employment Covered by These Policies

A. Scope of category. Employment positions with constituent institutions of the University that are covered by these policies (hereinafter "covered positions") are those positions that are not subject to the State Personnel Act (N.C.G.S. Chapter 126) and are not otherwise categorized. This
Discontinuations of Employment in Covered Positions

Termination of employment because of financial exigency or program curtailment or elimination. Employment within a covered position that is established by the letter of appointment shall be subject to advance timely notice of discontinuation or the payment of severance pay, in calendar days, as follows: (1) during the first year of service, not less than 90 days' notice prior to discontinuation of employment or the payment of severance pay for 30 days; (2) during the second and third years of service, not less than 60 days' notice prior to discontinuation of employment or the payment of severance pay for 30 days; (3) during the fourth and all subsequent years of continuous service, not less than 90 days' notice prior to discontinuation of employment or the payment of severance pay for 90 days.

The determination of whether the employee shall receive notice of discontinuation of the appointment or severance pay shall be in the sole discretion of the respective chancellor or the president.

Expiration of term appointment. Employment within a covered 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; such an appointment may be renewed or extended at the option of the employer, by written notice satisfying the requirements of Section II, if the employer intends not to renew or extend the term contract, (1) with respect to a term of one year or less, not less than 90 days' notice prior to discontinuation of employment or the payment of severance pay for 30 days; (2) during the second and third years of service, not less than 60 days' notice prior to discontinuation of employment or the payment of severance pay for 30 days; (3) during the fourth and all subsequent years of continuous service, not less than 90 days' notice prior to discontinuation of employment or the payment of severance pay for 90 days.

The expiration of a term appointment will not be subject to the notice requirements provided in Section III.A., unless the term appointment was to be extended beyond the expiration date provided in the letter of appointment. The determination of whether the employee shall receive notice of discontinuation of the appointment or severance pay shall be in the sole discretion of the respective chancellor or the president.

Termination of employment because of financial exigency or program curtailment or elimination. Employment within a covered position that is established by the letter of appointment to be for a stated definite term may be terminated prior to expiration of the stated term because of financial exigency or program curtailment or elimination as determined by the chancellor or the appropriate chancellor designate.
demonstrable, bona fide institutional financial exigency or (2) 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 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 by the chancellor, with advance notice to and approval by the President and the Board of Governors. If the financial exigency or curtailment or elimination of a program is such that the contractual obligation to an employee within a covered position cannot be met, the employment of the individual may be terminated, subject to the following notice requirements; (1) during the first year of service, not less than 30 days’ notice prior to termination; (2) during the second and third years of employment, not less than 60 days’ notice prior to termination; and (3) during the fourth and all subsequent years of service, not less than 90 days’ notice prior to termination.

**[THIS SECTION IS EFFECTIVE UNTIL SEPTEMBER 1, 2009]**

**D. Discharge for cause**

Any employee occupying a covered position may be discharged for stated cause. Discharge for cause is to be distinguished from discontinuation with notice (Section III.A.), automatic expiration of term (Section III.B.) and termination (Section III.C.). 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 his or her employment. Discharge for cause is to be preceded by written notice of intent to discharge and is subject to invocation by the affected employee of the grievance procedures of Section IV. of these policies. When an employee occupying a covered position has been notified of the intention to discharge him or her for cause, the chancellor may suspend his employment at any time and continue the suspension until a final decision concerning discharge has been reached by the procedures prescribed herein; the power to suspend shall be invoked only in exceptional circumstances and such suspension shall be with full pay.

**[THIS SUBSECTION IS EFFECTIVE FOR PERSONNEL ACTIONS TAKEN ON AND AFTER SEPTEMBER 1, 2009]**

D. Discharge for cause. Any employee occupying a covered position may be discharged for stated cause. Discharge for cause is to be distinguished from discontinuation with notice (Section III.A.), automatic expiration of term (Section III.B.) and termination (Section III.C.). 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 his or her employment. Discharge for cause is to be preceded by written notice of intent to discharge and is subject to invocation by the affected employee of the review procedures of Section IV. of these policies. When an employee occupying a covered position has been notified of the intention to discharge him or her for cause, the president or chancellor may suspend the employment at any time and continue the suspension until the president or chancellor, as applicable, makes a decision concerning discharge; any suspension shall be with full pay. If the final presidential or chancellor decision is to discharge the employee, then the employee may be discharged without further pay without regard to whether there is an appeal to a Board of Trustees or the Board of Governors in accordance with Section 611 of The Code. No provision of this Policy 300.2.1 shall be interpreted to extend an employee's right to pay beyond the expiration of the employee's term of appointment while an appeal is pending under this Policy.

**[THIS SECTION IS EFFECTIVE UNTIL SEPTEMBER 1, 2009]**

**IV. Review of Employment Decisions and Grievances**

Each constituent institution and General Administration shall adopt and publicize procedures under which employees in covered positions may secure review of decisions concerning discharge for cause or other disciplinary action, or of grievances concerning the interpretation and application of any provision of this policy; provided, however, that grievances concerning discontinuations or terminations of employment with notice, pursuant to Sections III.A., III.B., or III.C., may be brought only upon allegations of violations of applicable notice requirements or violations of any provision of Section V. or VI. of these policies. Decisions reached pursuant to such grievance procedures concerning the discontinuation or termination of employment may be had in accordance with the provisions of Section 609-C of The Code.

**[THIS SECTION IS EFFECTIVE FOR PERSONNEL ACTIONS TAKEN ON AND AFTER SEPTEMBER 1, 2009]**

**IV. Reviews**

A. Each constituent institution and General Administration shall adopt and publicize procedures under which employees in covered positions may secure review of decisions concerning discharge for cause or other disciplinary action, or review concerning the interpretation and application of any provision of this policy; provided, however, that reviews concerning discontinuations, expiration of term appointments, or terminations of employment with notice, pursuant to Sections III. III.B., or III.C., may be brought only upon allegations of violations of applicable notice requirements or violations of any provision of Section V. or VI. of these policies.

B. Decisions reached pursuant to such review procedures concerning the discontinuation, expiration of term appointment, or termination of employment may be had in accordance with the provisions of Section 611 of The Code.

**V. Equal Employment Opportunity**

It is the policy and intention of the University of North Carolina 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. Employment in covered positions 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.

**VI. Protected Activity**

Employment in covered positions shall not be adversely affected by the exercise of rights guaranteed by the First Amendment to the United States Constitution or by Article I of the North Carolina Constitution; provided, that employees in covered positions shall be subject to any limitations on political activity established by Article 5 of N.C.G.S. Chapter 126. The Board of Governors’ policies concerning political activity, Polc §300.5.1., et seq., as they may be revised from time to time, shall apply to positions covered by those policies.

**VII. Holiday and Leave Entitlement**

A. **Holidays**

Employees in covered positions shall be subject to the same State-prescribed holidays given employees subject to the State Personnel Act.

B. **Annual Leave**

1. **Basic Leave Policy.** The amount of annual leave to which a permanent full-time employee (0.0 FTE) in a position covered by these regulations shall be entitled to accrue is 24 workdays per year. Annual leave is accrued at a monthly rate and is adjusted proportionately for permanent part-time employees who work halftime or more (0.5 - 0.99 FTE). The monthly earnings amount is equal to one-twelfth 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.

The 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.

2. Transfer of Accrued Annual Leave. An employing institution must establish campus-wide uniform guidelines regarding the transfer of accrued annual leave from a UNC constituent institution or State or local governmental agency whose leave is currently transferable in accordance with the policy prescribed for employees subject to the State Personnel Act (See State Personnel Manual, Section 5-1). Upon discontinuation of employment from the employing institution, the employee may either elect a payout of accrued annual leave [see (4) below] or transfer the remaining balance of any unused annual leave to another State or local governmental agency, subject to the receiving agency’s approval.

3. 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 year or during a twelve-month period. 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 may repay to the institution and make deductions from the employee’s final salary check accordingly.

4. Payout of Accrued Annual Leave. An employee in a position covered by these regulations who has accrued unused annual leave upon discontinuation of employment from the employing institution and who either does not elect or is not eligible to transfer such accrued leave to another State or local governmental agency, shall be paid for such unused annual leave. The amount paid to an employee who has been employed an aggregate of 24 months or less by one or more State or local governmental agencies is equal to one day for each month worked. The number of days of annual leave taken during the employment period. An employee who has been employed for more than 24 months shall be paid subject to a maximum of 30 such days. Each institution shall establish guidelines for payout of leave if a change in employment status occurs and such employee is no longer covered by this policy.

C. Sick Leave, Family and Medical Leave, Civil Leave, Military Leave, and Community Service Leave, and Special Annual Leave Bonus. Employees in positions covered by these regulations shall be subject to the same policies concerning sick leave, family and medical leave, family illness leave, civil leave, military leave, community service leave, and special annual leave bonus (awarded to employees in leave earning status on 9/30/02) as may be prescribed for employees subject to the State Personnel Act. However, 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 twelve-month period.

D. Leave of Absence Without Pay. Employees in positions covered by these regulations may request a leave of absence without pay, subject to institutional policy and approval by the employee’s supervisor, or during a twelve-month period. An employee in a position covered by these regulations who has accrued unused annual leave upon discontinuation of employment from the employing institution, the employee may either elect a payout of accrued annual leave [see (4) below] or transfer the remaining balance of any unused annual leave to another State or local governmental agency, subject to the receiving agency’s approval.

E. Voluntary Shared Leave. Employees in positions covered by these regulations shall be subject to the same provisions concerning shared leave as are applicable to employees subject to the State Personnel Act with the exception that the donation and acceptance of such leave shall be computed on the basis of days rather than hours.

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

VIII. Statutory and Other Rules of Employment

A. Privacy of Personnel Records. Employees in covered positions enjoy the protections of and are subject to the provisions of Article 7 of N.C.G.S. § 126 entitled “The Privacy of State Employee Personnel Records.”

B. Employment preference for veterans. Employees in covered positions enjoy the protections of and are subject to the provisions of N.C.G.S. §§ 128-15, which provide for preference in employment for veterans of United States military service and their spouses and widows or widowers.

C. Employment of Related Persons. Employees in covered positions are subject to the policy concerning employment of related persons as adopted by the Board of Governors on April 13, 1973, and as it may be revised from time to time.

D. Retirement. Employees in covered positions may retire in accordance with the provisions of Chapter 135 of the North Carolina General Statutes.

X. 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.

X. Effective Date. The effective date of institutional policies adopted pursuant to Section IX shall be September 1, 1981.

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11. Pursuant to NCGS §116-111(3), and notwithstanding The Code or any other Board of Governors policy, the Board of Governors has delegated the appointment of EPA employees serving within the General Administration to the President of the University. See Policy 200.6 Delegation Authority to the President of the University, adopted 11/13/06.

12. Subject to any compensation policies adopted by the Board of Governors or the Board of Trustees.

13. bona fide occupational qualifications or other exceptions to those general prohibitions, specifically provided for by State or Federal law, may be applied to covered positions.


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

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300.2.1[R] Regulations on Health Insurance Continuation when a Reduction in Funding Eliminates an EPA Position

I. Principle
Pursuant to State law [N.C.G.S. 135-40.2a(6)], when a University campus or affiliated entity eliminates a job due to a reduction in funds, unless otherwise exempt from this Regulation, the employee in that job may be entitled to up to twelve (12) months of continued coverage by the State Health Plan if he or she meets the eligibility criteria below for this coverage to remain in effect. The University campus or entity shall continue paying premiums for this coverage in accordance with the eligibility criteria listed below. Elimination of an employee’s job neither requires nor permits an employer to pay State Health Plan premiums for dependents of the employee; however, the former employee may continue dependents’ coverage under the same terms as current employees. At the expiration of this coverage, former employees may pay the premiums for their continued coverage and that of their dependents. There is no time limit as to how long this coverage may be purchased. [See N.C.G.S. 135-40.2B(12).]

This regulation explains who is eligible for continued coverage and provides information about how campuses may ensure that coverage is properly provided to former employees who meet the eligibility criteria.

II. Eligibility for Continued Coverage

The following conditions must all be met for the employee to be eligible for continued coverage.

A. The employee’s job must be eliminated. This regulation does not apply to an employee’s separation from a job that does not result in the position being eliminated or abolished.
B. The job elimination must be due to a reduction, in total or in part, of the funds used to support the job or its responsibilities. This includes a reallocation of funds and elimination of the position. The source of funds for the position does not affect eligibility for this benefit, except if the appointment is contingent upon the availability of funds. (See Ineligibility for Continued Coverage below.)
C. Employment for at least twelve (12) months in a permanent full-time or permanent part-time (three/fourths time or more) position by a University campus, an affiliated entity, and/or another state entity (can be more than one), prior to the elimination of the job, is required.
D. The employee must be participating in the State Health Plan at the time of separation from employment due to elimination of the job.

III. Ineligibility for Continued Coverage

If any of the following conditions apply, the employee will not be eligible for continued coverage.

A. An employee working pursuant to a fixed term contract that ends at the same time as the termination is not eligible for this coverage.
B. An employee who was (a) paid in total or in part from non-state funding sources, and, (b) at the time of the job elimination was working under an appointment letter or a contract, either of which states that the job is contingent on the continuing availability of funds is not eligible for this coverage.
C. An employee who retires (withdrawal from active service with a retirement allowance from the Teachers’ and State Employees’ Retirement System of North Carolina or the UNC Optional Retirement Program) is not eligible for this coverage. In this case, health insurance is provided through the retiree health insurance program.

IV. Procedure

Prior to communicating with the employee, a departmental representative must contact the office responsible for either EPA or SPA personnel, as appropriate, so that the personnel/human resources office may review the circumstances to determine if the proposed job elimination is due to a reduction in funds. If the personnel/human resources office determines that this Regulation applies, that office will work with the department to ensure that the employer-provided contributions to the employee’s State Health Plan coverage are appropriately continued for up to twelve (12) months. Additionally, the employing department must communicate in writing to the employee that he or she is being separated due to the unavailability of funds to support the position.

300.2.1 [R]: Adopted 08/18/04

300.2.2 Conflict of Interest and Commitment

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 such conflicts are disclosed, reviewed and appropriately managed in accordance with the provisions of this Policy.

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.

I. Definitions

A. Conflict of Interest relates to situations in which financial or other personal considerations, circumstances, 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 duties or responsibilities, including research, service and teaching activities and administrative duties. The bias that such conflicts may impart can affect many University responsibilities, including decisions about personnel, the purchase of equipment and other supplies, the selection of instructional materials for classroom use, the collection, analysis and interpretation of data, the sharing of research results, the choice
of research protocols, the use of statistical methods, and the mentoring and judgment of student work. A Covered Employee may have a conflict of interest when he or she, or any member of that person's immediate family has a personal financial interest in an activity that may affect decision making with respect to his or her Employment Responsibilities. For the purposes of this Policy, a Covered Person's immediate family includes that person's spouse and dependent children. While a Conflict of Interest may result from nonfinancial interests or considerations, the overwhelming majority of Conflicts of Interest 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.

B. Financial Interest is defined as:

1. Payment for services to the Covered Employee not otherwise defined as institutional salary (e.g. consulting fees, honoraria, paid authorship);
2. Equity or other ownership interest in a publicly or non-publicly traded entities (e.g. stock, stock options, or other ownership interest); 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 his/her immediate family.

Income from investment vehicles, such as mutual funds or retirement accounts, in which the Covered Employee or member of his/her immediate family do not directly control the investment decisions and intellectual property rights assigned to the Institution and agreements to share in royalties related to such rights are excluded from the definition of Financial Interest. Covered Employees are required to disclose Financial Interests in a timely and accurate manner consistent with the implementing policies of the Constituent Institutions.

C. 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.

D. External Professional Activities 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 or resources, or include claims of University responsibility for the activity. External activities for pay of employees covered by the State Personnel Act are addressed in the State Personnel Act, Section 3 Employment and Records, Secondary Employment.

E. University Employment Responsibilities include "Primary Duties" and "Secondary Duties." Primary Duties consist of assigned teaching, scholarship, research, institutional service requirements, administrative duties and other assigned employment duties. Secondary Duties may include professional affiliations and activities traditionally undertaken by Covered Employees outside of the immediate University employment context. Secondary Duties may or may not entail the receipt of honoraria, remuneration (see additional regulations, UNC Policy Manual, 300.2.2.2 [R]) or the reimbursement of expenses, include membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books without receipt of compensation; and service to accreditation bodies. These activities, which demonstrate active participation in a profession are encouraged, provided they do not conflict or interfere with the timely and effective performance of the individual's Primary University Duties or University policies.

F. Covered Employee is defined as any faculty or EPA non-faculty person employed by the University of North Carolina or a Constituent Institution, an affiliated entity, or other agency or unit of the University of North Carolina. The implementing policies of Constituent Institutions may further define Covered Employee to include additional classifications of personnel and students, which would further be considered Covered Individuals.

G. Constituent Institution, for the purposes of this policy, includes affiliated entities of the University of North Carolina, General Administration, and units associated with General Administration. Affiliated entities and other units of General Administration may implement Conflict of Interest policies consistent with this policy or adopt the policy of one of the constituent institutions.

H. Department means an academic department, a professional school without formally established departments, or any other administrative unit designated by the chancellor of an institution or by General Administration, for the purposes of implementing this policy. "Department Head" refers to the person with supervisory responsibility for the Covered Employee, whether in an academic or non-academic department.

I. Inappropriate use or exploitation of University Resources means using any services, facilities, equipment, supplies or personnel which members of the general public may not freely use for other than the conduct of Institutional Responsibilities. A person engaged in external professional activities for pay may not use University Resources in the course and conduct of externally compensated activities, except as allowed by the constituent institution's implementing policies and other applicable University policies. Under no circumstances may any employee use the services of another employee during University employment time to advance the externally compensated employee’s professional activities for pay.

II. Conflicts of Interest

Constituent Institutions shall develop detailed implementing policies and procedures that establish parameters of general applicability that will permit their Institution and their employees to recognize potential Conflicts of Interest, and to institute basic procedures for disclosing Financial Interests and managing potential or actual Conflicts of Interest. Institutional policies shall require that a Covered Employee's professional activities and financial 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 University interests. The implementing policies and procedures of the Constituent Institutions will ensure compliance with prevailing Federal regulations. Institutions may develop separate policies to address specific federal and state requirements. 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.

A. Avoiding conflicts of interest

Each constituent institution must adopt policies and procedures that:

1. Effectively impart a clear understanding of permissible and impermissible conduct;
2. 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;
3. Provide for training of employees on the conflict of interest policy, the audience, content and frequency of which will be determined by the Constituent Institution's implementing policies and procedures; and
4. 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 Institution 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.

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.

In combination, the University’s policy on Conflicts of Interest, the required disclosure process, and publicity and training should assist all Covered Employees avoid any difficulties recognizing and managing Conflicts of Interest.

Each Constituent Institution may adopt additional related internal policies, procedures, and guidelines consistent with this Policy.

The UNC Board of Governors’ Policy on Conflict of Interest and Commitment, UNC Policy Manual 300.2.2, is effective August 24, 2012.

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 policies and procedures for individual Conflicts of Interest should also be forwarded to the President after approval by the Constituent Institution.

III. Conflicts of Commitment

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 EPA employment is not amenable to precise, time-clock analysis and monitoring, administrators at the department and school levels regularly evaluate the work of employees within their units. The formal occasions for determining whether an individual is devoting sufficient time and effort to University employment include regular reviews of performance in connection with annual salary decisions and scheduled reviews incident to promotion, reappointment or tenure decisions. In addition, complaints from students, colleagues, or administrators about possible failures to meet assigned responsibilities may arise and require investigation. The issue, in each case, is whether the employee is meeting the requirements of the job. If presented with evidence that he or she is not meeting full-time responsibilities to the University, The Code prescribes that “neglect of duty” is a ground for disciplinary action, including the possibility of discharge. The following describe instances of activities that require specific monitoring to demonstrate compliance with policies.

A. 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:

1. Create a Conflict of Commitment by interfering with the obligation of the individual to carry out all University Employment Responsibilities in a timely and effective manner;
2. Create a Conflict of Interest because of the individual’s status as a Covered Employee of the University;
3. 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 institutional responsibility for the conduct or outcome of the External Professional Activities for Pay.

The UNC Policy Manual 300.2.2.1[R], contains provisions established to monitor possible Conflicts of Commitment, including mandatory pre-approval at appropriate university levels of External Professional Activities for Pay. A faculty or non-faculty EPA employee who wishes to engage in External Professional Activity for Pay must adhere to these regulations to provide satisfactory assurances that the activity will not interfere with 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 and completed outside of the contract service period and the activity does not conflict with the policies of the Constituent Institution or Board of Governors and is not conducted concurrently with a contract service period for teaching, research, or other services to the institution during a summer session.

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 employee shall not receive any financial consideration, including an honorarium. In these instances the employee may request that the honorarium be paid to the University. The honorarium may be retained by the employee only for activities performed outside of normal working hours, as defined by the institution, or while the employee is on earned paid or annual leave, and all expenses are the responsibility of the employee or a third party that is not a State entity. Third party support may need to be disclosed under the implementing policies and procedures for Constituent Institutions. In addition, senior academic and administrative officers may also be subject to special regulations regarding honoraria which require leave to be taken when External Professional Activities for Pay will take place during the regular work week. Please refer to the UNC Policy Manual 300.2.2.2[R].
Instead of using earned paid or annual leave as set out above employees who are exempt from the Fair Labor Standards Act and who are out of work due to an External Professional Activity for Pay, or who wish to retain an honorarium, may be able to use periodic uncompensated leave rather than annual leave, provided the Constituent Institution implementing policies allow the use of uncompensated leave, and the appropriate Department Head approves.

External Professional Activities for Pay 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 or the President.

The Board of Governors has also established rules for monitoring and regulating the involvement of University employees in political candidacy and office-holding that could interfere with full-time commitment to University duties. Please refer to UNC Policy Manual, 300.5.1 et seq. for specific policy details.

300.2.2: Adopted 04/16/93, Amended 08/12/05, Amended 06/09/06, Amended 06/15/12

300.2.2.1[R] Amended 10/19/15 Regulations on External Professional Activities for Pay by Faculty and EHRA Non-Faculty Employees

In accordance with the Board of Governors policy on Conflict of Interest and Commitment (UNC Policy Manual Section 300.2.2), UNC faculty and EHRA non-faculty employees (together “Covered Employees”) sometimes may engage in compensated activities that are not a part of University employment. Through such opportunities, employees apply their specialized knowledge and experience to activities outside of their University employment, thereby enhancing their own capabilities in teaching and research and contributing significant societal benefits, including economic development through technology transfer. These activities are encouraged if the intended activity complies with sections II and III of the corresponding UNC Policy, Section 300.2.2, and do not create a conflict of interest or conflict of commitment (see UNC Policy Manual, Section 300.2.2, I Definitions[1]).

Covered Employees, including faculty with nine-month appointments or contracts except as provided in III.C., below, who wish to engage in an External Professional Activity for Pay must adhere to these regulations to provide satisfactory assurances that such activity will not interfere with University employment obligations. Covered employees not complying with these regulations or policies implemented by their Constituent Institution will be subject to disciplinary action.

External Professional Activities for Pay should generally be limited to no more than the equivalent of 20 percent (20%) of the Covered Employee’s contracted time, during the appointment; however Constituent Institutions may adopt differing standards dependent upon a Covered Employee’s full-time status equivalent.

I. Notice, Approval, and Appeal Requirements

A. Notice Requirements

1. Any Covered Employee who plans to engage in an External Professional Activity for Pay shall complete the “Notice of Intent to Engage in External Professional Activity for Pay” (hereinafter referred to as “Notice of Intent,” which shall solicit, at a minimum, the data elements shown in Appendix I to this regulation). A separate “Notice of Intent” shall be filed for each such activity in which a Covered Employee proposes to engage.

2. Unless there are exceptional circumstances or if the Constituent Institution has implemented a different time period for filing, the “Notice of Intent” shall be filed not less than ten (10) calendar days before the date the proposed external professional activity for pay is to begin.

3. The Notice of Intent shall be filed with the appropriate administrator in accordance with the Constituent Institute’s implementing procedures and may include the head of the department in which the Covered Employee is employed, the Conflict of Interest Officer, and/or the Conflict of Interest Committee.

4. Additionally, Covered Employees must disclose their financial interests consistent with the Board of Governors’ policy on Conflict of Interest and Commitment (UNC Policy Manual, Section 300.2.2), and the Constituent Institution’s implementing policies and procedures.

B. Review and Approval Requirements

1. Except as set out in paragraph B.2., below, the “Notice of Intent” shall be reviewed and considered as follows:

   a. If, after a review of the “Notice of Intent” and consultation with the Covered Employee, the department head (or appropriate administrator, as defined in UNC Policy Manual, Section 300.2.2, I.H.) determines that the proposed activity is consistent with the policy statements of the institution or Board of Governors, an approval of a “Notice of Intent” may be granted for a period not to exceed the balance of either (1) the fiscal year (in the case of 12-month employees and employees with contract service periods that include the summer session), or (2) the academic year (in the case of nine-month employees with no summer session contract period) remaining as of the date of approval. The Covered Employee shall be notified in writing of the approval within ten (10) calendar days of the date the “Notice of Intent” is filed. If the approved activity will continue beyond the end of the relevant fiscal or academic year in which it was begun, the Covered Employee must file an additional “Notice of Intent” at least ten (10) calendar days before engaging in such activity in the succeeding relevant year unless the Constituent Institution has adopted another time period for filing.

   b. If, after a review of the “Notice of Intent” and consultation with the Covered Employee, the department head (or appropriate administrator, as defined in UNC Policy Manual, Section 300.2.2, I.H.) determines that the proposed activity is not consistent with the policy statements of the institution or Board of Governors, the Covered Employee shall be notified in writing of that determination within ten (10) calendar days of the date the “Notice of Intent” is filed.

2. If the “Notice of Intent” discloses (1) a proposed activity for an entity that provides funding that directly supports the Covered Employee’s University Employment Responsibilities or activities, or (2) a proposed activity for a private entity in which the Covered Employee or member of the Covered Employee’s Immediate Family (see UNC Policy Manual, Section 300.2, I Definitions) holds an equity or ownership interest or holds an office, the review and consideration procedure set out in Item B.1., above, shall be modified as follows:

   a. The decision of the department head to approve the activity shall be reviewed promptly and approved or disapproved within ten (10) calendar days of receipt by the administrative officer to whom the department head reports.

   b. An appeal of a disapproval by that officer shall be to the chancellor or the chancellor’s designee (or, in General Administration, to the president or the president’s designee). The decision of the chancellor or chancellor’s designee (or of the president or president’s designee) shall be final.

C. Appeal Requirements

1. In the event of such notification by the department head, the Covered Employee shall not proceed with the proposed activity but may appeal that decision to the administrative officer to whom the department chair reports, and then to the chancellor or the chancellor’s designee (or, at UNC General Administration, to the president or the president’s designee). Appeals shall be made in writing within the time frame implemented by the Constituent Institution.

2. A decision on any such appeal shall be given by the administrative officer of the chancellor or chancellor’s designee (or, at UNC General Administration, to the president or the president’s designee) to the Covered Employee within ten (10) calendar days of
the date on which the appeal is received.
3. The decision of the chancellor or chancellor’s designee (or of the president or president’s designee) shall be final.

II. Reporting Requirements
A. Annually departmental summaries of all "Notices of Intent" filed and of actions taken in response to such "Notices of Intent" during the preceding fiscal year shall be submitted by department heads to the chancellor or the chancellor's designee (or, at UNC General Administration, to the president or the president's designee).
B. On or before September 1 of each year, UNC General Administration's Office of Research and Sponsored Programs will initiate the submission of annual summary reports from the chancellors to the president.

III. Special Provisions
A. External Professional Activities for Pay performed for another institution or agency of the State of North Carolina also must comply with State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the chancellor or the chancellor's designee (or, at UNC General Administration, to the president or the president's designee).
B. In addition, senior academic and administrative officers may be subject to special regulations regarding honoraria. (UNC Policy Manual, Section 300.2.2.2[R].)
C. These regulations shall not be required of Covered Employees serving on academic year appointments, if the External Professional Activity for Pay is wholly performed and completed outside of the academic year, provided that the activity does not conflict with the policy statements of the Constituent Institution or Board of Governors and is not conducted concurrently with a contract service period for teaching, research, or other services to the institution during a summer session. Notwithstanding this regulation, such employees will disclose their financial interests in accordance with the Board of Governors' policy on Conflict of Interest and Conflict of Commitment (UNC Policy Manual, Section 300.2.2), and the implementing policies and procedures of the Constituent Institutions.

Appendix I

Notice of Intent to Engage in External Professional Activities for Pay Data Elements

Date of filing
Name of Covered Employee
Name and address of contracting organization
Nature of proposed activity
Beginning date and anticipated duration of activity
Average number of hours per week to be devoted to the activity
A. For 12-month employees, for the anticipated duration of the activity, within the current fiscal year ending June 30
B. For 9-month employees, for each component part of the academic year, as applicable, within the current fiscal year ending June 30
   1. Second Summer Session (post-July 1)
   2. Fall Semester
   3. Spring Semester
   4. First Summer Session (pre-July 1)

   Total number of hours to be devoted to the activity

Identification of classes, meetings, or other university duties that will be missed because of involvement in the proposed activity (identify the duties that will be missed based on the components of the academic year shown above, if 9-month employee) and identification of what arrangements have been made to cover such duties

Identification of any university resources to be used for the activity

Determination if the contracting organization listed in the Notice of Intent is providing funding which directly supports the Covered Employee’s university duties

Determination if the contracting organization is a private firm

C. If yes, determination if the Covered Employee or member of his/her immediate family own an equity interest in the contracting organization
D. If yes, determination if the Covered Employee holds an office in the contracting organization

Certifying statement by Covered Employee that information disclosed on the "Notice of Intent" is consistent with the Board of Governors' policy on Conflict of Interest and Commitment (UNC Policy Manual, Section 300.2.2)

[1] This regulation incorporates by reference the definitions used in Section 300.2.2, UNC Policy Manual.

300.2.2.1[R]: Adopted 08/12/05, Amended 06/21/12

300.2.2.2[R] Regulations for Senior Academic and Administrative Officers on External Professional Activities for Pay and Honoraria

In accordance with the Board of Governors' policy on Conflict of Interest and Commitment (UNC Policy Manual, 300.2.2), University personnel sometimes may engage in compensated activities that are not a part of University employment. For example, some sit on boards of directors of various private corporations, pursue opportunities that fall within the Board of Governor's definition of external professional consulting, or conduct official duties as a State employee for which an honorarium is received. In those instances when a Senior Academic and Administrative Officer (SAAO) engages in these types of activities, the following shall apply:

1. Pursuit of Private Interests in Which Activities are Compensated
For Senior Academic and Administrative Officers (SAAOs) who pursue activities for pay that are not a part of their University employment, it is important that overlapping compensation be avoided if an SAAO engages in an activity from which external income is earned, that is not a part of their University employment, annual leave must be used if such activities take place within the conventional work week (i.e., between 8:00 a.m. and 5:00 p.m., Monday through Friday) SAAOs must also file appropriate disclosures of financial interests and "Notices of Intent," in accordance with Board of Governors’ policies and Constituent Institution implementing policies and procedures to provide satisfactory assurances that such activity will not interfere with University employment obligations (please refer to UNC Policy Manual, 300.2.2 and 300.2.2.1[R] for requirements and procedures related to reporting).

2. Activities for Which an Honorarium is Received

Senior academic and administrative officers may engage in employment-related activities for which an honorarium is received. In those instances where State-reimbursed travel, work time, or resources are used or when the activity can be construed as related to the employee’s State position or official duties on behalf of the State, the employee shall not receive an honorarium. In these instances the employee may request that the honorarium be paid to the University. The honorarium may be retained by the employee only for activities performed during non-working hours or while the employee is on annual leave, if all expenses are the responsibility of the employee or a third party that is not a State entity and the activity has no relation to the employee’s State duties.

300.2.2.2[R]: Adopted 07/17/01, Amended 08/12/05, Amended 06/21/12

300.2.2[G] Guidelines on Implementing the UNC Conflict of Interest and Commitment Policy

Various federal regulations and state laws and policies specifically address conflict of interest and conflict of commitment of personnel associated with UNC Constituent Institutions. Several prominent federal agencies have agency-specific policies regarding Conflict of Interest, chiefly the Public Health Service (PHS) and the U.S. Department of Health and Human Services, including the National Institutes of Health, and the National Science Foundation. Further, North Carolina General Statute 138A also addresses Conflict of Interest as it applies to employees of the UNC Constituent Institutions.

The purpose of these guidelines is to provide a framework for UNC Constituent Institutions in the development, implementation, publicizing, training, monitoring and enforcement of implementing institutional policies and procedures for Conflict of Interest, Conflict of Commitment and External Professional Activities for Pay. These guidelines are organized to provide definitions, examples of conflicts of interest within the context of the UNC Policy on Conflict of Interest and Commitment (see UNC Policy Manual 300.2.2) and agency-specific thresholds and requirements.

I. Categories of Potential Financial Conflicts of Interest

Activities that may involve financial conflicts of interest may be categorized under four general headings: first, those that are allowable and are disclosed; second, those that are allowable with administrative approval and are disclosed; third, those that generally are not allowable and require an approved conflict of interest management plan; and fourth, those that are not allowable under any circumstances. The following examples are merely illustrative and do not purport to include all possible situations within the four categories:

A. Activities that are allowable and are disclosed

The examples cited below involve activities external to University employment, and thus may present the appearance of a financial conflict of interest, but have little or no potential for affecting the objectivity of the Covered Employee’s performance of Institutional Employment Responsibilities; at most, some such situations could prompt questions about conflicts of commitment.

1. A Covered Employee receiving royalties from the publication of books or for the licensure of patented inventions subject to the UNC Patent and Copyright Policies.
2. A Covered Employee receiving compensation in the form of honoraria or expense reimbursement, in connection with service to professional associations, service on review panels, presentation of scholarly works and participation in accreditation reviews.

B. Activities requiring disclosure for further administrative review and analysis

The examples cited below suggest a possibility of conflicting interests that can impair objectivity, but disclosure and resulting analysis of relationships may render the activity permissible and may result in the establishment of an approved management plan.

1. A Covered Employee requiring students to purchase the textbook or related instructional materials of the employee or members of his or her immediate family, which produces compensation for the employee or family member.
2. A Covered Employee receiving compensation or gratuities from any individual or entity doing business with the University. Note that no university employee may seek or receive any gift, reward, or promise of reward for recommending, influencing, or attempting to influence the award of a contract by his or her employer (See G.S. 14-234 and G.S 138A).
3. A Covered Employee serving on the board of directors or scientific advisory board of an enterprise that provides financial support for University research and the employee or a member of his or her immediate family may receive such financial support.
4. A covered employee or a member of his /her immediate family having an equity or ownership interest in a publicly or non-publicly-traded entity or enterprise.
5. Covered Employee accepting support for University research under conditions that require research results to be held confidential, unpublished, or inordinately delayed in publication. Research conducted by faculty or students under any form of sponsorship must maintain the University’s open teaching and research philosophy and must adhere to a policy that prohibits secrecy in research. Such conditions on publication must be in compliance with UNC Policy Manual, 500.1 and 500.2, and with campus Intellectual Property policies.

C. Activities or relationships that are generally not allowable or permitted unless an approved Conflict of Interest Management Plan is in place

The examples cited below involve situations that are not generally permissible, because they involve potential financial conflicts of interest or they present obvious opportunities or inducements to favor personal interests over institutional interests. Before proceeding with such an endeavor, the Covered Employee would have to demonstrate that in fact his or her objectivity would not be affected and University interests otherwise would not be damaged and an approved Conflict of Interest Management Plan is in place.

1. A Covered Employee participating in University research involving a technology owned by or contractually obligated to (by license or an option to license, or otherwise) an enterprise or entity in which the individual or a member of his or her immediate family has a consulting relationship, has an equity or ownership interest, or holds an executive position.
2. A Covered Employee participating in University research which is funded by a grant or contract from an enterprise or entity in which the individual or a member of his or her immediate family has an equity or ownership interest.
3. A Covered Employee assigning students, post-doctoral fellows or other trainees to University research projects sponsored by an enterprise or entity in which the individual or a member of his or her immediate family has an equity or ownership interest.

D. Activities that are not allowable under any circumstances

1. A Covered Employee making referrals of University business to an external enterprise in which the individual or a member of his or her immediate family has a financial interest.
2. A Covered Employee associating his or her own name with the University in such a way as to profit financially by trading on the reputation or goodwill of the University.
3. A Covered Employee making unauthorized use of privileged information acquired in connection with one's University responsibilities.
4. A Covered Employee signing agreements that assign Institution patent and other intellectual property rights to third parties without prior Institutional approval.
5. Any activity otherwise prohibited by law or university policy

II. Federal and State Regulations

The following resources are established to provide guidance to UNC Constituent Institutions in the establishment of implementing policies for the avoidance of conflicts of interest and conflicts of commitment in the conduct on University responsibilities including teaching, research and service. The Institution may have more stringent financial disclosure requirements. Please refer to the Institution's conflict of interest policy and confer with the Institution's designated official(s) to determine the Institution's disclosure requirements.

A. Public Health Service/US Department of Health and Human Services

The Public Health Service (PHS) and the U.S. Department of Health and Human Services issued revised regulations on the “Responsibility of Applicants for Promoting Objectivity in Research for which PHS Funding is Sought and Responsible Prospective Contractors” (commonly known as the Financial Conflict of Interest (FCOI) regulations) on August 25, 2011. These regulations establish new standards and clarify previously issued standards to be followed by Institutions that apply for or receive research funding from PHS Awarding Components, including the National Institutes of Health (NIH), for grants, cooperative agreements, and research contracts. The 2011 revised regulations were written to increase accountability, add transparency, enhance regulatory compliance and effective Institutional management of Investigator’s financial conflicts of interest, and strengthen PHS's compliance oversight. The primary goal is to promote objectivity by establishing standards that provide a reasonable expectation that the design, conduct, and reporting of research funded under PHS grants, cooperative agreements, and research contracts will be free from bias resulting from Investigator financial conflicts of interest.

Institutions must maintain an up-to-date written Conflict of Interest policy, must ensure the policy is enforced and make the policy available via a publicly-available website. The institution must inform investigators of their responsibilities regarding disclosure of significant financial interests and the applicable federal regulations.

The full regulatory citation for the PHS policy is located at the following URL: http://grants.nih.gov/grants/policy/coi/

1. Required Compliance/Implementation Date

An Institution applying for or receiving PHS funding from a grant or cooperative agreement must be in compliance with all of the revised regulatory requirements no later than 365 days after publication of the regulation in the Federal Register, i.e., August 24, 2012, and immediately upon making the Institution’s Financial Conflict of Interest policy publicly accessible as described in 42 CFR part 50.604(a). When the Institution posts its Financial Conflict of Interest policy (or, if the institution does not have a current presence on a publicly accessible Web site, makes the policy publicly accessible by written request), it signifies that the Institution applying for or receiving PHS funding from a grant or cooperative agreement that is covered by the 2011 revised regulation is in full compliance with all the regulatory requirements.

The Institution must be in compliance with the 2011 revised regulation no later than August 24, 2012.

2. Applicability of Revised FCOI Regulations (Institutions)

The regulation is applicable to each Institution that is applying for, or that receives, PHS research funding by means of a grant or cooperative agreement. The revised regulation will apply to each grant or cooperative agreement with an issue date of the Notice of Award that is subsequent to the compliance dates of the final rule (including noncompeting continuations) no later than August 24, 2012, and immediately upon making its Financial Conflict of Interest policy publicly accessible. Through prior policies, however, Institutions may choose to apply the revised regulations to all active PHS awards. The regulation does not apply to Phase I Small Business Innovative Research (SBIR) Small Business Technology Transfer Research (STTR) applications.

3. Applicability of Revised FCOI Regulations (Investigators)

The regulation applicable to each investigator, through implementation of the regulation by the Institution, who is planning to participate in, or is participating in PHS research funded by means of a grant or cooperative agreement. The term investigator applies to the individual identified as the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded by the PHS, or proposed for such funding and may apply to faculty, post-doctoral fellows and graduate students. For purposes of financial disclosure only, the regulation covers the Investigator’s spouse and dependent children. The regulation also applies to those few cases where an individual, rather than an Institution, is applying for or receives PHS research funding. However, in those cases, the PHS will make case-by-case determinations on the steps an Institution or an Investigator must take, consistent with the regulation, to provide a reasonable expectation that the design, conduct, and reporting of the research will be free from bias resulting from a Financial Conflict of Interest of the individual.

4. Applicability of Revised FCOI Regulation (Subrecipients)

The revised regulation is applicable to each Institution that applies for or receives PHS funding for research through grants or cooperative agreements and, through the implementation of the regulation by each Institution, to each Investigator planning to participate in, or participating in, such research. A subrecipient relationship is established when federal funds flow down from or through an awardee Institution to another individual or entity and the subrecipient will be conducting a substantive portion of the PHS-funded research project and is accountable to the awardee institution for programmatic outcomes and compliance matters. Accordingly, as a recipient of federal funds from an awardee Institution, the Financial Conflict of Interest regulation applies to subrecipients (e.g., subcontractors or consortium members). See 42 CFR 50.604(c). The awardee Institution must determine if the Conflict of Interest policy of the awardee Institution or the Subrecipient will apply to the Subrecipient's investigator(s) and incorporate language into the written agreement that designates the applicable Conflict of Interest policy.

5. Organizational Structure/Designated Official

UNC Policy Manual
An Institution may administer its policy through whichever office or structure it chooses as long as the policy is applicable to all Investigators and the policy meets all requirements of the regulation. Each institution must designate official(s) to review all financial disclosures by Investigators and determine whether any Significant Financial Interest is related to a PHS-funded research and a Financial Conflict of Interests exists by making a reasonable determination that the Significant Financial Interest could be affected by the PHS-funded research or is in an entity whose financial interest could be affected by the research.

6. Required Training

Institutions are expected to develop and implement their Financial Conflict of Interest policies during the 365-day implementation period provided in the 2011 revised regulation. Once the Institution implements and posts their Financial Conflict of Interest policy as required under the final rule, Investigators are expected to then complete required training prior to engaging in PHS-supported research or by the issue date of the Notice of Award issued subsequent to the Institution’s implementation date. NIH has issued a Conflict of Interest tutorial that can be incorporated into campus training programs, which can be accessed from the URL cited at the beginning of section I of the Guidelines. Each investigator (as defined by the regulation), including subrecipient investigator(s), must complete training prior to engaging in PHS-funded research and at least every four years, and immediately under specifically designated circumstances:

   a. Institutional Financial Conflict of Interest policies change in a manner that affects Investigator requirements
   b. An Investigator is new to an Institution
   c. An Institution finds that an Investigator is not in compliance with the Institution’s Financial Conflict of Interest policy or management plan.

7. Disclosure

a. Institutional responsibilities:
   1. Under the revised FCOI regulation, Significant Financial Interests that are subject to disclosure by an Investigator to an Institution are those that reasonably appear to be related to the Investigator’s “institutional responsibilities,” as defined by the Institution. As a result, when read in conjunction with the revised Investigator disclosure requirements under 42 CFR 50.604, the revised Significant Financial Interest definition results in the disclosure by Investigators to Institutions of a wider array of interests on a more frequent basis. In addition to their own, Investigators are required to disclose the Significant Financial Interests of his/her spouse and dependent children.

b. Monetary threshold:
   1. The Significant Financial Interest de minimis threshold is $5,000 and, in some circumstances monetary thresholds for disclosure may be $0.
   2. The definition also differentiates between remuneration to the Investigator and the Investigator’s spouse and dependent children from a publicly traded entity and remuneration from a non-publicly traded entity. With regard to a publicly traded entity, a monetary threshold of $5,000 applies to the aggregated amount of any remuneration received from the entity in the twelve months preceding disclosure and the value of any equity interest as of the date of disclosure. With regard to a non-publicly traded entity, a Significant Financial Interest exists if the value of any remuneration received from the entity in the twelve months preceding disclosure, when aggregated, exceeds $5,000, or when the Investigator (or the Investigator’s spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest).

c. Timing:
   1. The revised Significant Financial Interest definition applies to any remuneration received from an entity in the twelve months preceding the disclosure. Any Investigator who is planning to participate in PHS-funded research must disclose the Investigator’s Significant Financial Interests no later than the time of application for PHS-funded research. In addition, each such investigator must submit an updated disclosure or Significant Financial Interests within thirty days of discovering or acquiring (such as through purchase, marriage, or inheritance) a new Significant Financial Interest.

d. Reimbursed or Sponsored Travel:
   1. Investigators must disclose the occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the Investigator and not reimbursed to the Investigator so that the exact monetary value may not be readily available), related to the Investigator’s institutional responsibilities. However, the disclosure requirement does not apply to travel that is reimbursed or sponsored by the following:
      a. a federal, state, or local government agency,
      b. an Institution of higher education as defined at 20 U.S.C. 1001(a),
      c. an academic teaching hospital,
      d. a medical center, or
      e. a research institute that is affiliated with an Institution of higher education.

e. Exclusions:
   1. The revised regulation modifies the types of interests that are specifically excluded from the Significant Financial Interest definition.

   The exclusions are:

   a. salary, royalties, or other remuneration paid by the Institution to the Investigator if the Investigator is currently employed or otherwise appointed by the Institution;
   b. intellectual property rights assigned to the Institution and agreements to share in royalties related to such rights
   c. any ownership interests in the institution held by the Investigator, if the Institution is a commercial or for-profit organization
   d. income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions made in these vehicles;
   e. income from seminars, lectures, or teaching engagements sponsored by a federal, state, or local government agency, an Institution of higher education as defined in 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education;
   f. income from service on advisory committees or review panels for a federal, state, or local government agency, an Institution of higher education as defined in 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education.

f. Paid Authorships:
   1. Paid authorships are considered payment for services under the revised regulations and must be disclosed.

8. Consequences of Investigator Non-Compliance

   a. When an Investigator fails to comply with the Institution’s Financial Conflict of Interest policy or the management plan, the Institution...
shall within 120 days:
1. complete a retrospective review of the Investigator's activities and the PHS-funded research project to determine any bias in the design, conduct or reporting of research;
2. document the retrospective review consistent with the regulation; and
3. document the Institution's determination as to whether any PHS-funded research, or portion thereof, conducted during the period of time of the Investigator's non-compliance with the Institution's Financial Conflict of Interest policy or a Financial Conflict of Interest management plan, was biased in the design, conduct, or reporting of such research.
4. If bias is found, the Institution shall notify the PHS promptly and submit a mitigation report to the PHS that shall address the following:
   a. impact of the bias on the research project and
   b. the Institution's plan of action or actions taken to eliminate or mitigate the effect of the bias.
5. Thereafter, the Institution shall submit FCOI reports annually, in accordance with the regulation. Depending on the nature of the Financial Conflict of Interest, an Institution may determine that additional interim measures are necessary with regard to the Investigator's participation in the PHS-funded research project between the date that the Financial Conflict of Interest is identified and the completion of the Institution's independent retrospective review, in accordance with 42 CFR 50.605(a)(3) and 42 CFR 50.605(b)(3).

9. Clinical Research to Evaluate the Safety or Effectiveness of Drug, Medical Device or Treatment

The revised regulations contain special provisions for Clinical Research. If the HHS determines that an PHS-funded project of clinical research whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment has been designed, conducted, or reported by an Investigator with a conflicting interest that was not managed or reported by the Institution as required by the regulation, the Institution must require the Investigator(s) involved to disclose the Financial Conflict of Interest in each public presentation of the results of the research and to request an addendum to previously published presentations. Institution's Financial Conflict of Interest policy may have additional requirements.

10. Institutional Reporting of Identified Financial Conflicts of Interest to PHS

Prior to the institution’s expenditure of any funds under a PHS-funded research project, the institution shall provide to the PHS awarding component any Investigator’s significant financial interest found by the Institution to be conflicting and ensure that the institution has implemented a management plan in accordance with the revised regulations. Further, the Institution will provide annual FCOI reports for the duration of the project period. Any FCOI report required under the revised regulations shall include, at a minimum, the following information:

   a. PHS-Funded Research Project Number
   b. Name of the Principal Investigator
   c. Name of the Investigator with the financial conflict of interest
   d. Name of the entity with which the Investigator has a financial conflict of interest
   e. Nature of the financial interest
   f. Value of the financial interest, or a statement if the interest is one whose value cannot be readily determined through to public prices or other reasonable measures of fair market value
   g. Description of how the financial interest relates to the PHS-funded research and the basis for the Institution’s determination that the financial interest conflicts with the research
   h. Description of key elements of the Institution’s management plan, including:
      1. Role and principal duties of the conflicted Investigator in the research project
      2. Conditions of the management plan
      3. How the management plan is designed to safeguard objectivity in the research project
      4. Confirmation of the Investigator’s agreement to the management plan
      5. How the management plan will be monitored
      6. Other information as needed

11. Public Accessibility of Identified Financial Conflicts of Interest

Prior to the expenditure of PHS funds on or after August 24, 2012, the institution must ensure public accessibility (via publically-available website or response to written request within five (5) business days of the request) of information concerning significant financial interests disclosed to the Institution that are:

   a. Previously disclosed and currently held by Investigators or Senior/Key Personnel;
   b. The significant financial interest is related to PHS-funded research; and
   c. The institution has determined the significant financial interest is a financial conflict of interest

The information the Institution must make publically-available must be updated at least annually, must be maintained for a period of three years from the last update, and must include the following data elements at a minimum:

   1. Investigator Name
   2. Investigator Title
   3. Investigator role with respect to the research project
   4. Name of the entity in which the significant financial interest is held
   5. Nature of the significant financial interest
   6. Approximate dollar value of the significant financial interest, or a statement if the interest is one whose value cannot be readily determined through to public prices or other reasonable measures of fair market value.

B. Definitions

See the notice announcing the availability of new Frequently Asked Questions (FAQs) related to the 2011 revised regulations for a list of definitions at [http://grants.nih.gov/grants/policy/coi/](http://grants.nih.gov/grants/policy/coi/). Following are some key definitions:

1. **Senior/Key Personnel** means the Project Director/Principal Investigator (PD/PI) and any other person identified as senior/key personnel by the Institution in the grant application, progress report, or any other report submitted to the PHS by the Institution under the regulation.
2. **Investigator** means the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded by the PHS (e.g., NIH), or proposed for such funding, which may include, for example, collaborators or consultants. Institutions should consider the role, rather than the title, of those involved in research and the degree of
independence with which those individuals work. When the definition of investigator is limited to titles or designations (e.g., principal investigators, key personnel, faculty) the risk increases that an unidentified FCOI may comprise the research.

3. **Institutional responsibilities** are defined by the 2011 revised regulation as an investigator’s professional responsibilities on behalf of the institution, and as defined by the institution in its policy on Financial Conflict of Interest, which may include, for example, activities such as research, research consultation, teaching, professional practice, institutional committee memberships, and service on panels such as Institutional Review Boards or Data and Safety Monitoring Boards. The institution can include other professional responsibilities within the definition, as appropriate.

4. A **Financial Conflict of Interest** exists when the institution, through its designated official(s), reasonably determines that an investigator’s Significant Financial Interest is related to a PHS-funded research project and could directly and significantly affect the design, conduct or reporting of the PHS-funded research.

5. **Significant Financial Interest** is defined as follows:
   a. A financial interest consisting of one or more of the following interests of the investigator (and those of the Investigator’s spouse and dependent children) that reasonably appears to be related to the Investigator’s institutional responsibilities:
      1. With regard to any publicly traded entity, a significant *financial interest* exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds $5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
      2. With regard to any non-publicly traded entity, a significant *financial interest* exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds $5,000, or when the Investigator (or the Investigator’s spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest);
   b. Investigators also must disclose the occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the investigator and not reimbursed to the investigator so that the exact monetary value may not be readily available). See Section II, A, d, (4) above.
   c. The term significant financial interest does not include the following types of financial interests: salary, royalties, or other remuneration paid by the Institution to the Investigator if the Investigator is currently employed or otherwise appointed by the Institution, including intellectual property rights assigned to the Institution and agreements to share in royalties related to such rights; any ownership interest in the Institution held by the Investigator, if the Institution is a commercial or for-profit organization; income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions made in these vehicles; income from seminars, lectures, or teaching engagements sponsored by a federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education; or income from service on advisory committees or review panels for a federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education.

C. National Science Foundation

The full regulatory citation for the National Science Foundation is located at the following URL: [http://www.nsf.gov/pubs/manuals/gpm05_131/gpm5.jsp#510](http://www.nsf.gov/pubs/manuals/gpm05_131/gpm5.jsp#510)

1. NSF requires each grantee institution employing more than fifty persons to maintain an appropriate written and enforced policy on conflict of interest. Guidance for such policies has been issued by university associations and scientific societies.

2. An institutional conflict of interest policy should require that each investigator disclose to a responsible representative of the institution all significant financial interests of the investigator (including those of the investigator’s spouse and dependent children) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or (ii) in entities whose financial interests would reasonably appear to be affected by such activities.

3. The term “investigator” means the principal investigator, co-principal investigators, and any other person at the institution who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF.

4. The term “significant financial interest” means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stock, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights).

The term does not include:
   a. salary, royalties or other remuneration from the applicant institution;
   b. any ownership interests in the institution, if the institution is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;
   c. income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;
   d. income from service on advisory committees or review panels for public or nonprofit entities;
   e. an equity interest that, when aggregated for the investigator and the investigator’s spouse and dependent children, meets both of the following tests: does not exceed $10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity; or
   f. salary, royalties or other payments that, when aggregated for the investigator and the investigator’s spouse and dependent children, are not expected to exceed $10,000 during the twelve month period.

5. An institutional policy must ensure that investigators have provided all required financial disclosures at the time the proposal is submitted to NSF. It must also require that those financial disclosures are updated during the period of the award, either on an annual basis, or as new reportable significant financial interests are obtained.

6. An institutional policy must designate one or more persons to review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflict of interest. A conflict of interest exists when the reviewer(s) reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of NSF-funded research or educational activities.

7. Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:
   a. public disclosure of significant financial interests;
   b. monitoring of research by independent reviewers;
The Code

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UNC Policy Manual

300.2.3[R] Regulations Governing Fraudulent Job Applications[1]

The 1987 Session of the North Carolina General Assembly enacted legislation prohibiting the fraudulent disclosure and willful nondisclosure of information relating to applications for State employment (N.C.G.S. § 126-30). The statute authorized the Board of Governors to issue regulations to implement this law for all University employees exempt from the State Personnel Act (Chapter 126 of the North Carolina General Statutes). Pursuant to that mandate, the following regulations are hereby adopted.

1. Each application form to be used for EPA employment shall contain the following statement to be signed by the applicant:

North Carolina law requires notice to every applicant for State employment that willfully providing false or misleading information or failing to disclose relevant information shall be grounds for rejection of an application or later disciplinary action or criminal prosecution. Dismissal from employment shall be mandatory in any case in which a false or misleading representation is made in order to meet position qualifications. The employer is required by law to verify an applicant’s representations about credentials and other qualifications relevant to employment. By executing this employment application, you authorize the release to the University of North Carolina of any document or information within the possession of a third party, such as an employer, for the purpose of verifying the information contained in the application. If the employee was determined to be qualified and was selected for a position based on false representation about credentials or other requirements for the position, the employee shall be dismissed.

2. With respect to EPA employment, each constituent institution shall establish procedures for verifying representations made about credentials and other qualifications pertinent to the position. These procedures shall include the following:

   a. Based upon an examination of the position description, the employer must verify credentials and other information significantly related to job qualifications. “Credentials” may include degrees awarded, professional licenses, professional registrations and professional certifications. “Other information” may include prior work or study experience.

   b. A written record of the verification(s) shall be maintained in the employee’s personnel file. This record shall include the date of verification, the method of verification, the name of the official requesting the verification and the name of person or entity responding to the request, with copies of any documents procured incident to the verification process.

   c. All verifications should be completed within 90 days from the date of initial employment.

3. With each constituent institution shall establish regulations for the willful falsification of credentials or other information significantly related to job qualifications or responsibilities or the willful nondisclosure of information significantly related to job qualifications or responsibilities. These sanctions shall include the following:

   a. Upon discovery of any such falsification or nondisclosure prior to employment, the applicant shall be disqualified from any further consideration for the position in question.

   b. Upon discovery of the falsification or nondisclosure after employment:

      1. If the employee was determined to be qualified and was selected for a position based on false representation about credentials or other requirements for the position, the employee shall be dismissed.

      2. For all other willful falsifications or willful nondisclosures, the discipline imposed shall be based upon the circumstances of each case. Sanctions may include dismissal, demotion, reduction in pay and written reprimand. In determining the level of the sanction to be imposed, the following criteria maybe relevant: sensitivity of the employee’s position; effect of the false information on the hiring decision; advantage gained by the employee over other applicants; effect of the false information on the starting salary; and the advantage gained by the employee in subsequent promotion and salary increases. The employee’s performance in the position, whether satisfactory or unsatisfactory, should not be considered in determining the level of sanction.

      3. Penalties will be imposed by the university only in accordance with procedural safeguards applicable to disciplinary actions against faculty members, administrators, and other employees, as required by Section 603 of The Code, and by Board of Governors policies applicable to other employees exempt from the State Personnel Act.

   c. Other disciplinary action, up to and including the severance of relationships that create conflicts.

   d. Disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests;

   e. Divestiture of significant financial interests; or

   f. Severance of relationships that create conflicts.

8. If the reviewer(s) determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the reviewer(s) may allow the research to proceed without imposing such conditions or restrictions.

   a. The institutional policy must include adequate enforcement mechanisms, and provide for sanctions where appropriate.

   b. The institutional policy must include arrangements for keeping NSF’s Office of the General Counsel appropriately informed if the institution finds that it is unable to satisfactorily manage a conflict of interest.

6. Institutions must maintain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three years beyond the termination or completion of the grant to which they relate, or until the resolution of any NSF action involving those records, whichever is longer.

D. North Carolina General Statute 138A “State Government Ethics Act”

The purpose of the “State Government Ethics Act” is to ensure that elected and appointed State agency officials exercise their authority honestly and fairly, free from impropriety, threats, favoritism, and undue influence. To this end, it is the intent of the General Assembly in this Chapter to ensure that standards of ethical conduct and standards regarding conflicts of interest are clearly established for elected and appointed State agency officials, that the State continually educates these officials on matters of ethical conduct and conflicts of interest, that potential and actual conflicts of interests are identified and resolved, and that violations of standards of ethical conduct and conflicts of interest are investigated and properly addressed. (2006-201, s. 1.)

The full general status is located at the following URL:
http://www.ncga.state.nc.us/enactedlegislation/statutes/html/bychapter/chapter_138a.html

E. North Carolina General Statute 14-234 “Public Officers or Employees Benefiting from Public Contracts”

The purpose of the Public Officers or Employees Benefiting from Public Contracts statute is to ensure the making and administering of public contracts is free of bias, in appropriate influence, conflict of interest and does not result in personal benefit to the public officer or employee.

The full general status is located at the following URL: http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_14/GS_14-234.html

300.2.2[G]: Adopted 06/21/12
300.2.5 Interpreting General Statutes § 126-5(c1) (8): Instructional Research and Public Service Staff Exempt from the State Personnel Act

Please refer to UNC Policy Manual:

300.2.5 [G] – Guidelines on Interpreting General Statute § 126-5(c1) (8): Instructional Research and Public Service Staff Exempt for the State Personnel Act

300.2.5[R] – Regulations on the Application of Guidelines on Interpreting General Statute § 126-5(c1) (8). Instructional Research and Public Service Staff Exempt for the State Personnel Act

300.2.5:

300.2.5.1[R] Regulations on the Application of Guidelines on Interpreting General Statute § 126-5(c1)(8): Instructional and Research Staff Exempt from the State Personnel Act (Guideline #300.2.5[G])

North Carolina General Statute § 126-5(c1) [State Personnel Act] provides that the following employees are exempt from the provisions of this statute:

(8) Instructional and research staff, physicians, and dentists of the University of North Carolina.

The North Carolina Office of State Personnel and the University of North Carolina have agreed to guidelines, (#300.2.5[G]) that govern the interpretation and application of the terms “instructional” and “research” as used in N.C.G.S. § 126-5(c1)(8).

Application of the guidelines on interpreting N.C.G.S. § 126-5(c1)(8) may require a prospective change in the status of a position from EPA (exempt from the State Personnel Act) to SPA (subject to the State Personnel Act) or vice versa. The incumbent of a position that is subject to a change in status shall have the option of requiring that the change not be made for the duration of his or her continued occupancy of the position. The incumbent shall be given no less than 15 business days to exercise the option to retain SPA/EPA status after receiving written notice from the employer that the position is subject to a change in status. Exercise of the option must be confirmed in writing cosigned by the employee and the employer, on a form that shall include a certification that the affected employee either (1) asked for and received or (2) was apprised of but declined the opportunity to receive from a staff representative designated by the employer a written summary of conclusions concerning differences, if any, between SPA and EPA status of the position with respect to:

- a. methods of calculating compensation;
- b. both statutory-mandated and other employer-provided benefits; and
- c. policies and procedures governing non-disciplinary termination of employment; discharge, suspension, demotion or other disciplinary action; and the consideration/resolution of grievances, all as of the effective date of the signed choice of option.

(A sample form is attached as Appendix A)

Once such an option has been chosen, it may not be rescinded thereafter except by mutual written agreement of the employee and the employer. An incumbent who has chosen the option to maintain the status quo thereafter may not be removed involuntarily from the position for the purpose of effecting a change in the status of the position. However, when the incumbent who chose that option thereafter vacates the position through resignation, retirement, or discharge for cause, the change in status required by application of the regulations shall be effective immediately.

[This is a rewrite of Administrative Memorandum #364[1].]

Appendix A
Implementation of Employee’s Option to Maintain Current Status

On _____[date]____, I received notice that the status of the employment position I now occupy, _____[specify]____, is subject to change from _____[SPA/EPA] to _____[EPA/SPA]. I understand that I have the option of requiring that the present _____[EPA or SPA] status of the position not be changed during my continued occupancy of the position. I understand that if I decide to exercise the option of preserving the present status of the position, that decision is binding on me for as long as I occupy the position, unless my employer and I subsequently agree otherwise in writing.

I have _____(1) asked for and received or _____(2) declined the opportunity to receive from a staff representative designated by my employer a written summary of any differences in terms and conditions of employment applicable to the position, depending upon whether its status is SPA or EPA. [If option (1) is checked, the written summary is set forth in writing in an attachment to this form and should be reviewed before the employee at the appropriate space indicated; if option (2) is checked, the employee may proceed to the appropriate signature line. In either case, the instrument must be co-signed by the employee’s immediate supervisor or by the next higher level administrative officer.]

The attachment indicates differences, if any, between EPA and SPA status with respect to:

- a. methods of calculating compensation
- b. leave entitlement
- c. entitlement to participate in statutory-mandated or other employer-sponsored payroll-deducted benefits; and
- d. policies and procedures governing non-disciplinary termination of employment; discharge, suspension, demotion or other disciplinary action; and the consideration and disposition of grievances.

_____I do wish to exercise my option of retaining the _____[SPA/EPA] status of the employment position I now occupy.

_____I do not wish to exercise my option of retaining the _____[SPA/EPA] status of the employment position I now occupy.

Employee signature

Witnessed by Employer

Date
300.2.5[G] Guidelines on Interpreting General Statute § 126-5(c1) (8): Instructional Research and Public Service Staff Exempt from the State Personnel Act

North Carolina General Statute § 126-5(c1) [State Personnel Act] provides that the following employees are exempt from the provisions of this statute:

(8) Instructional and research staff, physicians, and dentists of the University of North Carolina, including the faculty of the North Carolina School of Science and Mathematics.

The Office of State Personnel and the University of North Carolina have agreed that the following shall govern the interpretation and application of the terms "instructional" and "research" as used in N.C.G.S. § 126-5(c1)(8):

1. Instructional, Research, & Public Service [IRPS]

   EPA non-faculty IRPS positions deliver the core-mission activities of the University: creating and disseminating knowledge through direct instruction, research, and public service; or performing professional-level duties that are integral to and uniquely supportive of that work. The purpose of each such position must be substantially engaged in the regular academic, educational, research, or public-service/extension activities of the University. Such positions require the exercise of professional expertise and discretion in determining the nature and content of the instructional-, educational-, research-, or public-service-related activities, and in evaluating the effectiveness of such activities, and/or involve significant and independent interaction with participants in the University's instructional, educational, research, or public-service programs.

   The ongoing job responsibilities for such positions must:

   a. Engage in or be uniquely supportive of instruction, student success, and/or the direction or coordination of education or academic-supportive activities; AND/OR

   b. Engage in or be uniquely supportive of original scholarship, creativity, or scientific research efforts, and the dissemination of such research/scholarship results (including dissemination through extension/public service). The ongoing job responsibilities must be involved with independent research design, implementation of research procedures, analysis of data, interpretation of research results, and/or dissemination of results through publication or public service; AND/OR

   c. Serve as a staff physician or staff veterinarian (without faculty rank), providing clinical healthcare services to human or animal populations.

Minimum Education and Experience

EPA non-faculty IRPS positions generally require post-baccalaureate credentials (e.g., Master's degree or higher), although a bachelor's degree plus alternative or equivalent professional training and experience may be substituted for the advanced degree. It is recognized that in some areas such as information technology, admissions, financial aid, and athletics coaching and athletics management, appropriate qualified candidates may hold baccalaureate rather than advanced degrees. Positions for which post-baccalaureate credentials are not required, or for which specific degrees or certification are required, have education and experience requirements listed.

For purposes of reporting and workforce administration, these positions are subcategorized below. The individual EPA IRPS subcategories below may include example statements of minimum education and experience for positions which would not require a Master's degree or higher, or where specific degrees/certification/licensure is required.

The following roles represent these characteristics:

Academic Advising & Assessment:

Positions whose primary purpose is to advise students on academic matters such as selection of a major area of study, course selection, and academic performance. Such positions may include individuals who provide student testing and assessment a part of the academic advising process.

Academic Preparation & Enhancement:

Positions whose primary purpose is to improve student academic preparation through such means as tutoring and supplemental instruction, or to direct programs designed that enhance the educational experience of enrolled university students or targeted secondary school students to help prepare them for post-secondary education. This includes positions focused on enhancing the academic preparation of "at risk" student populations.

Academic Standards:

Positions whose primary purpose is to develop and/or administer academic standards, curricula, and degree requirements for degree-granting programs.

Academic / Research IT Management:

Positions whose primary purpose is to direct staff in providing information technology services that directly support the institution's academic or research missions; these are typically individuals at the Director-level within a school-wide, college-wide, or campus-wide role, as well as positions in large, specialized research or clinical centers. Note: This category is not intended for individuals who direct staff members who provide generalized or administrative information technology support that is not directly tied to an academic or research activity of the campus.

Athletics Coaching and Athletics Management:

Positions whose primary purpose is to coach student athletes for teams sponsored by the institution, to serve as trainers to student athletes, as well as senior-level professionals with institutional responsibility for in student-athlete programs in areas of compliance, and major sports operations. Note: would not include equipment & facilities managers, or positions ancillary to an athletics program.

Education and Experience: Minimum of a bachelor's degree required with experience in relevant independent instructional or educational activities; specific minimum experience is at the discretion of the Director of Athletics.
Clinical Academic Department:

Administrator (CADA) and Research & Academic Department Administrator (RADA):

CADA and RADA positions are intended for administrators of high-complexity, academic health centers or research-focused academic departments and centers within the University system that are engaged in a substantial amount of externally funded research and feature complex, cross-disciplinary research collaborations and partnerships. Departments supervised by CADA/RADA positions would include Human Resources management; Finance and budget; and Sponsored research administration and compliance. Notes: Positions require individual HRAB review and approval regardless of campus delegated authority for EPA classifications.

Education and Experience: Minimum qualifications of an advanced degree (masters or higher) and no less than 5 to 7 years of management-level experience in the full range of administrative and financial functions of an academic department or research center in a higher education, research, or health care setting. Candidates with 7 to 10 years of directly comparable experience may substitute for the required advanced.

Continuing Education:

Positions whose primary purpose is to design and deliver courses, seminars, etc., that extend the institution's regular academic and research activities to non-degree-seeking participants through targeted programs and short courses. This classification is used for instructors of non-credit courses only.

Cooperative Education:

Positions whose primary purpose is to develop cooperative or internship education experiences for students with employers, monitoring student progress and learning, and evaluating student performance. Such positions either have direct impact on grade assignment or are featured as an integral component of institution's student career services activities.

Counselors:

Positions requiring credentialed professionals whose primary purpose is to provide clinical and developmental counseling or psychological services to students to enhance their psychological growth, emotional well-being, and learning potential.

Education and Experience: Relevant professional degree and licensure in the appropriate clinical field of psychology, social work, or mental health.

Institutional Research & Assessment Management:

Positions whose primary purpose is to direct and manage institution-wide data, metrics and management information about the institution's students, faculty and staff, enrollment and academic programs, facilities, and related items as required for federal, state, and UNC system reporting. Directly supports the institution's planning and assessment processes. This category may be used for Campus-wide roles or those who direct institutional research and assessment within a large School or College. Note: This is not intended for analysts or other institutional research roles that do not have Director-level responsibility.

Instruction:

Positions whose primary purpose is to determine course content, teach and evaluate enrolled students in courses for academic credit.

Instructional Consulting and Technology:

Positions whose primary purpose is to assist, advise, and critique faculty and other instructional staff on instructional matters such as course content, curriculum structure, and instructional technique, or whose primary purpose is to plan, design, or implement information technology and/or multimedia approaches that directly support instructional delivery. This includes positions involved in transitioning coursework from traditional "face-to-face" delivery to on-line "distance learning" formats. This category is not to be used for individuals who provide routine information technology support within the instructional enterprise.

Laboratory Management:

Positions whose primary purpose is to manage research and experiential laboratories and participate in design and selection of experiments, protocols, and procedures that best support the instructional or research goals and in evaluating progress towards goals.

Professional Librarians:

Positions whose primary purpose is to support the institution's instructional and research activities by advising students and faculty on the selection and effective use of library resource materials and by working with faculty on instructional and research matters such as collection development. Used for professional librarians without faculty rank.

Education and Experience: Requires the Masters in Library Science (MLS) degree. In specialized libraries, may substitute an advanced degree in the field of specialization (e.g., legal degree for a law library, or a history degree for a special historical collection within the library setting).

Public Service & Extension:

Positions whose primary purpose is to provide the direct delivery of scholarship and research to public audiences and clients and/or to direct staff or programs in the development and administration of such programs, which focus or extend the academic resources and/or research products of the institution on addressing community and regional issues and incorporate community needs in the institution's academic and research programs, including agricultural extension and industrial extension.

Research Administration & Compliance:

Positions whose primary purpose is to direct and administer the programs and staff of major externally-funded research projects; serve as the chief administrative manager and compliance officer for a large academic department or research center with substantial administrative and financial complexity and which derives a significant portion of its operating budget from sponsored research funding sources; or positions that provide executive leadership of sponsored research activities either campus-wide or within a School/College dean's office. The latter includes individuals who manage project proposals in compliance with the institution's academic and research policy, provide substantive professional advice on the development of project proposals, and negotiate with sponsoring agencies with regard to the terms and conditions that govern the conduct of sponsor research. Notes: These positions do not include first-level contract and grants developers, grant writers, or administrative support.

Research and Clinical Professionals:
Positions whose primary purpose is to serve as non-faculty principal investigators, research project managers, research scholars, research scientists, or research assistants/associates for primary or secondary research projects that may advance or enhance a field of academic learning; as well as licensed clinicians who deliver research demonstration outcomes or who provide direct clinical services to clients in an academic healthcare environment.

These positions function with substantial independence and expertise in original scholarship, research design, research engineering, implementation of research procedures, data analysis and interpretation of results. Research computing professionals whose principal duties involve the exercise of substantial research independence and creativity in discovering new or emerging technologies may also be considered for this category as distinguished from individuals who are operating or supporting existing, well established information technologies. Note: These positions do not include operational or support related positions.

Education and Experience: Relevant post-Baccalaureate degree required; for candidates demonstrating comparable independent research productivity, will accept a relevant undergraduate degree and 3 or more years of relevant experience in substitution. May require terminal degree and licensure.

Student Support Services:

Positions whose primary purpose is to develop, direct and administer services for students and/or faculty that have a direct impact on the students' educational experiences and/or campus life (e.g., student career services; student life / student housing; student honors programs; student diversity support programs; student conduct; student registration and records). This category also includes student admissions and financial aid positions that exercise decision making authority on behalf of the institution (e.g., admissions officers, financial aid officers) and professional staff who design and deliver programs and instruction that involve direct interaction with students and enhance their academic and learning experiences outside the classroom setting. Note: These positions do not include operational or facility maintenance functions.

Technology Transfer:

Positions whose primary purpose is to manage the flow of research and technology innovation, disclosures, patents, trademarks, copyrights and other aspects of technology transfer. These positions include professional staff members who assess disclosures for technical and commercialization merits; develop relationships with industry or government clients; negotiate business transactions for the exchange of intellectual property rights; collaborate with regional and state economic development agencies; and/or engage in other aspects of technology transfer such as negotiating licensing or equity agreements. These positions also provide outreach services such as training and education to university faculty and students in related activities.

Physicians and Dentists:

While defined separately under NC General Statute 126-5(c)(8), positions whose required qualifications meeting the licensing standards for Physicians and Dentists in the State of North Carolina will be classified as IRPS.

[This is a rewrite of Administrative Memorandum #364][3]

"[Supersedes Policy 300.2.5[G] originally entitled "Guidelines on Interpreting General Statute, § 126-5(c1)(8): Instructional and Research Staff Exempt from the State Personnel Act"]"

[1]"Faculty" positions at the North Carolina School of Science and Mathematics are those positions which are subject to its Regulations on Faculty Employment. Positions directing staff that qualify as "Faculty" also qualify as "Instructional."

[2]"Research." Position directing staff that qualify as "Instructional" also qualify as "Instructional." Positions directing staff that qualify as "Research" also qualify as "Research."

[3]The section of Administrative Memorandum #364 related to the application of guidelines on interpreting North Carolina General Statute § 126-5(c1)(8): Instructional and Research Staff Exempt from the State Personnel Act has been rewritten as Regulation #300.2.5.1[R].

300.2.5[G]: Adopted 02/18/02, Amended 01/31/04, Amended 07/01/07, Amended 12/19/12*

300.2.6[G] Guidelines on Reassigned Time for Faculty

Faculty members are expected to remain highly competent in their disciplines and to maintain familiarity with recent scholarship. They often need sustained and dedicated periods of time to carry out tasks related to the teaching, research, creative activity, or external activities related to their positions. Reassigned Time for these activities may be supported by state or other funds available from the institution or from external sources. Campuses that provide such opportunities to faculty must have appropriate policies governing the awarding of Reassigned Time, in order to ensure equity in submitting and consistency in approving requests for Reassigned Time.

These guidelines are intended to assist campuses in creating such policies and reflect common practices at UNC and other higher education institutions across the country. Campus policies may vary from these guidelines, since leaves are contingent on the availability of funds at the institution and review and approval procedures need to be consistent with the campus administrative structure.

1. Eligibility

Campuses should define the pool of faculty eligible for Reassigned Time. In some cases, untenured faculty may be provided released time during their probationary period; the Reassigned Time policy generally does not apply to faculty with whom hiring agreements have been made that include such released time.

In general, faculty eligible for Reassigned Time should understand the following expectations:

1. The faculty member is tenured and full-time at the rank of assistant professor or above. Campuses may consider applications for Reassigned Time from tenure-track faculty members in their last probationary year; if the proposal is approved, the Reassigned Time will be contingent upon the applicant receiving tenure. The University of North Carolina School of the Arts will have a different definition for eligibility because that institution does not award tenure.
2. The period of Reassigned Time will count as time toward promotion, contract (in the case of NCSA), and post-tenure review.
3. When applying for Reassigned Time, the faculty member must submit a proposal and the appropriate materials in accordance with campus policies.
4. Reassigned Time is neither deferred compensation nor an entitlement based upon length of service but is granted on the merits of the individual
Faculty on Reassigned Time are eligible for consideration for merit salary increases, promotion, and one-time payments or any other salary adjustments approved by the General Assembly, the Board of Governors, or the institution.

Faculty on Reassigned Time will continue to receive university contributions for the State Health Plan. They will also continue to receive the University’s contributions for the N.C. Teachers’ and State Employees’ Retirement System or the UNC Optional Retirement Program under the conditions outlined in Section VI below. Other benefits may be continued during this period, in accordance with the policy adopted by the campus.

Faculty members on Reassigned Time are expected to devote full-time to the approved project.

If circumstances require that a substantial change be made in the project after it has been approved, the faculty member should obtain approval of the changes in accordance with campus procedures.

II. Duration and Compensation

Campuses should develop guidelines that include the duration and compensation for periods of Reassigned Time.

1. Duration

Faculty will generally be awarded Reassigned Time for either one or two semesters for 9-month academic-year appointments or for six or twelve months for 12-month appointments (UNCSA may have a different schedule.)

2. Compensation

Campus policies on compensation for Reassigned Time may vary depending on availability of funds. In general, faculty will be granted leave for a full academic year or for twelve-months for no less than 50% of the annual salary or leave for one semester or six months for full salary. Campuses may decide to award only academic year or calendar-year leaves if funds are not available for single semester or six month leaves. Faculty awarded Reassigned Time are expected to work full-time on their approved project.

Salary funds released by Reassigned Time appointments should be aggregated at the appropriate level (college or institution) to be used for replacement faculty as necessary. The source of funds for replacement needs to be determined prior to approval of the Reassigned Time.

III. Supplemental Pay

Campuses should develop guidelines addressing the salary and other compensation faculty may receive from the institution and from other sources during the period of Reassigned Time.

1. In some cases, faculty may be receiving partial salary from an external source. In these cases, the faculty member’s total salary should not exceed the approved annual salary for the period of Reassigned Time, not including funds awarded to cover living expenses and travel for Reassigned Time spent away from campus as well as secretarial assistance, research, publication, and other expenses related to the approved project.

2. Compensation for salary and expenses from all sources should be addressed in the proposal and approved before the leave is granted. If the amount or source of compensation changes, this change should be approved by the appropriate administrators through the External Professional Activities for Pay policy (see 300.2.). A person on Reassigned Time may not receive supplemental salary funds through the university.

IV. University Obligations and Return to Service

1. Faculty on Reassigned Time should agree to take leave or resign from campus obligations such as department, college, and campus committees during the time of the Reassigned Time. However, faculty may be expected to maintain contact with graduate advisees or to make other arrangements to ensure that students’ progress will not be disrupted. Faculty may also participate in the department faculty evaluation process (for annual reviews or hiring) if the department bylaws provide this opportunity.

2. Campus policies must include a provision for continuing service to the institution following the end of the Reassigned Time period. Faculty who receive Reassigned Time should be required to return to service at the university or be required to repay the salary received during the period of leave. Typically, such policies require that faculty return to the university for twice the period of the Reassigned Time that was granted. For example, a 9-month faculty member who was granted Reassigned Time with full pay for one academic semester, at the end of the Reassigned Time period, might be expected to return to work with that campus for a minimum of two semesters or he or she will be required to repay the salary received during the Reassigned Time period.

3. The N.C. Teachers’ and State Employees’ Retirement System requires that employees on approved leave of absence for educational purposes return to service as a contributing member for at least three years; otherwise, service credit earned during leave of absence will be cancelled. (See Section VII, "Benefits Continuation.")

4. A faculty member on Reassigned Time who accepts a position at another post-secondary institution or any other paid employment that was not included in the proposal or approved through the External Professional Activities for Pay policy (see 300.2.2) will be considered to have abandoned his or her contract and should be terminated.

V. Report

Campus policies should include a report for providing on the outcomes of the Reassigned Time. This could include a report required at the end of the first semester following the leave that addresses the accomplishment of the purposes stated in the application for Reassigned Time. Campuses may wish to require a public forum or presentation following the Reassigned Time if a faculty member fails to submit the required report, he or she should not be considered for subsequent Reassigned Time. Campuses may determine additional consequences in such cases.

VI. Further Service and Subsequent Reassigned Time

Campuses should establish a defined period of time before faculty members are eligible to apply for additional Reassigned Time. Typically, six years of further service is required before a faculty member is eligible to apply for another leave. Leaves of absence without pay not exceeding one year may be counted as service toward eligibility for additional Reassigned Time if the leave of absence without pay is related to scholarly responsibilities.

VII. Benefits Continuation

1. Retirement

A. N.C. Teachers’ and State Employees’ Retirement System (TSERS)

For faculty who are on Reassigned Time, this period will be considered as an approved leave of absence for educational purposes.

During the Reassigned Time with full pay, the University will continue making the employer contribution to TSERS and the faculty member will continue making his or her pre-tax contribution to TSERS through payroll deduction.

During the Reassigned Time with partial pay, if the faculty member wishes to continue making his or her retirement contribution, the
University will continue making the employer contribution. The employer and employee contributions are based on the faculty member’s base rate of pay in effect immediately preceding the reassignment. The faculty member’s contribution shall be on an after-tax basis and monthly payment must be made timely by the faculty member, by personal payment, to the campus human resources/benefits office, for transmission to the State Retirement System.

In accordance with State law, if a faculty member is on an approved leave of absence for educational purposes with partial pay, service credit may be purchased if retirement contributions are paid by the 15th of the month following the month for which service credit is allowed. If contributions are not made by the 15th of the month, a penalty of 1% of the combined employer and employee contributions per month shall be assessed by the Retirement System. In addition, unless the faculty member returns to service as a contributing member within 12 months after completion of his or her educational program and contributes to the Retirement System for at least three more years (except in the event of death or disability), contributions will be refunded and the service credits canceled. Regardless of when the educational program was completed, the maximum allowable credit for educational leave or interrupted service for educational purposes is six years over the course of one’s career.

In advance of the Reassigned Time, a letter must be sent to TSERS by the campus human resources/benefits office requesting permission for the faculty member to continue his or her retirement contributions while on Reassigned Time, along with an “Application to Purchase Service Credits for Educational Leave or Interrupted Service for Educational Purposes,” Form 263. This form is available on the TSERS website.

NOTE: Coverage under the State’s Disability Income Plan and the Death Benefit will continue for eligible members of TSERS during the Reassigned Time period.

B. UNC Optional Retirement Program

If a faculty member participates in the UNC Optional Retirement Program (ORP), the same procedures as outlined above for TSERS members apply, including the six year maximum allowable credit limit. (See TSERS discussion above). However, employer and employee contributions are payable to the appropriate ORP carrier instead of to the Retirement System. Please note that a letter requesting permission for the faculty member to continue making contributions to the ORP must be submitted by the campus human resources/benefits office to the State Retirement System in advance of the Reassigned Time so that the six year maximum allowable credit limit can be tracked. At the present time, the ORP does not track whether a faculty member who takes a leave of absence for educational purposes at less than full pay returns to work for at least three years.

NOTE: Coverage under the State’s Disability Income Plan will continue for eligible participants of the ORP during the Reassigned Time period.

2. State Health Plan

A faculty member who is on Reassigned Time is eligible and should continue to receive the University’s contribution for State Health Plan coverage, whether on full pay or partial pay. The employee’s contributions for dependents’ coverage will continue to be payroll deducted from the faculty member’s paycheck on a before-tax basis.

3. Other Benefits

A faculty member should contact his or her campus human resources/benefits office for information about continuation of other benefits while on Reassigned Time.

VIII. Application Process

1. The college/institution should have a uniform application process which may include the following information, depending on the project:

   - Curriculum vitae
   - Description of the project
   - Expectations for supplemental funding for expenses and/or salary
   - Invitations to other institutions, award letters for fellowships, or other supporting documentation
   - Potential enhancement of the faculty member’s effectiveness in teaching, scholarship, or service
   - Potential value to the teaching, scholarship, or service program of the department
   - Contribution to knowledge in the field of study
   - Value to public or professional service at the institutional, state, or national level
   - Expected outcomes, e.g., book, article, creative expression, new academic or outreach program.

2. Written information on the application process and deadlines for applications should be disseminated to all eligible faculty members, through a faculty manual or other accessible documents.

3. In general, applications should be evaluated in writing by no fewer than three persons, within or external to the department or university, who are competent to judge the proposal.

4. On most campuses, the dean will be responsible for approving or denying applications, although campuses may choose to have final approval by the Chief Academic Officer.

5. Campuses must identify an appropriate appeal process if a proposal is denied.

6. Department administrators must assure the dean or Chief Academic Officer that teaching and advising in the department will be maintained during the faculty member’s absence.

7. Decisions about granting Reassigned Time must be made with a clear understanding of the source of funds to maintain the instructional expectations of the department.

8. Deans should be responsible for providing the Chief Academic Officer with a list of applications and results of the process annually.
300.2.7[R] Regulation on Recruitment of Employees from Other Campuses Within the University of North Carolina

Each campus of the University of North Carolina is challenged to obtain employees with the knowledge, skills and abilities needed to accomplish the strategic goals of a campus, department or work unit. In some instances, the person best suited for a position on one campus is currently employed at another campus of the University. In those instances, it is the obligation of those involved in the consideration of an intercampus recruiting decision to balance the welfare of the University as a whole, the wishes of the particular appointee, and the effect the decision will have on the two institutions directly concerned. In competing for talented people each campus is expected to adhere to human resource practices that meet generally accepted ethical standards. This regulation amends and replaces Administrative Memorandum Number 6 issued November 1, 1972.

I. Coverage

This regulation applies to any decision of a recruiting UNC campus or entity to employ a full-time, permanent EPA employee who is, at the time of selection, with another UNC campus or entity.

The terms of this regulation apply as regulations for the recruitment of covered persons who are members of the faculty or in an instructional or research position at another campus of the University of North Carolina.

The term UNC campus or entity refers to the sixteen constituent institutions of the University of North Carolina as well as the Office of the President and entities affiliated with the UNC General Administration.

II. Regulation

Prior to making a formal written offer of appointment to an intended employee, the hiring campus shall give notice of intent to the campus at which the appointee is currently employed. The notice from the hiring campus shall be provided by the Vice Chancellor supervising the programmatic area making the offer.

The notice to the campus at which the appointee is currently employed shall be provided to the Vice Chancellor supervising the programmatic area in which the employee is assigned.

The recruiting campus may, simultaneously with notifying the campus at which the appointee is currently employed, tender an offer to the candidate. The campus at which the appointee is currently employed may, within five days of the notice, request the terms of the offer. If a request for terms is not made within the five-day period, then after that time, the recruiting campus may finalize a contract. In the event that the campus at which the appointee is currently employed requests the terms of the offer, the recruiting campus shall send the information outlined in paragraph 4 below. The recruiting campus may not finalize a contract until 5 (five) days after receipt of the terms of the offer by the currently employing campus.

No offer of appointment covered by this regulation shall be made within 90 days of the commencement of the academic semester in which service is to begin unless mutually agreed upon by authorized campus officials.

The information provided to the currently employing campus must include any and all recruiting inducements, financial or otherwise and regardless of fund source, the proposed salary, stipends, summer salary, appointment to an endowed chair, teaching responsibilities, start-up funds and other recruitment incentives.

In response to the offer, the campus at which the appointee is currently employed may make an equivalent counter offer to that of the recruiting campus. Neither campus shall engage in negotiations that might result in a “bidding war” between UNC campuses. In instances in which more than one campus or entity of the UNC system, along with external employers, have extended an offer either campus or entity may compete with the external offer and the other UNC campus may match the offer of the UNC campus or entity.

If, in conjunction with an intercampus recruiting decision covered by the regulation in this section, an appointee who is a principal investigator or co-investigator under an extramurally funded contract or grant wishes to transfer the contract or grant or any part of the equipment funded thereby to the campus to which the appointee is transferring, the matter must be discussed at the earliest possible opportunity with the contract and grant administrator at the hiring campus. Such transfer of contract or grant or equipment may be accomplished only after approval by both Chancellors concerned and in accordance with University rules for contract and grant administration and the rules of the granting agency.

If there is a question regarding the application of this regulation, the Senior Vice President for Academic Affairs in the Office of the President will provide an interpretation.

1"Covered persons” means a full-time, permanent EPA employee at another UNC campus or entity.

2The terms of this regulation are guidance in the recruitment of full-time permanent EPA employees at another campus of the University of North Carolina who hold an EPA position other than as a member of the faculty or as an EPA member of the instructional or research staff.

3In some cases positions being recruited for or the employee being recruited report to a Chancellor. In those cases, the recruiting Chancellor shall be responsible to provide the Chancellor at the employing institution the notice required by this regulation.

4Any campus may designate other officials to provide or receive the required notice. Notwithstanding such a designation, a recruiting campus is deemed to have provided the required notice once it has transmitted notice to the appropriate Vice Chancellor or, when appropriate, the Chancellor.

300.2.7[R]: Adopted 11/01/72. Amended 10/18/01

300.2.8 Faculty Military Leave

The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 and North Carolina General Statute 127A-116 specify the employer 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.

A. 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
300.2.9[R] Regulation on Interpreting the Special Annual Leave Bonus Appropriations Act Provisions

I. Purpose. This regulation provides the process for implementing special annual leave bonus ("bonus leave") as appropriated by the General Assembly of North Carolina and in accordance with the State Budget Act, Chapter 143C of the North Carolina General Statutes. Summaries of the relevant Appropriations Act provisions applicable to bonus leave covered by this regulation are provided in Appendix A of this regulation.

II. Eligibility. This regulation shall apply to the following university employees:

A. Senior academic and administrative officers as defined in Section 300.1.1 of the UNC Policy Manual.
B. Employees exempt from the State Human Resources Act (EHRA) as defined in Section 300.2.1 of the UNC Policy Manual.
C. The provisions of this regulation shall also apply to EHRA faculty who are eligible for annual leave unless a constituent institution adopts an alternative policy that complies with the relevant legislative provisions.

III. Scheduling Bonus Leave

A. Bonus leave shall be taken consistent with the leave-approval process adopted or utilized by the constituent institution.
B. Bonus leave may be used for any purpose for which regular annual leave is used.
C. Bonus leave shall be charged in units of time consistent with regular annual leave guidelines.
D. The employee shall determine whether to charge approved leave to regular annual leave or bonus leave.

IV. Accounting for Bonus Leave

A. Bonus leave shall be accounted for separately from regularly earned annual leave, but together with all of the bonus leave awarded under the statutory provisions referenced in Appendix A.
B. Any balance of bonus leave at the end of the reporting year will be retained by the employee and transferred into the next year, unless the legislation requires otherwise as noted in Appendix A. It will not be considered as part of the maximum 30 days of annual leave that can be retained.
C. Bonus leave will not be subject to conversion to sick leave.
D. Bonus leave may be applied to negative balances of regular earned leave as authorized by the constituent institution’s leave policies.
E. Bonus leave is available to be donated as annual leave under the Voluntary Shared Leave provisions, unless the legislation requires otherwise as noted in Appendix A.
F. Transfer. Any balance of bonus leave will be transferred with the employee who transfers within the UNC System or to another state agency eligible for bonus leave, regardless of a constituent institution’s policies regarding the transfer of leave.

V. Separation/Status Change. Bonus-leave balance will be paid in addition to regular annual leave if the employee leaves state government or changes to a non-leave earning status, unless the legislation requires otherwise as noted in Appendix A.

VI. 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 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.

Appendix A

1. 2002 Appropriations Act, Part XXVII, Salaries and Employee Benefits, Section 28.3A. Provisions and eligibility:
   A. Permanent full-time university employees who are eligible for annual leave as of September 30, 2002, shall receive 10 days as an annual bonus, hereafter referred to as “bonus leave.” This includes employees separating on September 30, 2002.
   B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the 10 days.
   C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the 10 days.
D. Employees on leave without pay shall be credited with the 10 days upon their return based on their type of appointment at the time of leave without pay.

II. 2003 Appropriations Act, Part XXX, Salaries and Employee Benefits, Section 30.12B. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of July 1, 2003, shall receive 10 days as an Annual Bonus, hereafter referred to as "bonus leave."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the 10 days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the 10 days.
D. Employees on leave without pay shall be credited with the 10 days upon their return based on their type of appointment at the time of leave without pay.

III. 2005 Appropriations Act, Part XXX, Salaries and Employee Benefits, Section 29.14A. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of September 1, 2005, shall receive five days as an Annual Bonus, hereafter referred to as "bonus leave."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the five days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the five days.
D. Employees on leave without pay shall be credited with the five days upon their return based on their type of appointment at the time of leave without pay.

IV. 2012 Appropriations Act Technical Corrections, Part V1-B, Salaries and Benefits, Section 68.1. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of July 1, 2012, shall receive five days as an annual bonus, hereafter referred to as "FY13 leave."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the five days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the five days.
D. Employees on leave without pay shall be credited with the five days upon their return based on their type of appointment at the time of leave without pay.
E. The leave must be used by June 30, 2013, or it will be forfeited. It cannot be donated as Voluntary Shared Leave and cannot be paid out upon termination, except in the case of a separation due to retirement.

V. 2013 Appropriations Act, Part XXX, Salaries and Benefits, Section 35.10C. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of July 1, 2013, shall receive five days as an annual bonus, hereafter referred to as "FY14 Leave."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the five days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the five days.
D. Employees on leave without pay shall be credited with the five days upon their return based on their type of appointment at the time of leave without pay.
E. The leave must be used by June 30, 2014, or it will be forfeited. It cannot be donated as Voluntary Shared Leave and cannot be paid out upon termination, except in the case of a separation due to retirement.

VI. 2014 Appropriations Act, Part XXX, Salaries and Benefits, Section 35.10A. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of September 1, 2014, shall receive five days as an annual bonus, hereafter referred to as "FY14 Leave."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the five days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the five days.
D. Employees on leave without pay shall be credited with the five days upon their return based on their type of appointment at the time of leave without pay.

VII. 2017 Appropriations Act, Part XXXV, Salaries and Benefits, Section 35.18A. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of July 1, 2017, shall receive three days as an annual bonus, hereafter referred to as "FY18."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the three days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the three days.
D. Employees on leave without pay shall be credited with the three days upon their return based on their type of appointment at the time of leave without pay.
E. The leave does not expire, but shall remain available during the length of an employee’s employment. It cannot be donated as Voluntary Shared Leave and cannot be paid out upon termination or retirement.

VIII. 2018 Appropriations Act, Part XXXV, Salaries and Benefits, Section 35.26. Provisions and eligibility:
A. Permanent full-time university employees who are eligible for annual leave as of July 1, 2018, shall receive five days as an annual bonus, hereafter referred to as "bonus leave."
B. Full-time employees who are eligible for annual leave and who have other than 12-month appointments shall receive a pro rata amount of the five days, based on the term of the appointment.
C. Permanent part-time employees (half-time or more) who are eligible for annual leave shall receive a pro rata amount of the five days.
D. Employees on leave without pay shall be credited with the five days upon their return based on their type of appointment at the time of leave without pay.
E. The leave does not expire, but shall remain available during the length of an employee’s employment. It cannot be donated as Voluntary Shared Leave and cannot be paid out upon termination or retirement.
F. Any vacation leave remaining on December 31 of each year in excess of 30 days shall be reduced by the number of days awarded during the year, such that the calculation of annual (vacation) leave days that would have normally converted to sick leave, shall reflect a deduction of those days of special annual leave bonus awarded that were used by the employee during the year.
G. The number of special annual leave bonus days that carry forward each year shall equal the number of special annual leave bonus days remaining on December 31 of each year, plus the number of special annual leave bonus days that were deducted from vacation leave in excess of 30 days that would have normally converted to sick leave (S.L. 2018-145).

* Supersedes Section 300.2.9[R], originally adopted August 12, 2005, and last amended September 2, 2014.
The UNC Policy Manual: 300.2.9[R], Adopted 08/12/05, Amended 09/02/14, Amended 11/14/18*, Amended 02/14/19
300.2.10 Faculty Community Service Leave

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.

A. 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.

(1) 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.

(2) 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.

(3) Leave for Mentoring 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, as documented by a local Board of Education. This leave award shall be used exclusively for tutoring or mentoring a student in accordance with established standards, rules and guidelines for such arrangements as determined and documented by joint agreement with the employee's agency or university and the school. A "school" is one that is authorized to operate under the laws of the State of North Carolina and is an elementary school, middle school, high school, and childcare program.

B. Blood and Bone Marrow Donorship: A faculty member should be encouraged to use the privilege and opportunity to participate in life giving through blood and bone marrow donorship. Faculty who are permanent halftime (50% FTE) or more in leave earning status shall be given reasonable time off with pay for whole blood donation, pheresis procedure and bone marrow transplant.

C. Emergency Services: Each institution must establish a policy to provide time off with pay to faculty who are appointed for nine months or more and work halftime (50% FTE) or more and who are participating in volunteer emergency and rescue services if a bona fide need for such services exists within a given area. A bona fide need is defined as real or imminent danger to life or property. Each policy should require sufficient proof of the faculty member's membership in an emergency volunteer organization and that the performance of such emergency services will not unreasonably hinder university activity for which the faculty member is responsible. In emergency situations, which are not covered by an emergency volunteer organization, an institution may determine whether the emergency service to be provided can justifiably be designated as a work assignment, based on the expertise of the faculty member. If so, short-term work assignments may be authorized when requested by an official party requesting the assistance.

D. American Red Cross Disaster Service Leave: A constituent institution may grant leave with pay not to exceed 15 workdays in any 12-month period to participate in specialized disaster relief services. To qualify for leave, the faculty member must be appointed for nine months or more and work halftime (50% FTE) or more, be a disaster service volunteer of the American Red Cross, and be requested by the American Red Cross to participate. The decision to grant leave rests in the sole discretion of the constituent institution based on the work needs of that institution. Leave shall be granted only for services related to a disaster occurring within the United States. While on disaster leave, the faculty member shall not incur any loss of pay and, if the faculty member is covered under campus annual and sick leave policies, continue to accumulate annual and sick leave.

300.2.10: Adopted 03/21/03

300.2.11 Serious Illness and Disability Leave for Faculty

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.

[1] 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 and are therefore not subject to this Policy.

300.2.11: Adopted 04/11/03, Amended 07/01/07

300.2.11[G] Guidelines on Serious Illness and Disability Leave for Faculty

At its meeting on April 11, 2003, the Board of Governors adopted a "Policy on Serious Illness and Disability Leave for Faculty." The Board's policy mandates that each constituent institution develop a written policy to provide a period of leave for faculty in cases of extraordinary illness, major disability, or for parental purposes. This policy applies to faculty 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% of full-time]. Campuses must make their
Guidelines for assisting campuses in formulating their policies are drawn from the recommendations of the Task Force on Serious Illness and Disability Leave for Faculty, which submitted its final report to the President in March 2003. The following guidelines state which features should be included in campus policies and, in some cases, the minimum benefits and eligibility that should be extended. They also include additional benefits or standards of eligibility which campuses may consider, as well as appropriate sample text drawn from existing campus policies. Those campuses that already have such policies may need to modify them to comply with the minimum benefits and eligibility. However, these campuses do not need to revise any features of their policies that exceed the guidelines below.

1. Campus policies should be approved by the appropriate campus bodies and should be effective no later than fall semester, 2004.
2. The policy must state that faculty members eligible for leave are those 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% of full-time]. Eligibility may be limited to those faculty eligible under the provisions of the Family and Medical Leave Act (FMLA) [i.e., who have been employed at least one year and have worked at least 1,040 hours within the last 12 months].
3. The policy should provide for a period of paid leave for qualifying faculty members.
4. The policy should define the duration of leave, to include a minimum of 60 calendar days of paid leave within a single academic semester, up to a maximum of one academic semester. Campus policies may provide for an extension of up to an additional semester (paid or unpaid) if the illness or disability requires a longer leave.

(Note: Employees are eligible for short-term disability benefits under the N.C. Disability Income Plan if they have at least one year of contributing membership service in the N.C. Teachers’ and State Employees’ Retirement System or the UNC Optional Retirement Program earned within the 36 calendar months preceding the disability. Benefits become payable following a 60-day waiting period from the date of disability onset. In lieu of short-term disability benefits, employees may elect to exhaust any accumulated sick leave, vacation leave, or any other salary continuation as provided by the University. In addition to their eligibility for the N.C. Disability Income Plan, faculty should consider enrolling in one of the supplemental disability income plans available to UNC employees.)

5. The policy should define eligible conditions to which the policy applies. These conditions should be consistent with qualifying conditions under FMLA:
   - the birth of a child and to care for the newborn child after birth;
   - placement of or to care for a child placed with the employee for adoption or foster care;
   - serious health condition of employee’s child, spouse, or parent, that requires the employee’s care;
   - serious health condition of the employee that prevents the employee from performing the essential functions of his or her job.

6. The policy should be explicitly linked to the provisions of the Family and Medical Leave Act and the N.C. Family Illness Act as stated in federal and state statutes and campus policies and address coordination with other benefits.

Sample text:

Paid Leave provided for under this policy has no effect on the faculty member’s other employment benefits.

All periods of paid leave under this policy will be construed as family and medical leave under the FMLA. The FMLA entitlement of 12 weeks of leave without pay will run concurrently with any period of paid time off.

The North Carolina Family Illness Act allows for an extension of up to 52 weeks of leave without pay during a five-year period in cases of serious illness of a child, spouse, or parent.

7. The policy should include a description of the procedures for application and approval for leave.

Sample text:

Faculty members should request leave in writing to the department chair [or department or division head or dean, as appropriate]. Requests for leave should be submitted at least 60 days in advance of the leave or as soon as practicable after the need for leave is foreseeable.

The department chair will make a recommendation to the dean [or vice chancellor for academic affairs/provost, as appropriate] concerning whether or not to grant the request for leave.

The dean [or vice chancellor for academic affairs/provost, as appropriate] is responsible for deciding whether or not to approve the request for leave and provides written notification to the department chair and the faculty member. If leave is denied, the written notification should include the grounds for denial.

The policy should define an expedited appeals process if the request for leave is denied.

8. The policy should define the medical certification or other documentation that must accompany requests for leave, consistent with FMLA.

Sample text:

The University may request medical verification of the faculty member’s illness or disability, including a physician’s statement about the probable length of absence from normal duties. If the request is for the purpose of caring for a family member or dependent, the University may also request medical verification of that person’s illness or disability and may also inquire about the circumstances which make it impossible or difficult for the faculty member
9. The policy should define who is responsible for ensuring coverage of the faculty member's duties and how any costs will be covered. The faculty member should not be responsible for arranging for such coverage. Campuses should be mindful of the burdens that are sometimes placed on departmental faculty members when a colleague takes an extended leave. Whenever possible, campuses should arrange to hire replacement instructors to take on the responsibilities of a faculty member on leave for an extended period.

Sample text:
The department chair is responsible for securing, to the extent possible, substitute personnel for the duration of the faculty member's leave. Any adjustments in work schedules within the department are at the discretion of the department chair with the approval of the dean and are subject to departmental and institutional needs and resources.

The cost of substitute personnel is the department’s responsibility. In recommending approval of a leave to the provost, the department chair or dean will certify that he or she is prepared to develop a plan to cover the responsibilities of the faculty member for the duration of the leave.

10. The policy should state that unused leave under this policy shall not be accumulated or carried over to another academic year, allowable as terminal leave payment when the faculty member leaves the University, or used to extend years of creditable state service for retirement benefit purposes.

Employees with a balance of accrued leave from a previous 12-month appointment should be asked to exhaust that leave before receiving sick leave under this policy.

11. The policy should state who is responsible for maintaining leave records (important for documentation under FMLA).

12. The policy should state links to “tenure clock” policies, to faculty evaluation processes such as post-tenure review, and to discrimination and confidentiality policies.

Sample text:
At the time a request for leave is granted, the faculty member, department chair, dean, and provost will agree in writing whether time spent on leave will count as probationary service. In the absence of an agreement or if the parties fail to reach agreement, time spent on leave shall count as probationary service.

A faculty member granted leave under this policy may have his or her five-year post-tenure review delayed by a period agreed upon by the faculty member, department chair, and dean.

Faculty will not be penalized in their condition of employment because they require time away from work caused by or contributed to by conditions such as pregnancy, miscarriage, childbirth, or recovery. Requests for leave because of these conditions shall be treated the same as a temporary disability.

300.2.11 [G]: Adopted 05/22/03

300.2.13 Supplemental Pay Policy for Employees Exempt from the State Personnel Act (EPA)

I. This policy addresses supplemental payments to faculty and non-faculty EPA employees. UNC GA/OP 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 performed outside the employee’s job description and 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 non-faculty EPA teaching assignments.
B. Procedures for requesting temporary pay.
C. Limits on overload time or length of assignment.
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 (Provisor/Vice Chancellor, Department Head, Dean, Vice President, etc.)
D. The approved request must be submitted to Human Resources or EPA Personnel Administration for final review and processing.
E. Documentation of supplemental payments must be maintained in the employee’s personnel file.

300.2.13: Adopted 03/18/05

300.2.14 Non-Salary and Deferred Compensation

A. Non-salary Compensation

UNC Policy Manual
1. Irrespective of the campus’ status regarding management flexibility in personnel, all constituent institutions and the General Administration shall have a policy concerning the granting of non-salary compensation for all personnel exempt from the State Personnel Act except for the chancellor and the president. The policy shall either provide specified non-salary compensation to a defined category of employees uniformly or shall require approval by the board of trustees or Board of Governors upon recommendation by the chancellor or president, respectively, regarding non-salary compensation granted to an individual employee before non-salary compensation is provided. 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 General Administration 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 a 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.

2. 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. Any club membership for an employee or the granting of special campus services or benefits 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.

3. Provision of housing, when occupancy of the housing is required as a part of the job, reimbursement of professional- or work-related travel, and the provision of equipment to perform the work of the position, even if used at home, including computers, cellular phones, personal data assistants (PDA), pagers and similar work-related items, are permissible and are not considered “non-salary compensation” as used in this policy.

B. Delayed or Deferred Salary/Compensation

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

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 includes both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

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.

C. 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 Policy 300.1.5, 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 State Personnel 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.

D. 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 Policy 1100.3 and its guideline, and are exempt from this policy.

E. 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 to the General Administration for review. Subsequent changes to the policies must be submitted for review by the General Administration 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 Personnel and Tenure of the Board of Governors.

300.2.14: Adopted 09/08/05, Amended 06/09/06, Amended 01/16/15

300.2.14[R] Regulations for Deferred Compensation for Chancellors

The Board of Governors, pursuant to its authority to fix the compensation of the chancellors of the constituent institution[41] has authorized the participation of each chancellor in deferred compensation in the form of annual contributions to a qualified retirement plan to encourage the chancellors’ continued service to their respective institutions and the University of North Carolina. Contributions may be made only upon the recommendation of the president, subject to final review and approval by the Committee on Personnel and Tenure. Contributions shall not exceed ten percent (10%) of base salary paid in any year and must derive solely from non-state funding sources. Any campus that seeks to make contributions on behalf of its chancellor shall deliver a written request through the board of trustees to the president that describes its proposal for funding the contributions in accordance with the following requirements:

1. The request must identify and describe in detail the source(s) of funds from which the contributions will be made;
2. The request must state that the funds for the contributions will not, under any circumstances, originate from state funds or tuition revenues;
3. The request must specify the amount of the proposed contributions as a percentage of annual base salary, not to exceed 10 percent (10%);
4. The request must state that any contribution is voluntary, and that contributions may be suspended or discontinued at the discretion of the Board of Governors or the board of trustees;
300.2.15 Policy on UNC System Pandemic and Communicable Disease Emergency

I. Purpose. The purpose of this policy is to outline provisions covering the following human resource areas in case of (1) a communicable disease, or (2) other serious public health threat that is declared by public health officials to be a public health emergency:

- Designation of Mandatory Employees.
- Compensation for Mandatory Employees.
- Accounting for Absences.
- Emergency Layoff Provisions. This policy applies to University of North Carolina System (UNC) non-faculty employees who are exempt from the North Carolina State Human Resources Act (SHRA). For employees subject to the North Carolina State Human Resources Act (SHRA), see the policy on Communicable Disease Emergency in the State Human Resources Manual.

II. Definitions

- Constituent Institution. One or more of the public educational institutions that make up the UNC System, including University affiliates.
- Epidemic. A disease occurring suddenly in a community, region or country in numbers clearly in excess of normal. This includes the occurrence of several cases of a disease associated with a common source.
- Pandemic. The worldwide outbreak of a serious communicable disease in numbers clearly in excess of normal.
- Incubation Period. The time, usually in days, between exposure to an illness and the onset of symptoms.
- Isolation Authority. The authority to issue an order to limit the freedom of movement or action of persons or animals that are infected with a communicable disease or communicable condition for the period of communicability to prevent the direct or indirect conveyance of the infectious agent from the person or animal to other persons or animals who are susceptible or who may spread the agent to others. G.S. 130A-23(a).
- Quarantine Authority. The authority to issue an order to limit:
  1. The freedom of movement or action of persons or animals that have been exposed to or are reasonably suspected of having been exposed to a communicable disease or communicable condition for a period of time as may be necessary to prevent the spread of that disease;
  2. Access by any person or animal to an area or facility that may be contaminated with an infectious agent; or
  3. The freedom of movement or actions of persons who have not received immunizations against a communicable disease when the state health director or a local health director determines that the immunizations are required to control on an outbreak of that disease. G.S. 130A-23(a).
- Quarantine of exposed or potentially ill employees by public health officials. Isolation of ill or symptomatic employees by public health officials; or
- Workplace; or
- Concurrence by public health officials and/or the University authority that an employee or group of employees should be excluded from the workplace.

- Closing of one or more constituent institutions as authorized by the UNC System president or the chancellor. In case of a public health emergency, the governor has broad powers to issue an emergency order to protect the public health. In accordance with the North Carolina Emergency Management Act, G.S. Chapter 166A, Article 1A, the governor may close or/and evacuate all schools, community colleges, and universities, and order that no public events shall be held where large numbers of people are gathered in one physical location. The governor may also close all non-mandatory state services and order mandatory services to remain operational.
- In case of a public health emergency, while awaiting a decision by the governor or state or local public health director, the president of the UNC System has the authority to make emergency closing decisions the president deems appropriate for the UNC System. The president may delegate such authority to the chancellors of constituent institutions. If circumstances permit, the president or chancellor shall confer with local/state public health officials to determine the severity of the individual situation and to determine what actions shall be taken (including closure of the UNC System Office or constituent institution). However, the UNC System Office and each constituent institution shall adhere to any communicable disease orders of the state or local public health agencies to prevent transmission of a communicable disease. All closings shall be reported to the state human resources director and the governor within five days after the occurrence.
- If the president of the UNC System, or one of the president's designees, issues an emergency closing decision, the UNC System Office shall notify public health officials as soon as reasonably possible. Management shall inform employees and employees shall inform management of any evidence of a communicable disease that could seriously endanger the health of others in the workplace. Management shall immediately notify the local health department. Each constituent institution shall define this protocol within their continuity of operations plan guidelines.
- In accordance with G.S. 130A-145, the state health director and local health director are empowered to exercise quarantine and isolation authority. Quarantine and isolation authority shall be exercised only when and so long as the public health is endangered, all other reasonable means for correcting the problem have been exhausted, and no less restrictive alternative exists.

IV. Possible Actions During a Pandemic. During a communicable disease outbreak, any of the following may occur:

- Closing of one or more constituent institutions or parts of a constituent institution by order of the governor;
- Closing of one or more constituent institutions or parts of a constituent institution as authorized by the UNC System president or the chancellor, while awaiting a decision by the governor or state or local public health director;
- Closing of one or more constituent institutions or parts of a constituent institution by agreement between public health officials and a University authority or by order of public health officials;
- Concurrence by public health officials and/or the University authority that an employee or group of employees should be excluded from the workplace;
- Isolation of ill or symptomatic employees by public health officials; or
- Quarantine of exposed or potentially ill employees by public health officials.

V. Social Distancing. In order to minimize transmission from person to person, the Pandemic and Communicable Disease Emergency Plan for the UNC System Office and each constituent institution should have in place social distancing provisions to implement immediately upon orders from the governor and/or public health officials.

The request must acknowledge that the contributions shall not be made in any year in which the funds identified and described by the campus are insufficient to support the contribution; and

The request must specify the vesting period that will apply to the contributions.

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300.2.14 [R]: Adopted 06/13/13
B. Social distancing is designed to limit the spread of a disease by reducing the opportunities for close contact between people. It can be accomplished by administrative and engineering controls. Examples include:
1. Reducing face-to-face exposure by using conference calls and video conferencing;
2. Avoiding unnecessary travel;
3. Canceling meetings, workshops, training sessions, and scheduled events;
4. Requiring employees to work from home to reduce exposure in the workplace;
5. Establishing flexible working hours to avoid mass transportation, at least during peak hours;
6. Installing protective barriers between work stations or increasing space between workers;
7. Reinforcing hand washing and requiring the use of protective equipment such as hand sanitizers and masks (provided by the agency);
8. Scheduling employees in shifts;
9. Controlling access to buildings; and
10. Requiring asymptomatic individuals traveling to affected countries/areas not to return to work until one incubation period has passed after returning home.

VI. Mandatory Employees
A. The UNC System president and chancellors shall predetermine and designate mandatory operations in cases of a pandemic or communicable disease emergency, and designate the employees to staff these operations.
B. The UNC System Office and constituent institutions shall each maintain a list of mandatory employees by position, including current employee name and contact information. The UNC System president and chancellors shall develop an alternative plan for personnel in case the designated personnel are quarantined or ill. Alternative workers may include current employees who are not designated as mandatory but who possess the skills to fill in for mandatory employees, retirees, contract workers, or other temporary employees. This will be especially important in a pandemic that may last for several weeks or months.

C. Employees designated as mandatory personnel shall be notified of such designation and the requirement to report for, or remain at, work in emergency situations, and receive appropriate information and training as may be needed. If mandatory personnel are required to remain at the worksite for an extended period of time, the University will provide adequate housing and food.

VII. Compensation of Mandatory Employees
A. When management determines that only mandatory employees are required to report to work, subject to the availability of funds, all permanent EHRA non-faculty employees shall be granted time and one-half pay for all hours worked with the exception of the following:
   1. Faculty;
   2. Senior officers of the UNC System who are subject to the provisions of Section 300.1.1.11., of the UNC Policy Manual, Policy on Senior Academic and Administrative Officers;
   3. Associate and assistant vice presidents;
   4. Associate and assistant provosts; and
   5. Associate and assistant deans.
B. However, at the discretion of the president or chancellor, employees in positions listed above may be eligible for pay at time and one-half, or may be granted compensatory time in lieu of time and one-half pay, following the emergency event.
C. Only eligible EHRA non-faculty employees who are required to work on-site at their regular work location or at an assigned work location, other than the employee’s home, shall be eligible for time and one-half pay. This compensation provision applies to employees who are exempt and non-exempt under the Fair Labor Standards Act (FLSA). It does not include temporary employees under any circumstances unless they are deemed mandatory for purposes of this policy. In that event, the leave and compensation policies shall not apply.
D. When necessary and available, payment of salaries normally funded from non-state funds may be made from state funds. Administrators shall aggressively pursue reimbursement from other funding sources where possible.

VIII. Leave
Employees will not be penalized for using leave, in order to encourage those with symptoms associated with a communicable disease to stay home so that they do not infect other employees, and to allow employees with ill family members to stay home to care for them.
A. Quarantined by a Public Health Official. When an employee is quarantined, the employee shall be granted paid administrative leave until the specified period of time ends or the employee becomes ill with the communicable disease, whichever comes first.
B. Employee is Required by the University to Stay Home. If the UNC System president or chancellor believes that an employee has symptoms associated with a communicable disease, the UNC System Office or constituent institution may require the employee not to report to work and to use compensatory leave, sick leave, vacation leave, or bonus leave.
C. If the University is Closed. Although all efforts should be made to allow non-mandatory employees to work from an alternative location, it may not always be possible. When the UNC System Office or a constituent institution is closed or when the UNC System president or chancellor determines that only mandatory employees are required to report to work, the non-mandatory employees who are not required to work shall, at the discretion of the UNC System president or chancellor, be granted paid administrative leave (i.e., not charging leave) for up to 30 calendar days. The employee’s pay shall continue at the same rate the employee would have received had the employee been working. If adjustments need to be made, they shall be made in the next paycheck after returning to work.
D. If an Employee Becomes Ill. If the employee becomes ill and it is determined to be work-related in accordance with the Workers’ Compensation Act (that is, the nature of the employee’s work resulted in a greater chance of exposure than that of the general public), the workers’ compensation policy applies. If the employee is isolated or becomes ill as a result of off-the-job exposure, the sick leave policy applies. The provisions of the family and medical leave policy and the family illness leave policy shall also apply.
E. Advisory Note. Should an employee not have sufficient sick leave available, the University may work with the employee to advance a reasonable amount of leave or make arrangements for the employee to make up the time if the University determines that the work situation will allow it.

IX. Verification
Employees who have symptoms of a communicable disease and are required to stay home or who are ill with the communicable disease should be cautioned not to return to work until they are sure they are fully recovered.
A. The UNC System Office or constituent institution may require certification of fitness to work from a health care provider.
B. If quarantined, it is the employee’s responsibility to provide the University or constituent institution with a written verification of his or her status from a public health official.

X. Day Care or Public and Private School Closings/Elder Care
A. When the University or constituent institution is open but an employee who is a parent (or guardian) is required to stay home with a child (as defined in the FMLA) because of the closure of a day care facility or a public or private school, the non-mandatory employee may, with approval of the appropriate supervisor, be allowed to work at home or elect to:
   1. Use vacation leave;
   2. Use bonus leave;
   3. Use sick leave;
   4. Use compensatory leave;
   5. Take leave without pay; or
   6. Take up time in accordance with the parameters for making up time during adverse weather. The University or constituent institution may extend the make-up time to 24 months if necessary.
B. These provisions also apply for eldercare.
C. The UNC System Office or constituent institution has the right to request appropriate documentation to substantiate need.


A. In the event this policy is triggered, the president or chancellor must review the compensation and leave provisions every 30 days and, as appropriate, take any of the following steps:
   1. Renew the compensation and leave provisions for another 30 days.
   2. Revise the compensation and leave provisions for up to another 30 days.
   3. Terminate the compensation and leave provisions if the public health emergency has ended.

B. Any changes in compensation and leave provisions must be communicated to employees in a timely manner. Pending a renewal or revision, the employee may be allowed to take leave (compensatory, sick, vacation, bonus) until a decision is made.

XII. Emergency Furlough

An emergency furlough (temporary layoff from which employees are expected to be recalled) may be declared if the UNC System Office or constituent institution remains totally closed or partially closed for an indefinite period of time.

A. During an emergency furlough, employees who are furloughed are entitled to participate in the State Health Plan. The UNC System Office or constituent institution shall continue paying the employer contribution on behalf of the employee. The University or constituent institution also may pay the employee contribution for the pay period following the furlough, with the provision that the employee shall repay the state for any contribution made on his or her behalf.

B. An employee will continue to accrue vacation and sick leave while on emergency furlough.

C. An employee will continue to receive total state service while on emergency furlough.

D. An employee may be eligible for unemployment benefits through the North Carolina Employment Security Commission while on emergency furlough. Employees should contact the North Carolina Employment Security Commission for further details. If at the end of the emergency furlough period it is determined that the University no longer requires the services of these employees, normal University lay-off provisions would apply.

XIII. Other Provisions

A. Hiring. During the communicable disease emergency, if new hires are needed to cover emergency operations, the UNC System president or chancellor is authorized to execute the immediate hiring of an individual who is determined to be qualified and able to do the work by:
   1. Waiving the posting policy;
   2. Waiving the minimum qualifications policy; and
   3. Waiving the hiring of relatives (nepotism) policy.

B. Employees hired under these conditions should be given a temporary or time-limited permanent appointment.

C. The UNC System president or chancellor is also authorized to offer competitive salaries for the duration of the emergency.

XIV. Other Matters

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

B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

C. Regulations and Guidelines. These policies 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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Footnotes:

1. The most recent list of reportable diseases as compiled by the State Health Commission is found in the Administrative Code 10A NCAC 41A.0101. The list is constantly updated as new diseases emerge.

300.2.15: Adopted 10/17/08, Technical Corrections 02/28/20

300.2.18[R] Regulations on Annual Performance Appraisals for Staff Exempt from the North Carolina Human Resources Act (EHRA Non-Faculty)

I. Purpose. Regular performance appraisals provide an opportunity for employees to understand how their responsibilities and performance expectations align with the goals and priorities of their work unit, with their institution’s strategic initiatives, and with the University’s strategic plan. It also provides a defined cycle of review for managers and employees to assess employee success toward meeting these operational needs and also professional development goals. As such, this regulation describes the expectation that UNC General Administration and all constituent institutions shall provide an annual performance appraisal to employees covered by this regulation.

II. Requirement for an Annual Performance Appraisal

A. It is a requirement of the University of North Carolina that UNC General Administration (“UNC-GA”) and all of its constituent institutions shall provide an annual performance appraisal to permanent EHRA non-faculty employees (except those excluded in section III.B., below) on no less than an annual basis.

B. Interim or mid-year performance appraisals may be accomplished when deemed appropriate but are not required.

III. Applicability and Exclusions

A. Unless otherwise exempted in subsections B., and C., below, this requirement shall apply to all EHRA non-faculty employees (“covered employees”) as defined by Sections 300.1.1 and 300.2.1 of the UNC Policy Manual.

B. Constituent institutions may establish alternative performance appraisal procedures for the following position types. If no alternative procedure is established, then employees in these positions shall be subject to the requirements of this regulation:
   1. EHRA non-faculty employees of UNC General Administration at the level of president, senior vice president, vice president, and chief of staff subject to Section 300.1.1A., of the UNC Policy Manual;
   2. EHRA non-faculty employees of the constituent institutions at the level of chancellor, provost, vice chancellor, dean, or substantially similar titles, and any other individuals subject to Section 300.1.1A., of the UNC Policy Manual;
   3. EHRA employees who concurrently hold tenured faculty appointments;
   4. Athletic directors, head coaches, and associate and assistant coaches; and
   5. Post-doctoral scholars.

C. This requirement shall not apply to temporary and other non-benefit eligible EHRA employees.

IV. Format

A. The Office of Human Resources at UNC-GA shall publish a standard performance appraisal instrument (instrument) for use annually by the constituent institutions and UNC-G. Use of this instrument shall be mandatory unless a constituent institution implements an alternate procedure and/or instrument in accordance with subsection B., below.

B. At its option, a constituent institution may develop and implement one or more alternate performance appraisal procedure(s) and instrument(s) for covered employees or subsections of covered employees. In the event alternative procedures and/or instruments are established, the following elements must be included:
1. A statement that identifies the major strategic priorities of the University of North Carolina in accordance with the most current institutional and system-wide strategic plans;
2. A description of goals and objectives for the employee for the cycle;
3. A description of any job-related personal or professional development activities for the employee for the cycle;
4. A summary of the employee’s observed performance during the cycle, including outcomes related to assigned goals and objectives; and
5. An annual performance rating ("overall rating") that represents the supervisor's assessment of the covered employee’s total performance during the cycle and conforms to the rating methodology described in section V., below.

C. Performance Cycle
1. Each constituent institution may determine its annual cycle for conducting performance appraisals for covered employees provided that the cycle shall begin no earlier than April 1 and no later than July 1 of each year.
2. Each constituent institution shall provide to the UNC-GA Human Resources the overall rating for each covered employee in a prescribed digital format no later than August 31 of each year.

D. A constituent institution choosing to implement alternate procedures and/or instruments must ensure the current instrument is available on the institution's website or otherwise available upon request by UNC-GA Human Resources.

V. Rating Methodology
A. Constituent institutions have the flexibility to use the rating scale on the standard performance appraisal provided by UNC-GA Human Resources or to establish their own rating scale(s) as part of an alternate appraisal procedure.
B. Regardless of the rating system employed within an institution, the overall rating reported to UNC-GA Human Resources (section IV.C., above) must convert to the following three-point scale for UNC-GA Human Resources reporting purposes:
   1. Employees rated as "Not Meeting Expectations" often perform below an acceptable level of performance of their assigned duties or have demonstrated substantial performance deficiencies in certain assigned duties.
   2. Employees rated as "Meeting Expectations" generally perform at, and on occasions may exceed, a successful level of performance of their assigned duties.
   3. Employees rated as "Exceeding Expectations" routinely perform above expected performance of their assigned duties and are generally considered among the highest performing employees within the work unit.

C. Prior to any performance ratings being shared with covered employees, each defined organizational unit shall facilitate a process that ensures consistent application of ratings across similar positions.

VI. Communication with Supervisors and Employees
A. Each constituent institution and UNC-GA shall deliver either face-to-face and/or on-line training materials for both supervisors and employees that describe the performance appraisal process and the roles and responsibilities for each party in this process. UNC-GA Human Resources will publish a standard template for this training, although the constituent institutions may develop alternate customized training content, if desired.
B. Each covered employee shall receive no less than one face-to-face meeting (or telephone or video conference meeting in the instance of a remote or teleworking employees) in which the supervisor reviews the employee’s annual performance, the overall rating, and the specific expectations for goals, objectives, and professional development activities for the upcoming cycle.
C. Supervisors should provide employees regular feedback throughout the cycle on their performance.
D. Employees shall be provided an electronic or written copy of their completed performance appraisal, and shall be required to acknowledge receipt of their appraisal either through signature or electronic confirmation.

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

300.2.18[R]: Adopted 05/08/17

300.2.19[R] Regulation on Declaration of Condition Levels for Adverse Weather and Emergency Events[1]

I. Purpose
A. On December 3, 2015, the State Human Resources Commission approved the "University Adverse Weather and Emergency Event Policy" applicable to employees subject to the North Carolina Human Resources Act (SHRA), effective January 1, 2016.
B. Consistent with Section 300.2.1, VIII.C., of the UNC Policy Manual, which provides that a variety of leave programs prescribed for SHRA employees also be applied to employees exempt from the North Carolina Human Resources Act (EHRA employees), the following regulation addresses considerations the UNC System Office and the constituent institutions shall take in managing EHRA employees – both faculty and non-faculty – during adverse weather and emergency events in order to coordinate work efforts during these situations and apply similar practices across both groups.
C. Management should refer to the SHRA policy for additional definitions and specifications in order to ensure consistent application of these provisions across all employee and operational groups in the institution.

II. University Condition Levels for Adverse Weather Events and Emergency Events. The University uses three condition levels to describe campus operational status during adverse events. These may be declared for the entirety of a campus or for one or more specific buildings or operational units based on the scope, severity, and nature of the event.
A. Condition 1 (Reduced Operations). The university remains open, but non-mandatory operations may be reduced due to limited staffing.
   Mandatory employees must report to or remain at work. All other employees have the option to report late, leave early, or not work at all; however, the employee is responsible for informing his/her supervisory chain in a timely manner of all such decisions
B. Condition 2 (Suspended Operations). The university remains open on a very limited basis, but has formally suspended all but mandatory operations. Employees designated or temporarily assigned as mandatory employees must report to work as directed; all other employees must not report to work or must leave the workplace when this status takes effect.
C. Condition 3 (Closure). University facilities are closed; this can apply to the entirety of the university or one or more specific buildings based on the type of incident involved. All or only a limited number of mandatory employees may be directed to remain at or report to work under this condition. All other employees, including those who are otherwise designated as mandatory but not needed for the particular event, are not permitted to report to or remain at work.

III. Authority for Declaration of Condition Levels
A. The president delegates authority to chancellors to declare Conditions 1 and 2 at their respective institutions consistent with this policy.
B. If a chancellor believes that a specific event warrants consideration for a Condition 3 designation, then Condition 2 shall be declared at the time of the event, and the institution may submit a request for Condition 3 status to UNC System Human Resources.
C. If Condition 3 is warranted and approved by the president or president’s designee, then the institution may apply the Condition 3 paid leave provision retroactively. This approach is intended both to limit the potential of having to reverse a declaration of a Condition 3 event after the fact to comply with state requirements and also to ensure reasonable consistency among constituent institutions that experience similar conditions.
D. The UNC System Office reports use of Condition 3 to the Office of State Human Resources.

IV. Classes and Other Academic Programs. Chancellors, or their designees, may make determinations to hold or cancel classes or other academic
programming independent of the condition levels included here but are encouraged to use these condition levels as key markers for their decision-making.

V. 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 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.

This regulation codifies a memo from Interim President Julius Gonzales entitled “Guidance for EHRA Employees During Adverse Weather and Emergency Events,” dated February 12, 2016.

300.2.19[R]: Adopted 11/07/19

300.2.20[R] Regulation on Paid Parental Leave for EHRA Employees

I. Purpose
A. The State Human Resources Commission approved a Paid Parental Leave Pilot Policy applicable to employees subject to the North Carolina Human Resources Act (SHRA). The policy is effective September 1, 2019. The University may, but is not required, to participate in the pilot program.

B. The UNC Board of Governors on September 20, 2019, approved authority for the president to implement a paid parental leave program for university employees consistent with the provisions of the state program.

C. Consistent with Section 300.2.1, VII, of the UNC Policy Manual, which provides that a variety of leave programs prescribed for SHRA employees also be applied to employees exempt from the North Carolina Human Resources Act (EHRA employees), the following regulation addresses considerations the UNC System Office and the constituent institutions shall take in managing EHRA employees using paid parental leave.

D. Management should refer to the SHRA policy for additional definition and specifications in order to ensure consistent application of these provisions across all employee and operational groups in the institution.

II. Relationship to Faculty Serious Illness and Disability Leave. Non-leave earning faculty covered by Sections 300.2.11 and 300.2.11[G] of the UNC Policy Manual, and any other faculty who are covered by their institution's Faculty Serious Illness and Disability Leave program, are not covered by this regulation. The provisions of the Faculty Serious Illness and Disability Leave policy provide a substantially equivalent benefit for faculty eligible under that program.

III. Implementation. Constituent institutions must implement this regulation no earlier than January 1, 2020, and no later than April 30, 2020.

IV. Other Business
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 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.

300.2.20[R]: Adopted 11/19/19

300.3 State Personnel

300.3.1[R] Regulations on Delegation of Responsibility for Classification and Compensation of SPA Personnel to Constituent Institutions

I. Introduction
In August 1997, the University of North Carolina and the Office of State Personnel (OSP) entered into a Partnership Agreement that extended "authority to and established" responsibility for the President of the University of North Carolina to act on behalf of the State Personnel Director and staff of OSP under terms and conditions described" with the goal of increasing "efficiency and effectiveness in the human resource operations of the University and in the State of North Carolina." The Partnership Agreement further provided that the responsibility and authority for day-to-day management of all human resource functions affecting University employees subject to the State Personnel Act (SPA) would be delegated to the President and that the President could, in turn, delegate some or all of the functions to those constituent institutions which can show their readiness to assume such responsibility. The long-term goal of this agreement is to establish a University component of the State personnel system that provides for the effective and efficient management of State Personnel Act (SPA) human resources across all campuses by further delegating authorities and responsibilities from OSP to the University of North Carolina General Administration (UNCGA). Ultimately, each campus will assume responsibility for managing personnel matters under the guidance of UNGCA. However, while individual institutions work to strengthen their personnel operations, OSP will continue to provide services to those who do not have full delegation.

The Partnership Agreement called for the establishment of a transition team to establish the basic framework for shifting responsibility from OSP to the University. During the 1997-98 academic year, the Transition Team, consisting of representatives from the campuses, the University of North Carolina General Administration (UNCGA), and OSP, worked on a plan of implementation for the Partnership Agreement. That plan was accepted in substance by the director of OSP and the President in September 1998. The Transition Team has now been replaced by the UNC Human Resources Advisory Board for SPA Employees (HRAB-SPA), a permanent representative body responsible for advising the President concerning all aspects of managing the SPA human resources functions within the University.

II. Characteristics of the University Classification System for SPA Personnel

Presently, the constituent institutions have authority for most of the day-to-day management of the SPA personnel functions except in the area of classification and compensation. The purpose of these regulations is to begin outlining the process for decentralizing responsibility for the classification and compensation of SPA employees to those institutions that can demonstrate their readiness. The current SPA classification and compensation system will be imported and, with the approval of OSP and the State Personnel Commission, will be changed gradually to meet the needs of the University. Any changes to the current system will be made in an organized and sequential fashion.

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The following characteristics have been adopted for the University classification system:

A. The UNC classification system will be regulated by OSP, administered by UNCGA, and monitored jointly by UNCGA and OSP. These two offices will work together in partnership through the HRAB-SPA, which will be coordinated by a human resource professional appointed by the President.

B. The UNC classification and pay structure will be based on the current "narrative factors comparison" structure, at least in the beginning, but will offer opportunities for institutions to propose, with HRAB-SPA approval, to try alternative classification and compensation structures as pilot projects. At the end of such a pilot project, the HRAB-SPA will receive a report and will disseminate the results of the project to other campuses. This demonstration and dissemination feature will permit other campuses to emulate successful pilots and prevent campuses from repeating similar unsuccessful pilots. The goal will be to have a menu of tested classification and compensation structures from which institutions may choose one or more to meet the needs of different occupational groups of employees. If pilot projects result in the recommendation of changes to the permanent classification and compensation structures that would entail modification of existing rules and policies, approval by the State Personnel Commission will be required.

C. New classification titles needed by a constituent institution (e.g., grant-funded research positions) may be proposed for addition to the University classification system at any time. The HRAB-SPA will consider such proposals at their regular meetings or through electronic means in order to assure rapid consideration. An intent of the HRAB-SPA will be to review the current classification and compensation approach, including numbers of classes, ways to simplify the classification structure, and alternative classification and compensation programs.

D. UNCGA will maintain a data base that will contain a listing of all classifications as well as additional details necessary for generating reports to interested bodies. Each constituent institution may choose to elaborate on these classifications in advertising positions or in their own data systems. Constituent institutions will continue to provide data to OSP's Personnel Management Information System (PMIS).

III. General Criteria for Delegation of Classification and Compensation Functions—The Chancellor's Responsibilities

As constituent institutions prepare to request responsibility for managing the day-to-day operations in the area of either current or subsequently approved classification and compensation systems, each institution must recognize that delegation of authority requires that the chancellor assume responsibility for specific functions that will be evaluated on a schedule to be recommended by the HRAB-SPA and approved by the President and the director of state personnel. Specifically, the report of the Transition Team provides that the following criteria must be met in order for constituent institutions to receive delegation of authority for managing classification and compensation. Requests for delegation of such authority will assume that the chancellor is prepared to meet these criteria.

A. The chancellor of each institution will be responsible for assuring that all programs comply with applicable statutes, rules and regulations.

B. The chancellor of each institution will, through the human resources director, ensure that a staff is recruited, trained, and retained to manage human resource functions by:
   1. requiring attendance at training programs offered by OSP and other organizations as appropriate to develop and maintain knowledge, skills, and abilities commensurate with job duties; and
   2. maintaining staffing levels that are consistent with the size, complexity and resources of the institution.

C. The chancellor of each institution will, through the human resources director, ensure that appropriate records are kept on each function of the human resource system in accordance with applicable statutes, rules and regulations.

D. The chancellor of each institution will, through the human resources director, assure that data are reported consistently to PMIS and to GA.

E. The chancellor of each institution, through the human resources director, will establish and maintain internal controls and facilitate monitoring activities in order to assure the quality of the human resource programs and processes.

F. The human resources director will regularly engage in dialogue with the chancellor and other University administrators about institutional and University system human resource issues.

G. The chancellor of each institution will, through the human resources director, ensure that institutional policies and procedures are written, up-to-date, widely distributed, and accessible. Institutional policies and procedures must comply with those of OSP and UNCGA. Such policies and procedures will be made available to the State Personnel Director for purposes of record keeping.

IV. Specific Criteria for Delegation of Classification and Compensation Functions—Directors of Human Resources

The following criteria are those that must be met by individual institutions to receive delegated authority in the functional area of classification and compensation. An institution automatically receives salary administration authority for every class for which classification authority is delegated.

A. The human resources director maintains, trains, and directs a professional, technically-competent classification/compensation staff in order to:
   1. apply accepted principles, procedures, standards, and techniques in allocating positions;
   2. demonstrate understanding of occupational groups, knowledge of class concepts, and application within various program operations;
   3. understand the classification factors and demonstrate understanding through appropriate documentation in data and comparative analysis;
   4. ensure tools and resources are available to aid in the analytical process—current organizational charts, class specifications, appropriate position comparisons and benchmarks, and clearly defined position descriptions; and
   5. ensure appropriate supporting documentation to justify all classification actions.

B. Management and the human resources director must develop institution-specific policies and procedures for accountability that will ensure quality decisions consistent with statutes and policies.

C. The human resources office must transfer or enter data into PMIS and must have a process in place to reconcile discrepancies with OSP.

D. The human resources office must ensure that a system is maintained for tracking, processing, cross-referencing, and recording position and employee actions.

E. The human resources director must ensure that all personnel and position actions are administered in accordance with the State Personnel Commission/OSP regulations, procedures and law.

F. The human resources director must operate the position management program in accordance with OSP standards (e.g., Position Management Operational Standards).

V. The Process

The process for assuming classification and compensation delegation involves both a written plan and a campus visit. Although the primary reason for requesting a written plan and conducting an on-site visit is to determine the readiness of each campus to assume additional delegation of classification and compensation authority, the HRAB-SPA is interested in better understanding the full scope of responsibilities of each institutional human resources office.

A. Written Plan of Operation

Each constituent institution will submit a plan of operation for its human resources office or division. It is important to note that institutions should not request additional delegation of authority unless they are currently staffed to carry out such functions. Institutions that are currently satisfied with their level of delegation or are not yet ready either (a) to increase their current level of delegation or (b) to assume full delegation may request additional delegation at any future time. OSP will continue to assist campuses lacking full delegation with their classification function as well...
Each institution’s plan of operation will include the following:

1. A cover letter from the chancellor outlining the current and requested level of delegated authority in the functional area of classification and compensation. This should also include a list of all SPA classifications for which authority is requested, including those currently delegated.

2. An institutional plan of operation containing the following:
   a. Mission and vision statements of the University;
   b. Mission and vision statements of the human resources office and a statement showing the linkage between the University’s and the human resource office’s mission and vision statements;
   c. A description of the institution including but not limited to: employee population (SPA vs. EPA), number of classes used, number of students, services provided by human resources office, variety of colleges/schools, and geographical dispersion of employees (e.g., the number of counties in which employees work);
   d. Staffing and functional organizational charts showing all positions in human resources and the organization placement of human resources as well as a discussion of the staffing complement as related to basic human resources programs and services;
   e. A copy of the general training plan for prospective employees and the plan for enhancing knowledge, skills, and abilities of current employees to the desired level;
   f. A summary of the professional development activities of the human resources director and functional area managers for the past two years;
   g. A description of the assessment plan that the human resources office uses to ascertain the quality of its programs and of its service delivery processes; and
   h. A description of human resources director’s involvement in institution-wide and University-wide issues and interaction with the chancellor and other University administrators.

B. Campus Visits

Following the review of the written plan of operation, representatives of the HRAB-SPA will visit each institution. The purpose of the visit is to meet appropriate staff members and provide the HRAB-SPA with an opportunity to learn about the entire human resources operation. Institutions are encouraged to use these visits to help members of the HRAB-SPA understand both the functions and the needs of each institution. All members of the visiting team will hear all presentations. Individual institutions are encouraged to establish the specific agendas for the campus visits to fit their own organization. However, HRAB-SPA members will be interested in a presentation by human resource division managers concerning their respective areas of responsibility as reflected in the organization chart including:

1. A description of the various personnel processes in each human resource functional area ranging from the establishment of a position and hiring of an individual through separation of the individual. This should include processes involved in classification, compensation, employment, benefits, training and development, etc.;
2. A description of how the human resources office interacts and communicates with all areas of the campus;
3. A discussion of the information management system used and the way in which data are reported to PMIS.

Following receipt of the plan of operation and campus visits, the HRAB-SPA will recommend to the President acceptance or rejection of institutional plans and requested levels of delegation. The decision to delegate partial, full or no authority to constituent institutions will be made by the President based upon the recommendation of the HRAB-SPA and other information, as the President deems appropriate.

The HRAB-SPA expects to have recommendations to the President for delegation for all institutions made during the summer, 1999. In order to do this written plans should be submitted as soon as possible but not later than May 3, 1999. Your director of human resources will be contacted to set specific dates for site visits.

(This is a rewrite of Administrative Memorandum #394.)

300.3.1[R]: Adopted 03/05/99

300.3.2[R] Regulations on Establishing Consultative Bodies Representing Staff Employees and Improving SPA Grievance Systems

As agreed at the Administrative Council meeting of May 26, 1998, each campus will have in operation by the end of the fall 1998 academic term a consultative body representing staff employees with which the chancellor or his or her designee will meet on a regular basis. A system-wide staff assembly comparable to the Faculty Assembly will not be established.

In creating a campus body of this type, or evaluating such a body that may already be functioning, the importance of tailoring it to the needs and preferences of the chancellor and the affected employees may consider relevant is acknowledged, and it is appreciated that those considerations may vary from campus to campus. A number of questions usefully could receive attention in attempting to insure that such bodies are fully effective instrumentalities for identifying and resolving employment problems.

First, careful thought must be given to how best to define “staff employment” for this purpose. Clearly this organization is to reflect interests of employees other than faculty members and senior administrative officials. However, in view of the broadened definitions of University employment exempt from the State Personnel Act, the question is whether the staff body should be limited in its focus to SPA employment, so as to help insure a beneficial commonality of interests. In a similar vein, questions about whether supervisory employees, as distinguished from supervised employees, should be included, as that distinction may impact questions about candid and effective exchanges of information and opinion, may want to be explored.

Second, unlike the faculty, which has a degree of homogeneity and commonality of basic interests, the staff complement, however defined, consists of a very broad and diverse array of job categories; different groups of staff employees are likely to have significantly different interests and concerns. Thus, it would seem desirable and appropriate to insure that those different categories (e.g., service employees, clerical employees, technical employees, etc.) are represented in the body on some ratably apportioned basis. It also may be helpful to institute a committee structure within such bodies to reflect the different interests of different employee groups.

These are merely suggestions, rather than prescriptions, that speak to choices a campus can make in attempting to insure that the organizations are effective additions to campus decision-making processes.
In addition to providing meaningful opportunities for communicating about employment concerns, we must insure that State-mandated and campus-administered grievance systems are working well. To that end, each campus should provide in its regulations that aggrieved employees who wish to use institutional grievance procedures may consult with a fellow employee of their choice in bringing and prosecuting such a complaint, including the right of the grievant to have that employee-assistant accompany them during any hearings that may be held as a part of the grievance process; such assistants would serve as advisors, not as advocates or spokespersons. A collegial assistance program would achieve best results, ultimately beneficial to both grievants and the institution, if employees interested in equipping themselves to serve as such assistants had access to some effective advance training. Periodically announced orientation programs should offer an overview of the grievance system, so that persons so trained could help guide their fellow employees through the sometimes complex processes entailed in pursuing a grievance.

[This is a rewrite of Administrative Memorandum #383.]

300.3.2[R]: Adopted 06/30/98

300.3.3[G] Guidance on the "Student-Employee" Exclusion from the State Personnel Act

On October 13, 1976, the State Personnel Commission adopted the following policy on "Student-Employees":

The employment of students by the institutions in which they are enrolled is designed primarily to constitute one type of student financial aid. Such employment usually is characterized by flexible accommodation of the student's primary involvement in educational pursuits. Thus, in terms of hours worked, scheduling of work, and required skill and productivity, such student workers are materially distinguishable from regular career employees.

Any person who during any period of enrollment as a student in a public educational institution concurrently is employed by that institution shall be considered an employee within the meaning of and subject to the State Personnel Act only if the student-employee is employed by the institution on a full-time permanent basis (as defined by regulations issued by or under the authority of the State Personnel Commission) in a permanent position established and governed pursuant to requirements of the State Personnel Commission.

This policy was adopted after concern was expressed by the University that "student employment" within the higher education context is not amenable to close, detailed, and uniform regulation of the type otherwise applicable to employment within the jurisdiction of the State Personnel Commission. Of particular (though not exclusive) concern was the potentially negative impact on institutional "student financial aid" programs of the originally proposed requirement that "student workers" be compensated for their employment in the same manner and to the same extent as "other employees." Recognition of the special character of "student employment" and the corresponding inducements to treat "student-employees" differently is reflected by the policy adopted by the State Personnel Commission.

Under the State Personnel Commission policy, a person who is properly determined to be a "student-employee" is thereby excluded from the coverage of the State Personnel Act. However, a person may not be so excluded if employed (1) on a "full-time permanent basis" (2) in a "permanent position" within the classified State Personnel Acts service. But the policy does not otherwise provide a clear basis for defining the class of persons (viz., "student-employee") which is the subject of the exclusion.

Consistent with the clear spirit of the policy adopted by the State Personnel Commission, the following conclusions are reached:

1. The fact that an individual concurrently is both enrolled in the institution and employed by the institution does not, standing alone, render an individual a "student-employee" for purposes of exclusion from the State Personnel Act.

2. Classifying a person under the State Personnel Commission policy should rest on the following judgmental inquiry: was it the primary purpose and intent of the institution in establishing its relationship with the individual to confer student status or to confer employee status?

If a person is primarily a student and employment is merely incidental to student status, then that person is a "student-employee." Conversely, if a person is primarily an employee and enrollment is merely incidental to employee status, then that person is not a "student-employee."

Although administration of this primary-status test would be simplified by the availability of an easily applied formula, the matter is not usually amenable to such treatment. Rather, the institution most often must determine from all pertinent circumstances whether or not, in its judgment, the individual is a "student-employee." Pertinent circumstances to be considered would include, but not necessarily be limited to, the following: (1) the relative amounts of time devoted to enrollment and to employment; (2) whether the employment was initiated before, concurrent with, or after assumption of student status; (3) whether or not the employment constitutes a form of "student aid" responsive to the individual's financial needs. The classification of individuals relative to the State Personnel Commission policy is simply achieved in two types of situations: the individual is not a "student-employee" if (1) the individual is employed by the institution but is not enrolled in the institution; or (2) the individual is enrolled in the institution and, in addition, is employed by the institution on a full-time permanent basis in a permanent position within the classified State Personnel Act service. However, in all other cases in which there are concurrent enrollment and employment, the judgmental exercise prescribed above must be undertaken.

[This is a rewrite of Administrative Memorandum #99.]

300.3.3[G]: Adopted 03/15/78

300.4 Improper Relationships

300.4.1 Improper Relationships Between Students and Employees

The University of North Carolina does not condone amorous relationships between students and employees. Members of the University community should avoid such liaisons, which can harm affected students and damage the integrity of the academic enterprise. Further, sexual relationships between unmarried persons can result in criminal liability. In two types of situations, University prohibition and punishment of amorous relationships is deemed necessary: (1) when the employee is responsible for evaluating or supervising the affected student; (2) when the student is a minor, as defined by North Carolina law. The following policies shall apply to all employees and students of the seventeen constituent institutions:

A. Prohibited Conduct

1. It is misconduct, subject to disciplinary action, for a University employee, incident to any instructional, research, administrative or other University employment responsibility or authority, to evaluate or supervise any enrolled student of the institution with whom he or she has an amorous
300.4.2 Employment of Related Persons (Anti-Nepotism Policy)

WHEREAS, decisions concerning the employment, evaluation, promotion and compensation of academic personnel should be based in every instance on considerations of individual merit, and

WHEREAS, favoritism based on family or personal relationships between employees derogates from the merit principle of employment, and

WHEREAS, the risk of occurrence of such favoritism can be avoided most effectively by the advance establishment of general restrictions against the creation of situations where such favoritism could be operative; and

WHEREAS, a common policy concerning the employment of related persons, applicable to personnel practices at all constituent institutions of the University of North Carolina, is desirable;

NOW, THEREFORE, the Board of Governors herewith adopts the following UNIVERSITY POLICY CONCERNING THE CONCURRENT EMPLOYMENT OF RELATED PERSONS:

A. Basic Principles

Consistent with the principle that University employees and prospective employees shall be evaluated on the basis of individual merit, without reference to considerations of race, sex, religion or national origin, or any other factors not involving personal professional qualifications and performance, the following restrictions, designed to avoid the possibility of favoritism based on family or personal relationship, shall be observed with respect to institutional personnel who are not subject to the State Personnel Act:

1. Related persons shall not serve concurrently within the institution in any case where one such related person would occupy a position having responsibility for the direct supervision of the other related person.

2. With respect to proposed employment decisions which would result in the concurrent service of related persons within the same academic department (or other comparable institutional subdivision of employment), a person related to an incumbent employee may not be employed if the professional qualifications of other candidates for the available position are demonstrably superior to those of the related person.

3. With respect to the concurrent service of related persons within the same academic department (or other comparable institutional subdivision of
B. Definition of “Related Persons”

The following relationships are sufficiently immediate to invoke the prohibitions against concurrent service of related persons:

1. Parent or child
2. Brothers and sisters
3. Grandparent and grandchild
4. Aunt and/or uncle and niece and/or nephew
5. First cousins
6. Stepparent and stepchild
7. Stepbrothers and stepsisters
8. Husband and wife
10. Brothers-in-law and sisters-in-law
11. Guardian and ward
12. Persons engaged in amorous relationships; an amorous relationship exists when, without the benefit of marriage, two persons voluntarily have a sexual union or are engaged in a romantic courtship (e.g., dating or engaged to be married) that may or may not have been consummated sexually.

C. Effective Date

The provisions of this policy shall be applicable prospectively only, with reference to appointments made after the adoption date of the policy.

D. Employees Subject to the State Personnel Act

With respect to University employees who are subject to the State Personnel Act, applicable restrictions concerning the concurrent service of related persons shall be those adopted by the State Personnel Board.

E. Each chancellor shall report annually to the Board of Trustees, at the regular meeting falling closest to the date of commencement, concerning all specific cases during the preceding year in which the terms of this policy were applied.

300.4.2: Adopted 04/13/73, Amended 03/15/96

300.4.2.1[G] Guidelines on Implementing Anti-Nepotism Policy

The following directions concerning implementation of the policy statement are established:

1. All University employees who have responsibility and authority with respect to personnel recommendations or decisions should have a copy of this policy.
2. The policy is to be publicized generally throughout the University community, to insure that all employees are aware of its requirements.
3. Appropriate personnel-action forms, designed to insure effective implementation of the policy, shall be used in screening applicants for appointment, for example:
   a. For candidates for initial employment, the pertinent personnel-action form shall include an inquiry about whether the candidate is related, within the degrees specified in the policy statement, to any incumbent employee within the institution or to any other candidate for concurrent employment at the institution;
   b. For candidates for promotion to a position having responsibility for supervision of other employees, the personnel-action form shall include an inquiry about whether the candidate is related, within the degrees specified in the policy statement, to any incumbent employee within the institution or to any other candidate for concurrent employment at the institution.
4. In any situation where two or more related persons are to be employed within the same academic department (or other comparable subdivision of institutional employment), the administrative official who has authority to give final approval to the employment shall obtain from the official recommending employment a certification to the effect that no other candidate for the available position whose professional qualifications were demonstrably superior to those of the relative candidate.
5. Consistent with the requirements of paragraph E of the policy, each chancellor's written report to the Board of Trustees shall treat all cases in which the nepotism question arose during the preceding year:
   a. In all cases where an individual making written application for employment was denied employment because of the requirements of the anti-nepotism policy, the circumstances shall be set forth; for example, (1) the employment would have resulted in one relative supervising another, or (2) an unrelated candidate had demonstrably superior qualifications;
   b. In all cases where concurrent employment of related persons was allowed, the justifying circumstances shall be set forth; for example, (1) the supervisory relationship was not "direct," or (2) there were no other candidates for the available position whose professional qualifications were demonstrably superior to those of the relative.

Interpretations of Substantive Policy

Note should be taken of the following points in connection with administration of the policy.

1. This policy applies only to EPA personnel; however, the policy of the State Personnel Board for SPA personnel is essentially identical in substance to the policy of the Board of Governors.
2. Section A.1. of the policy of the Board of Governors predicates its restriction on the concept of "responsibility for direct supervision." This phrase was adopted in the belief that, within the limits of basic guidelines, the policy ought to be so stated as to permit variety of treatment responsive to varying conditions at the campuses.

The question of "directness" or "indirectness" must be interpreted reasonably to accomplish the intent and spirit of the anti-nepotism policy. As a general rule of interpretation, no supervisory relationship between related persons should be permitted to exist where the supervisor effectively controls the terms and conditions of the relative's employment, including promotion opportunities, rates of compensation, work assignments and evaluation of performance. The terms "direct" and "immediate" may be essentially interchangeable, for purposes of evaluating certain types of relationships; however, in certain situations, because the term "immediate" may connote only "first line" supervision, it may be too restrictive a concept to serve as a reasonable guide.
Existence of the following types of relationships would appear, invariably, to violate the restriction against "direct supervision":

a. Department chairman and a member of the instructional staff of the same department.
b. Member of instructional or research faculty and his or her teaching or research assistant.
c. Dean of a school and a chairman of a department included within the school.
d. Chancellor and a vice chancellor.

With respect to other types of relationships, an exercise of discretion may be necessary, with the possibility of varying conclusions depending on the circumstances. In general, if the relationship between an employee and an official in line of supervision is sufficiently remote to give rise to no substantial supervisory relationship, it may be appropriate to disregard the fact of family relationship.

In applying all aspects of the policy, the essential point, as articulated in the basic principles, is that no person shall, at any time, receive preferred treatment because of his or her relationship to another employee of the institution. The guidelines established in paragraph A.1. of the policy are designed to preclude situations in which there is a high risk of such subjective favoritism. Accordingly, any interpretation of the "direct supervision" restriction should be consistent with this underlying policy objective.

Of critical importance is the principle that administrative guidelines and practices shall operate consistently. For example, if the policy is invoked in one case to preclude employment of a faculty member because his or her relative is chairman of the department, the same result should apply with respect to all identical cases; conversely, if employment is allowed under certain factual circumstances, there should be consistent results achieved in all identical cases. In short, an ad hoc, case-by-case approach without the benefit of consistently applied guidelines, is likely to produce variations in result which could prompt charges of discrimination.

This is a rewrite of Administrative Memorandum #14.

300.4.2.1[G]: Adopted 04/27/73

300.5 Political Activities of Employees

300.5.1 Political Activities of Employees

The Board of Governors adopts the following policy concerning political activities by University employees.

I. 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.

A. Applicability: This policy applies to all University employees who are exempt from the State Personnel Act (Chapter 126 of the General Statutes) pursuant to G.S. 126-5(c1).[1]

B. Definitions: For purposes of this policy:

1. "Campaign" or "campaigning" means all acts done by a candidate and his or her adherents to obtain votes to be cast toward a nomination or in an election.
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 State Personnel Act (Chapter 126 of the General Statutes) pursuant to G.S. 126-5(c1).
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); (b) representing the University of North Carolina or any constituent institution or subdivision thereof in an official capacity; or (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 his or her 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 his or her office.
7. "Partisan" when used as an adjective means related to a political party.
8. "Partisan 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 IA., who are at the rank of vice president, vice chancellor, provost, dean, and other positions of equivalent rank and responsibility.
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.
The Board of Governors adopts the following policy for University employees concerning candidacy for and holding public office (elective and appointive).

### 300.5.2 Candidacy for Elective Office; Officeholding (Elective and Appointive Public Office)

#### 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 public 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. 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 his or her 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.

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.

#### B. Prohibited Activities

An employee may not:

1. Participate in political activity while on duty;
2. Use the authority of his or her 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;
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 B.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;
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 State Personnel Act (SPA), 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.

300.5.1: Adopted 01/16/76, Amended 02/08/85, Amended 04/11/14
basis or on an actual-expense basis.
3. "Conflict of interest" means situations in which financial or other personal considerations, circumstances, or relationships may compromise, may involve the potential for compromising, or may have the appearance of compromising a employee's objectivity in fulfilling their University duties or responsibilities, including research, service, and teaching activities and administrative duties.
4. "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. 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.
5. "Elective public office" means a public office filled or obtained through the results of an election.
6. "EPA nonfaculty employee" means an individual who is employed in a position covered by Section 300.2.1 of the UNC Policy Manual.
7. "Full-time employee" means an individual who is employed by the University at least three-quarter (3/4) time, including faculty who are employed on a nine-month per calendar year basis.
8. "Major public office" means (a) any public office requiring full-time service, regardless of the amount of compensation; (b) any public office requiring service on a part-time basis for which the compensation is more than nominal; and (c) membership in the North Carolina General Assembly.
9. "Minor public office" means any public office that is not a major public office.
10. "Part-time employee" means an individual who is employed but who is not a full-time employee.
11. "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).
12. "Senior academic and administrative officer (SAAO)" means an individual who is employed in a Tier I or Tier II position covered by Section 300.1.1 of the UNC Policy Manual.

II. Minor Public Offices.

A. No Presumption of Conflict of Commitment. The candidacy by an employee for election to a minor public office, or the assumption by an employee of a minor public office, whether appointive or elective, is presumed not to create a conflict of commitment with respect to the responsibilities owed by the employee to the University.

B. Resolution of Potential Conflicts in Particular Cases. If the president (with respect to senior academic and administrative officers (SAAO) and employees of General Administration) or the chancellor (with respect to other employees of the constituent institution, other than senior academic and administrative officers) agrees that a material conflict of commitment may exist in a particular case, the president or the chancellor may direct the employee subject to this subpart to submit a petition in accordance with subpart III. of this policy, and refer the petition to either the Board of Governors or the appropriate board of trustees for resolution.

C. Prompt Reporting of Payments Required. An employee who files as a candidate for or intends to assume or accept appointment to a public office subject to this subpart must file promptly with his or her immediate supervisor a written statement setting forth the amount of any payments to which the holder of such office is entitled as officeholder.

III. Major Public Offices.

A. Conflict of Commitment Presumed. An employee who assumes, or announces his or her candidacy for election to, a major public office, is presumed to create a conflict of commitment that interferes with the employee's satisfactory performance of University employment obligations. That presumption is irrebuttable with respect to any full-time employee who assumes any full-time public office. Such conflicts shall be addressed as follows:

1. Candidacy for major public office. An employee shall resolve conflicts about candidacy in advance of becoming a candidate by:
   a. Resigning from University employment; or
   b. Submitting a petition in accordance with subpart II.B., in which the employee (1) requests and is granted an appropriate unpaid leave of absence from University employment; or (2) rebuts the presumption of conflict by demonstrating to the satisfaction of the University that there in fact will be no conflict between campaign activity and University employment. If the employee by petition is able to establish to the satisfaction of the University that, contrary to the presumption, such candidacy in fact will not create a conflict of commitment which interferes with responsibilities owed the University, the resignation requirement shall not be applicable. If consistent with the presumption the resignation requirement is found to be applicable, the employee may be granted a full or partial leave of absence from University employment, corresponding suspension of or reduction in pay, to be coextensive with the period of candidacy.
2. Service in full-time public office by full-time employees.
   a. Full-time public office. Upon assuming any public office requiring full-time service, a full-time employee will be deemed to have resigned his or her University employment, unless prior to assuming office the full-time employee submits a petition in accordance with subpart II.B., through which the employee requests and is granted a full leave of absence, without pay. Such a leave of absence may be granted at the option of the University if it is deemed practicable by the University and may not exceed two years in any case.
   b. Part-time public office for which compensation is more than nominal; membership in the General Assembly. Upon assuming part-time public office for which the compensation is more than nominal, or upon assuming office as a member of the General Assembly, a full-time employee must resign from University employment, unless prior to assuming office such employee submits a petition in accordance with subpart II.B., through which the employee: (1) requests and is granted an appropriate leave of absence; or (2) rebuts the presumption of conflict by demonstrating that there in fact will be no conflict between officeholding and University employment. If the employee by petition is able to establish to the satisfaction of the University that, contrary to the presumption, holding such public office in fact will not create a conflict of commitment which interferes with responsibilities owed the University, the resignation requirement shall not be applicable. If consistent with the presumption the resignation requirement is found to be applicable, the employee may, if deemed practicable by the University, be granted a full or partial leave of absence from University employment, with corresponding suspension of or reduction in pay, to be coextensive with the period of candidacy.
   a. Full-time public office; membership in the General Assembly. Upon assuming full-time public office, or upon assuming office as a member of the General Assembly, a part-time employee must resign from University employment, unless prior to assuming office such employee submits a petition in accordance with subpart II.B., through which the employee: (1) requests and is granted an appropriate leave of absence; or (2) rebuts the presumption of conflict by demonstrating that there in fact will be no conflict between officeholding and University employment. If the employee by petition is able to establish to the satisfaction of the University that, contrary to the presumption, holding such public office in fact will not create a conflict of commitment which interferes with responsibilities owed the University, the resignation requirement shall not be applicable. If consistent with the presumption the resignation requirement is found to be applicable, the employee may, if deemed practicable by the University, be granted a full or
A. Leaves of Absence during Candidacy or Service in Public Office. The unalterable premise is that the employee must meet the full requirements of employment while campaigning or serving in office, not for personal gain. If an employee is serving in public office, the employee will be expected to limit campaign and office-holding activities to evenings and weekends in order to satisfy employment obligations. Faculty members, however, typically follow schedules that vary from day to day and, indeed, from week to week in accruing their forty or more hours per week of employment activity. Such variety reflects, among other factors, their scheduled teaching and counseling hours, the demands of their research projects, the time dedicated to classroom preparation, the requirements of institutional service through committee memberships, and study and travel associated with contributions to the profession, as in visiting lectureships, professional meetings, and reviews of the work of other scholars and programs. Thus, there is no "standard workday" among the professoriate. The need for flexibility in scheduling the component faculty endeavors of teaching, research, and service is universally recognized. Yet, for purposes of this board policy certain shared assumptions must be identified to help quantify employment obligations.

Unless there is clear demonstration to the contrary, it will be assumed that the work day for professors is the conventional one that falls between the hours of 8 a.m. and 5 p.m. However, an individual faculty member may seek to demonstrate that his or her full-time employment schedule for a given semester in fact does not or need not conform to the presumed norm and, accordingly, that times other than evenings and weekends properly would be available for campaign activity. Thus, a petition to the governing board in support of efforts to rebut the presumption of conflict would have to begin with a representation about what basic periods of time would be devoted to campaigning and why such a proposed schedule would not conflict with the forty or more hours per week of his or her University job. The unalterable premise is that the employee must meet the full requirements of employment while campaigning or serving in office, not for personal gain. If an employee is serving in public office, the employee will be expected to limit campaign and office-holding activities to evenings and weekends in order to satisfy employment obligations. Faculty members, however, typically follow schedules that vary from day to day and, indeed, from week to week in accruing their forty or more hours per week of employment activity. Such variety reflects, among other factors, their scheduled teaching and counseling hours, the demands of their research projects, the time dedicated to classroom preparation, the requirements of institutional service through committee memberships, and study and travel associated with contributions to the profession, as in visiting lectureships, professional meetings, and reviews of the work of other scholars and programs. Thus, there is no "standard workday" among the professoriate. The need for flexibility in scheduling the component faculty endeavors of teaching, research, and service is universally recognized. Yet, for purposes of this board policy certain shared assumptions must be identified to help quantify employment obligations.

C. Conditions Imposed Incident to Permitting Maintenance of Full-Time Employment. If the governing board determines that an employee has successfully rebutted the presumption of conflict, the permission to continue full-time University employment during service in or candidacy for public office may need to be attended by special conditions. For example, the employee may be required to maintain a daily log of time devoted to campaign activity, subject to periodic inspection by the employee's supervisor. By way of further example, in arranging the division of time between University duties and campaigning or officeholding, a member of the instructional faculty should not be permitted to reschedule class meeting times or office hours for counseling students, if students thereby would be inconvenienced. In summary, there is a need for responsible academic administrators to monitor closely a faculty member's compliance with the terms of the understanding reached with the governing board.

D. Leaves of Absence during Candidacy or Service in Public Office. In general, if a University employee concludes or a governing board determines that engaging in a contemplated political campaign or serving in public office will prevent the employee from meeting full-time employment responsibilities, the employee may request a leave of absence, either partial or full, with corresponding reduction in or suspension of pay. The presentation of petitions in support of a request for such leave must follow the same schedule as prescribed above for efforts at rebuttal of presumed conflicts, viz., by November 1 with respect to May primary contests and July 1 for the general election. In fact, if an employee seeks to be excused from the resignation
For employees subject to the State Personnel Act (SPA), activities related to public officeholding are governed by policies adopted by the Office of State Human Resources (OSH) pursuant to its authority under Chapter 126 of the North Carolina General Statutes.

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300.7 Retirement

300.7.1 Optional Retirement Program

An Optional Retirement Program (ORP) for employees of The University of North Carolina has been in operation since 1972.

The latest ORP Plan Document and related policies are available on the UNC General Administration Human Resources Division website.

Adopted 07/01/85: Amended 01/27/97, Amended 06/11/98, Amended 04/09/99, Amended 06/14/99, Amended 09/10/99, Amended 09/27/99, Amended 03/07/08, Amended 03/07/08, Amended 04/11/14

300.7.1.1[R] Regulations on Enrolling Senior Academic and Administrative Officers in the Optional Retirement Program

I. Background

Administrative Memorandum Number 387 reported the Board of Governors decision that persons occupying positions officially designated, pursuant to board policies and procedures, as Senior Academic and Administrative Officers (SAAO) are eligible to elect enrollment in the Optional Retirement Program (ORP). Administrative Memorandum Number 391 refined that guidance concerning eligibility by reporting that having concurrent faculty status is not a prerequisite to ORP enrollment of persons occupying such administrative positions. As anticipated in Administrative Memorandum Number 391, the following should be followed in providing ORP enrollment opportunities for two categories of incumbent employees:

A. SPA employees who now occupy positions that were designated as SAAO by the Board of Governors on November 13, 1998, and who elect to convert from SPA to the exempt SAAO category.

B. Other incumbent employees who now occupy positions previously designated by the Board of Governors as SAAO[1] but who in the past were not offered an opportunity for ORP enrollment. (An individual who previously was appointed to an eligible position who was offered an opportunity to enroll in the ORP, but who declined such enrollment may not be afforded a renewed opportunity to elect participation in the ORP.)

Persons appointed to eligible administrative positions after the effective date of this memorandum shall be offered opportunities for ORP enrollment in the customary manner, e.g., election or declination of ORP participation within 30 days of their appointment.

II. Senior Officers Electing To Remain in TSERS

Senior officers who elect to remain enrolled in the Teachers' and State Employees’ Retirement System (TSERS) continue to contribute to TSERS and retain all benefit entitlements provided under the provisions of this program. An election to remain in TSERS is a lifetime irrevocable election. An election to decline an offer to enroll in the ORP should be duly recorded and retained in the senior officer’s personnel file.

III. Senior Officers Electing to Enroll in the ORP

Senior officers who elect to enroll in the ORP have the following options available:

A. A senior officer may elect to leave his or her contributions in the Retirement System and retain all TSERS benefit entitlements towards age and service requirements and eligibility for the Disability Income Plan of North Carolina. (This means that a senior officer who has at least five years of TSERS service as a contributing member is entitled to a retirement benefit once he or she meets the early or service retirement age/creditable service criteria.) The Survivor's Alternate Benefit and Death Benefit are in effect only for 180 days following the last day the employee is paid as a TSERS contributing member. (Refer to pages 6 and 7 in the “Your Retirement Benefits” handbook for more information about the Survivor's Alternate Benefit and the Death Benefit.)

B. A senior officer may elect to withdraw his or her TSERS employee contributions (plus statutory interest, if the officer has at least five years of service as a contributing member) but forfeit any membership credits earned towards age and service requirements and eligibility for the Disability Income Plan of North Carolina, even if these contributions are rolled over to the ORP. For example, if TSERS contributions are withdrawn, under the Disability Income Plan a senior officer must have at least one year of participation in the ORP earned within the 36 calendar months preceding disability to be eligible for short-term disability benefits, and five years of ORP participation earned within the 96 calendar months prior to the end of the short-term disability period to be eligible for long-term benefits. Credit towards vesting of ORP employer contributions begins at the time of enrollment in the ORP.

A refund of TSERS employee contributions that is eligible for rollover can be taken in two ways. The taxable portion of the payment can be (1) paid as a direct rollover to an IRA or other qualified plan (such as the ORP) or (2) paid directly to the employee.

If a direct rollover is chosen, the employee is not taxed on the payment until it is later withdrawn from the IRA or other qualified plan. If the refund is paid directly to the employee, it is subject to 20 percent income tax withholding and also taxed in the year in which the employee receives it unless, within 60 days, it is rolled over to an IRA or other qualified plan that accepts rollovers. An employee may roll over up to 100 percent of the eligible rollover distribution, including an amount equal to the 20 percent that was withheld. If 100 percent is rolled over, the employee must find other money within the 60-day period to contribute to the IRA or qualified plan to replace the 20 percent that was withheld. Alternatively, if only 80 percent that is received by the employee is rolled over, the employee will be taxed on the 20 percent that was withheld. If the refund is not rolled over, a 10 percent penalty charge is imposed on the taxable portion of the refund, which is made prior to death, disability, or the attainment of age 59 1/2. The employee should consult his or her accountant, attorney, or other financial counsel with regard to tax treatment on these distributions.

IV. ORP Enrollment Window

A. A former SPA employee who elects to convert to exempt SAAO status, under I. above, and who holds a permanent three-quarter time or more position within the University, has 30 days from the effective date of his or her election to convert to SAAO status to enroll in the ORP.
B. Other incumbent employees, under I. above, must elect to enroll in the ORP by no later than March 31, 1999.

V. ORP Enrollment Process

The process for electing ORP is effected by doing both of the following:

A. The senior officer completes an "Election of Optional Retirement Program The University of North Carolina," Form ORP-1. The institutional representative transmits this form to the State Retirement System, with a copy sent to the office of the Associate Vice President-Finance and University Benefits Officer, UNC General Administration.

B. The senior officer completes an ORP enrollment form that is submitted to the appropriate ORP carrier(s) through the institutional representative.

If the employee elects to withdraw his or her TERS contributions, he or she must complete an "Application for Refund of Retirement Contributions," Form 5. This form is sent to the State Retirement System, through the institutional representative, and should include (1) the name of the IRA sponsor (usually a financial institution) or ORP carrier or other qualified plan carrier (such as the ORP) to whom the refund check should be made payable, (2) the employee’s address, and (3) his or her account number if the employee elects to have a direct rollover. (The payment is actually sent to the employee for transmission to the appropriate sponsor or qualified carrier.)

VI. Effect on Other Benefits

A. Supplemental Disability Insurance Benefits

A senior officer who falls under LA. or LB. above, who elects to enroll in the ORP, is also eligible to enroll in the TIAA Disability Income Plan. To avoid the burden of furnishing evidence of insurability satisfactory to TIAA, such senior officer must enroll in the TIAA Disability Income Plan during the applicable ORP enrollment window referenced in IV. above.

An ORP participant is not eligible to continue disability coverage under the Liberty Mutual Disability Plan and must cancel that coverage through his or her institutional representative immediately upon enrolling in the ORP.

B. Sick Leave

Only members of TERS are eligible to have sick leave credit converted to creditable service upon retirement. For ORP participants, any unused sick leave balance at termination or retirement is forfeited.

[This is a rewrite of Administrative Memorandum #393.]

300.7.1.2[R]: Adopted 02/05/99

300.7.1.2[R] Regulations on Expediting Implementation of Guidelines for Offering Optional Retirement Program Enrollment to Senior Academic and Administrative Officers

The Board of Governors on November 13, 1998, determined that the occupants of administrative positions are entitled to elect enrollment in the Optional Retirement Program (ORP) only if those positions qualify as senior academic and administrative officers (SAAO) (see 300.1.1[R]). Previous actions of the board permit ready identification of a broad array of administrative positions that do qualify as SAAO's under board definitions (e.g., associate and assistant vice chancellors, associate and assistant deans, and specific other officers of the University having significant administrative responsibilities and duties as may be designated by the President and subject to confirmation by the Board of Governors (October 12, 1990 and as augmented on January 9, 1998 and November 13, 1998).

To address that concern, we will provide an opportunity for expedited evaluation of a new or vacant administrative position not previously determined to be SAAO if the following conditions pertain:

1. The position is believed to meet the requirements of the board’s SAAO definitions;
2. The position has been fully approved for filling;
3. The position urgently needs to be filled; and
4. The request for expedited consideration has been submitted at least 45 calendar days in advance of the date established for beginning recruitment of applicants. [Such expedited treatment will not be available with respect to any period including the month of either August or December when the Board of Governors does not meet.]

In any case in which you choose to invoke this expedited procedure, the request should be addressed to the Vice President for Academic Affairs with all pertinent information upon which a sound evaluation could be based, including a detailed position description and an organizational chart that displays the relationship of the position to other officers and employees of the campus, up to and including the chancellor. Following administrative review, the question will be submitted to the Board of Governors at its next meeting. Every effort will be made to insure that this process provides a prompt response.

Please note that other established procedures may serve to shorten, lengthen or avoid altogether the waiting period entailed in determining whether the occupant of a position is eligible for ORP enrollment:

1. With respect to previously recognized SAAO positions at a campus (e.g., vice chancellors, associate and assistant vice chancellors, deans, associate and assistant deans, as well as “other” generic or campus-specific positions that previously have been determined to meet the SAAO definitions), no submission or evaluation designed to establish ORP eligibility is required; occupants of such positions qualify automatically.
2. With respect to a proposed new vice chancellorship, establishment of the new position first must be approved by the Board of Governors (and once approved, ORP eligibility accrues automatically).
3. With respect to a proposed new associate or assistant vice chancellorship, establishment of the new position first must be approved by the President
(and once approved, ORP eligibility accrues automatically).

4. With respect to "other" administrative positions (not generic in nature) that previously have not been approved as SAAO's, it is necessary to follow prescribed procedures to obtain an SAAO evaluation and ruling from the Board of Governors; if there is an emergency need for such a ruling, the expedited procedures described herein may be invoked.

[This is a rewrite of Administrative Memorandum #395.]

300.7.2 The University of North Carolina Phased Retirement Program

I. Purpose

The University of North Carolina Phased Retirement Program (the "Program") is designed to provide an opportunity for eligible full-time tenured faculty members ("Eligible Faculty Members") to make an orderly transition to retirement through half-time (or equivalent) service. The goals of the Program are to promote renewal of the professoriate in order to ensure institutional vitality and to provide additional flexibility and support for individual faculty members who are nearing retirement. The Program is entirely voluntary and is available when agreed to and entered into by mutual written agreement between an Eligible Faculty Member and his or her employing institution. The Program is also subject to the employing institution having in place supplemental procedures and participation standards ("guidelines"). Enrolling Eligible Faculty Members may elect to begin receiving the benefits they have accrued under either the N.C. Teachers' and State Employees' Retirement System ("TSERS") or the UNC Optional Retirement Program (the "ORP"), but they are not required to do so. However, so long as an Eligible Faculty Member does not receive a monthly retirement benefit, he or she will not receive University/State paid State Health Plan benefits.[2]

II. Eligibility and Approval

A. The Program is available only to full-time tenured faculty members. Non-tenured and tenure-track faculty are not eligible for the Program.

B. Participating faculty who are members in TSERS must be at least age 62 upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under TSERS. Participating faculty who are participants in the ORP must be at least age 59½ upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under ORP.[3]

C. Faculty members are individually responsible for providing to their employing institution age and service data needed to determine their Program eligibility. Faculty who occupy full-time administrative or staff positions are not eligible for the Program until they vacate the administrative or staff position. Thus, services rendered while in phased retirement will be only those teaching, research, and administrative duties under faculty appointment.

D. Eligible Faculty Members do not have an absolute right to participate in the Program. Departments, schools, or institutions may limit participation in the Program based on three conditions: One condition is a finding that financial exigencies prohibit enrollment in the Program by the Eligible Faculty Member. The second condition is that further enrollment in the Program will substantially weaken academic quality or disrupt program sequence within the department, school or institution. Furthermore, a department or school or an institution may each establish a cap or limit on the number of Eligible Faculty Members who may enter the Program.

E. An application to enter the Program must be made at least six (6) months but not more than eleven (11) months before the effective date of an Eligible Faculty Member's requested participation in the Phased Retirement Program, to begin at the start of the next academic year.

F. An application to enter the Program must be submitted to the Eligible Faculty Member's Department or Division Head. An application is subject to final approval by the institution's Chief Academic Officer following evaluation of the conditions outlined in Section I.D. above and the development of a mutual "work plan" with the Eligible Faculty Member.

G. If an Eligible Faculty Member and the employing institution tentatively agree to the faculty member's participation and a mutual "work plan," the decision to enter or not enter the Program then rests with the Eligible Faculty Member.

H. Once made, a decision to enter the Program is binding.

I. The Program has been made a continuing benefit of the University, subject to reservation by the University Board of Governors of the right to modify, suspend, or discontinue the Program. Eligible Faculty Members may timely seek to enter the Program for the number of years uniformly specified by the employing institution for all of its participating faculty.

III. Terms and Conditions

A. Phased retirement under the Program is subject to the following terms and conditions:

1. Upon entering the Program, Eligible Faculty Members give up tenure. They terminate full-time employment and contract for a period of half-time (or equivalent) service to their institution. Half-time responsibilities may vary by institution and among departments in the same institution. Half-time service may consist of full-time work for one-half of a year (e.g., full-time work for one semester of an academic year) or half-time work for a year (e.g., half-time work in each of the two semesters of an academic year). Under either pattern the Program enrollment period begins with the fall semester. Teaching, research, and service assignments during the period of phased retirement are individually negotiated by the Eligible Faculty Member and the appropriate supervisors and/or personnel committee(s). The details of the half-time service ("work plan") must be set forth in a UNC Phased Retirement Application and Reemployment Agreement (the "Agreement").

2. In conjunction with the Agreement executed under the Program an Eligible Faculty Member must execute a waker of rights and claims under the Age Discrimination in Employment Act (the "ADEA") and other laws (the "Release"). The Release must fully comply with the requirements for knowing and voluntary waivers as provided in the ADEA and other applicable law. After the Agreement is drafted and signed by the administrators, it must be delivered to the Eligible Faculty Member and the Eligible Faculty Member has no fewer than forty-five (45) calendar days within which to consider the Release. Eligible Faculty Members are encouraged to consult an attorney prior to executing the Release. The Release does not become effective and enforceable until after a period of seven (7) calendar days following its execution by the Eligible Faculty Member, and during such period the Eligible Faculty Member may unilaterally revoke the Release. If the Eligible Faculty Member elects to revoke the Release within the seven-day period, the Eligible Faculty Member will continue in his or her same full-time employment status as the faculty member held immediately prior to the execution of the Release, and the Agreement becomes null and void. Revocations must be in a writing personally signed by the faculty member and received by the official to whom the prior application to participate in the Program had been submitted.

3. Participating Faculty Members initially receive a salary equal to fifty percent (50%) of the full-time salary they received immediately prior to phased retirement (e.g., based on the Faculty Member's prior nine- or twelve-month contractual terms, as applicable). In addition, compensation paid during phased retirement is paid over twelve (12) months irrespective of the pattern of duties under the Faculty Member's work plan. Subject to any limitations imposed under the State Retirement System and the legislative appropriations process, Participating Faculty Members are eligible for salary increases and merit pay in subsequent years of Program participation based on annual evaluations.
4. Participating Faculty Members will remain subject to The Code and Policies of The University of North Carolina and their respective campus. In addition, without expressly or constructively terminating any Agreement, an employing institution may place a Participating Faculty Member on temporary leave with pay and/or reassign a Participating Faculty Member’s duties during or as a result of any investigation or disciplinary action involving the Participating Faculty Member. Such authority shall be invoked only in exceptional circumstances when the Participating Faculty Member’s Department or Division Head determines that such action is in the best interests of the employing institution.

5. Phased retirement under the Program may be for a period of at least one but not greater than five years. Each institution will set the length of phased retirement for its faculty. All Eligible Faculty Members at each institution will have the same participation period of phased retirement.

B. The employing institution shall develop a list of employee benefit plans or programs in which Eligible Faculty Members may participate during the phased retirement period. In addition, Eligible Faculty Members who elect into the Program will retain their professorial rank and the full range of responsibilities, rights, and other general benefits associated with such rank, except for tenured status, or as otherwise modified pursuant to an Eligible Faculty Member’s agreement to “work plan.” (The employing institution, however, will keep records of participation so as to note those faculty who are in phased retirement) which Eligible Faculty Members may participate during the phased retirement period.

IV. General Provisions

A. Nothing in the Program precludes a participating Faculty Member from terminating his or her phased retirement at any time if the employing institution provides its consent.

B. Eligible Faculty Members participating in the Program do not enjoy the benefits of tenure. They may not serve on committees that require members to be tenured. Otherwise, participants have the same academic freedoms and responsibilities as other faculty members and have access to all grievance and appeal procedures available to non-tenured members of the faculty who are not participating in the Program.

C. Participating Faculty Members are expected to maintain high levels of professional commitment to their institution.

V. Phased Retirement Program Documents

Current General Administration documents related to the Phased Retirement Program, including the Phased Retirement Program Application and Employment Agreement and the Phased Retirement Program General Release, are available from the UNC General Administration, Division of Academic Affairs, Legal Affairs, or Human Resources. The documents are also available on the UNC General Administration Division of Human Resources web site:

http://www.northcarolina.edu/hr/unc/benefits/retirement/index.htm

[1] Pursuant to NCGS §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 University. See Policy 200.6, Delegation Authority to the President of the University, adopted 11/13/06.

[2] If a faculty member does not elect to receive a monthly retirement benefit from TSERS or ORP, upon entering phased retirement he/she may continue participation in the State Health Plan as a permanent halftime employee on a fully contributory basis. In that case, the faculty member would not be eligible to receive the University’s contribution.

[3] To comply with federal law, the increase in minimum age for participation from 50 to 62 for TSERS members and 59½ for ORP participants becomes effective for faculty who first enter phased retirement beginning in the 2008-09 academic year.

300.7.2: Adopted 03/14/97, Amended 09/10/04, Amended 09/07/07

300.7.2.1[G] Guidelines for Implementation of the University of North Carolina Phased Retirement Program

I. Purpose

The University of North Carolina Phased Retirement Program (the “Program”) provides an opportunity for eligible full-time tenured faculty members to make an orderly transition to retirement through half-time (or equivalent) service for a predetermined period in return for half-time compensation. The Program is completely voluntary and is available when agreed to and entered into by a mutual written agreement between an Eligible Faculty Member and his or her employing institution.

Eligible Faculty members or faculty members who later become eligible may elect annually to seek to participate in the Program during the enrollment life of the Program, with active participation to commence with the start of the next academic year following acceptance by the Eligible Faculty Member’s employing institution. Enrolling Eligible Faculty Members may elect to begin receiving the benefits they have accrued under either the N.C. Teachers’ and State Employees’ Retirement System (“TSERS”) or the UNC Optional Retirement Program (the “OPR”), but they are not required to do so; however, so long as an Eligible Faculty Member does not receive a monthly retirement benefit, he or she will not receive university paid State Health Plan benefits.

II. Eligibility

A. The Program is available only to full-time tenured faculty members. Non-tenured and tenure-track faculty are not eligible for the Program.

B. Except as set forth in Section III, below, the Program is available to all full-time tenured faculty members who:

1. Have at least five years of full-time service at the constituent institution of the University of North Carolina (“the University”) at which he or she is currently employed (“the Institution”);
2. Are age 62 or older for members of TSERS or 59 or older for participants in the ORP; and
3. Are eligible to receive retirement benefits through either TSERS or the ORP, as applicable.

C. The Program contemplates actual retirement and reemployment of participating faculty on a part-time basis for a limited period. For purposes of the Program, “normal retirement age” is 62 years of age for TSERS members and 59 for participants in the ORP. When a faculty member has achieved the above-listed age for his or her applicable participating retirement program, he or she will have reached “normal retirement age” and, therefore, need not undertake a break in service prior to entering the Program.

D. Tenured faculty occupying full-time administrative positions are not eligible to participate in the Program until they vacate such positions. Thus, only individuals under faculty appointment involving teaching, research and service are eligible to participate in the Program.
E. Individual faculty members are responsible for providing to their Institution all information necessary for it to determine their eligibility as to age, service at the Institution, and retirement benefit eligibility within either TSERS or the ORP. For these purposes, the Institution shall determine an applicant's age and service longevity with reference to the August 1 that follows submission of an application for participation.

F. As set forth in Section III, Eligible Faculty Members do not have an absolute right to participate in the Program. Rather, departments, schools or Institutions may limit participation in the Program based on various conditions. However, if an Eligible Faculty Member and the Institution tentatively agree to an Eligible Faculty Member's participation and "work plan" as described below, the final decision to enter or not enter the Program rests with the Eligible Faculty Member.

G. Once made, a decision to enter the Program (signified by the Eligible Faculty Member's signing and non-revocation of the Phased Retirement Application and Reemployment Agreement and Release described in Section VI.E.) is binding.

III. Limitations and Eligibility

A. Institutions may limit participation in the Program as follows:

- 1. An Institution may establish departmental, school and/or institutional caps or limits on the number of Eligible Faculty Members who may participate in the Program.
- 2. A department, school, or Institution may deny an application to participate in the Program in response to a bona fide finding that financial exigencies of the Institution prohibit further enrollment in the Program. The finding must be based on quantifiable budget constraints of the affected institution, consistent with Section 605 A. of The Code.
- 3. A department, school, or Institution may also deny an application to participate in the Program upon a finding that granting the application would substantially weaken academic quality or disrupt program sequence in the department, school or Institution. This finding must be supported by external measures of academic quality, such as accreditation standards. (See Section IV.B.3., below.)

B. Phased retirement under the Program may be for a period of at least one but not greater than five years. Each Institution will set the length of phased retirement for its faculty. However, all Eligible Faculty Members at each Institution must have the same participation period of phased retirement.

C. Upon entering the Program, Eligible Faculty Members give up tenure. They terminate full-time employment and contract for a period of half-time (or equivalent) service to their Institution. Half-time responsibilities may vary by Institution and among departments in the same Institution. In addition, half-time service may consist of full-time work for one-half of a year (e.g., full-time work for one semester of an academic year) or half-time work for a year (e.g., half-time work in each of the two semesters of an academic year).

D. Under either pattern, the enrollment period for the Program begins with the fall semester, with actual participation to commence at the start of the next academic year (provided an Eligible Faculty Member's application is approved). (See Section V.LA., below.) Teaching, research and service assignments during the period of phased retirement are individually negotiated by the Eligible Faculty Member and the appropriate supervisors and/or personnel committee(s). The details of such half-time service (a "work plan") must then be set forth in a University of North Carolina Phased Retirement Program Application and Reemployment Agreement, as described in Sections V.LD., and E., below.

E. Participating Faculty Members will remain subject to The Code and Policies of the University and their respective campus. In addition, without expressly or constructively terminating any Agreement, an Institution may place a Participating Faculty Member on temporary leave with pay and/or reassign a Participating Faculty Member's duties during or as a result of any investigation or disciplinary action involving the Participating Faculty Member. Such authority shall be invoked only in exceptional circumstances when the Participating Faculty Member's department or division head determines that such action is in the best interests of the Institution. Further, nothing in the Program or these guidelines shall in any way be interpreted to provide a Participating Faculty Member with greater rights, claims or privileges against his or her Institution and/or the University regarding continued employment than otherwise provided in The Code and Policies of the University and their respective campus.

IV. Institutional Program Guidelines

A. Each Institution must develop Institutional Guidelines for its implementation of the Program ("Institutional Guidelines").

B. Each set of Institutional Guidelines shall include, or be accompanied by, an official description of any of the following Program participation policies, to the extent adopted by and applicable to the Institution:

- 1. A detailed description of any caps on Program participation, referencing the level (department, school, or Institution) to which a cap pertains. A cap should be applied with reference to predetermined, non-subjective criteria such as length of service or percentage of faculty. The cap of an Institution and/or a department or school must be applied consistently to all Eligible Faculty Members timely seeking to commence enrollment in the Program for a given academic year. (See Sections V. and V.LA. and C., below.) A cap may be an absolute number or a formula that produces a number. In addition, the cap should be consistent over a substantial period of years, not less than five.
- 2. A detailed description of any limitations the department, school, or Institution places on Program participation because of financial exigencies. The description should include specific references to the budget constraints that prohibit participation and to the means for determining that such exigencies exist. The limitation with respect to financial exigencies of an Institution and/or a department or school must be applied consistently to all Eligible Faculty Members timely seeking to commence enrollment in the Program for a given academic year. (See Sections V. and V.LA. and C., below.)
- 3. A detailed description of any departmental, school, or institutional limitations on the number of eligible faculty who can participate in the Program based on preservation of academic quality and/or program sequencing. The description should include reference to objective factors that require limitations on participation such as a shortage of professors in a department or school, the required number of faculty necessary for the department or Institution to operate, or student/faculty ratios. These factors should not be based in any way on age or the expected retirement date of specific faculty members. The limitation with respect to preservation of academic quality or program sequencing of an Institution and/or a department or school must be applied consistently to all Eligible Faculty Members timely seeking to commence enrollment in the Program for a given academic year. (See Sections V. and V.LA. and C., below.)

C. In addition, each set of Institutional Guidelines shall include, or be accompanied by, the following:

- 1. A number of academic years that participants will be allowed to remain on phased retirement. One uniform time period must be adopted by the Institution with the same number of years for all participants, between one and five, and may not vary by department or school within the Institution. Participation in the Program may not be extended or renewed beyond completion of those years.
- 2. A detailed description of the procedures that the Institution will use to ensure that Eligible Faculty Members are informed about the Program.
3. A detailed description of the procedures the Institution will use to receive, review, and approve applications for participation in the Program.

4. A schedule of potential services to be provided by a Participating Faculty Member for the Institution (or for each department or school if they differ among departments or schools). The services that comprise a faculty member's individual work plan under the Program will be drawn from this schedule. A typical work plan will likely call for services to be rendered over the two regular-term semesters of the academic year. The work plan may call for services over all 12 months of the participation year, as often occurs under research professorships. However, no work plan may include duties incident to summer school curricula.

V. Distributing Information on the Phased Retirement Plan

A. The following materials should be prepared and distributed (in hard copy or electronic form) to every tenured Faculty Member who appears eligible for likely to become eligible for the Program.

- The University of North Carolina Phased Retirement Program Policy (UNC Policy Manual 300.7.2)
- A letter announcing the Program.
- A copy of the Model University of North Carolina Phased Retirement Application and Reemployment Agreement.
- A copy of the Model University of North Carolina Phased Retirement Program Release.
- A Chart reflecting information regarding persons who are eligible and those who are ineligible for potential participation in the Program. (See example at Section VI.E.4., below.)

B. At the time of each distribution of Program materials to faculty, the Institution should place a notice of the Program in an institutional newsletter or other organ of general circulation among faculty (including electronic publications) that invite faculty who believe they may be eligible to inquire at an identified Institution office about their Program eligibility.

C. The Institution should distribute Program materials by September 1 of the calendar year preceding the academic year in which it appears that a Faculty Member could first apply to participate in the Program.

VI. Application Procedures

A. Time Periods and General Process.

1. An application to enter the Program must be made at least six (6) months but not more than eleven (11) months before the commencement of the first semester of an Eligible Faculty Member's requested participation in the Program, to begin at the start of the next academic year.

For purposes of this Program, a semester will be deemed to commence on the date that a faculty member rendering services under an individual work plan is required to begin performing services with respect to the pertinent semester.

2. An application to enter the Program must be submitted to the Eligible Faculty Member's department or division head. An application is subject to final approval by the Institution's Chief Academic Officer following evaluation of the conditions outlined in Sections II and III above and the development of a mutual "work plan" with the Eligible Faculty Member as outlined in Section VI.D., below.)

3. If an Eligible Faculty Member and the employing institution tentatively agree to the faculty member's participation and a mutual "work plan" that addresses the same, the decision to enter or not enter the Program then rests with the Eligible Faculty Member. Once made, a decision to enter the Program (signified by the Eligible Faculty Member's signing and nonrevocation of the Phased Retirement Application and Reemployment Agreement and Release described in Section VI.E) is binding.

B. Meetings. Faculty group meetings should be held or at least made available at each Institution for all persons eligible to apply for Program participation. Persons who plan to apply to participate in the Program should meet with the officials appointed or designated by their Institution to answer questions about the Program. Faculty may then approach their respective department or division head or school dean to negotiate participation and their half-time "work plan" for the phased retirement period.

C. Participation Limits or Caps. As described in Sections III.A., and IV.B.1., above, some departments, schools or Institutions may have approved limits or caps on the number of Program participants independent of limitations based on financial exigency or academic quality. If the department, school or Institution receives more qualified applications for the Program than it has available spaces, it should select participants based on non-subjective criteria, such as an applicant's employment start date at the Institution (that is, by institutional seniority, with the qualified person having the most institutional seniority being selected first).

Applications to participate in the Program will be taken in two different formats, depending on the situation.

1. Where There Are Openings Available Under a Quota or Openings Without Limitation.

   In Institutions, departments or schools with openings available under a preset participation limit or cap larger than the number of applicants or which do not have a limitation on the number of participants, timely applications will be accepted on a first come, first eligible basis. When an Eligible Faculty Member submits an application for the Program, the application shall be processed in the manner described in Sections VI.D., and E., below.

2. Where the Number of Applicants Exceeds Openings Available Under a Quota or Other Institutional Limitation After Announcement of Such Limitation.

   Where the pertinent Institution, department or school has established, pursuant to Sections III., and IV., above, a limitation on Program participation by means of a cap, a bona fide finding of restricting financial exigency, or the need to deny participation to preserve academic quality or program sequence integrity, the Institution shall limit its consideration of applications for positions in such restricted positions to those applications timely submitted as required under Section VI.A., above.

   If, under these conditions, more timely applications are received than spaces are available, the Institution shall cease accepting applications for the pertinent positions and shall announce to all Eligible Faculty members who had timely submitted a relevant application that each is to have a period of two weeks (14 calendar days) from the date of the institutional announcement to submit the Eligible Faculty Member's written response, conveying a determination to continue pursuing or to cease pursuing the corresponding phased retirement position. (The date of institutional announcement and the date of faculty response shall each be determined with reference to their date of physical delivery to the addressed party, their postmark date, or the date of receipt for postal handling, whichever is earliest.)

   The Institution shall promptly and appropriately acknowledge its receipt of all faculty responses. The seniority procedures established pursuant to this Section VI.C., shall then be used with respect to all applications that continue to be viable.
1. The Program permits Eligible Faculty Members to work half-time (or its equivalent) for half-time compensation. Each Institution is responsible for developing an individual half-time "work plan" with Eligible Faculty Members who wish to participate in the Program. These agreements should be between an institutional officer designated for this purpose (such as a dean or department or division head) and the Eligible Faculty Member.

2. Before beginning discussions with Eligible Faculty Members, each Institution should devise a half-time schedule of potential services. (See Section IV.C.4., above.) The schedule may vary by department or school but should cover the complete range of contracted faculty activities (for example, teaching, research and creative activities, service, advising, writing of grants, and publications). The schedule should be as detailed as possible and may be used as an attachment to the agreements with Eligible Faculty Members accepted to participate in the Program.

3. Once the duties and arrangements with an Eligible Faculty Member are fully determined, the agreement to participate in the Program must be stated in writing in a formal Phased Retirement Application and Reemployment Agreement and signed by the head of the employing department, dean of the school or division, and the Chief Academic Officer.

4. In cases where the Institution and the Eligible Faculty Member cannot agree on a half-time work plan, the Eligible Faculty member will not be allowed to participate in the Program. Conversely, once made, a decision to enter the Program is binding. That decision is signified by the Eligible Faculty Member's signing and non-revocation of the Phased Retirement Application and Reemployment Agreement and Release described in Section V.L.E., below. However, after an Agreement is finalized, the parties may still terminate the Agreement at any time upon mutual written agreement.

5. Each Institution should strive to make the Phased Retirement Application and Reemployment Agreements as uniform as possible within each department or school. The Agreements must be based on the objective needs of the employing department, school or Institution. Under no circumstances should "deals" be made to encourage faculty members to accept the Program. Likewise, each Institution must not take unjustifiably harsh positions to dissuade an Eligible Faculty Member from participating.

E. Agreement and Release

1. Procedure. The last step in the application process is to obtain a signed, completed Phased Retirement Application and Reemployment Agreement (the "Agreement") and Release (the "Release") from the electing Eligible Faculty Member. The requirements for a valid release are set out in detail under the Age Discrimination in Employment Act ("ADEA") and, thus, it is mandatory that each Institution follow the steps outlined below:

   a. When negotiation of a "work plan" has been completed, the electing Eligible Faculty Member should be provided a completed Agreement, which has been signed by the Institution's administrators, and a Release for review and signature.

   b. The Agreement and Release package should contain:

      (1) The letter announcing the Program;
      (2) The Program Summary;
      (3) The Agreement;
      (4) The Release; and
      (5) A job title and age Chart for the Institution and the department or school, as described in Section V.L.E.4., below.

      It is essential to the validity of the Agreement and the Release that this entire Package be provided to the Eligible Faculty Member when he or she is offered the completed Release for execution.

2. Consideration period.

   a. As required by the ADEA, the Eligible Faculty Member must be offered at least forty-five (45) calendar days to execute and return the Agreement and Release to the Institution. The forty-five day period begins with the date of the final offer, which is the date on which the Institution physically delivers to the Eligible Faculty Member the completed, signed Agreement and the separate Release. If the final offer is not hand delivered to the Eligible Faculty Member, it must be sent by a method of delivery that requires a signature for delivery, as described in UNC Policy 101.3.3.

   b. The Eligible Faculty Member should be encouraged to use the full 45 days and to consult an attorney, if he or she desires. Under no circumstances should the Eligible Faculty Member be requested or pressured to return the package in a shorter period. However, the Eligible Faculty Member may sign the Agreement and Release before the end of the 45-day period, if he or she so chooses.

3. Revocation option.

   a. Once an Eligible Faculty Member signs the Agreement and Release, he or she also has the right under the ADEA (if he or she so chooses) to revoke the Agreement and the Release at any time within seven (7) calendar days of the date both documents are fully executed by the parties.

   b. An election to participate in the Program does not become final until after the seven-day revocation period has passed without the Eligible Faculty Member's revocation. Consequently, if an Eligible Faculty Member uses his or her entire 45-day consideration period, his or her Agreement may not be binding until almost two months after he or she receives the Agreement and the Release to sign.

   c. Revocations must be in a writing personally signed by the Eligible Faculty Member and received by the official to whom prior application to participate in the Program had been submitted.

   d. Revocation may be effected by personal delivery of the revocation, or by submission of it for postal delivery. (The date of revocation is the date on which the faculty member physically delivers the revocation to the appropriate institutional officer or office or the date on which the revocation is posted to that officer or office; the postmark date or date of receipt for postal handling of the revocation shall be prima facie evidence of the date of the revocation.)

   e. If an Eligible Faculty Member elects to revoke the Agreement and Release within the seven-day revocation period, the Agreement is void. Moreover, in such circumstances, the Eligible Faculty Member will continue in his or her same full-time employment status as the Faculty Member held immediately prior to the execution of the Release.

4. Job title and age list.

   a. The ADEA requires that for a release of age discrimination claims to be valid, the release must include the job titles and ages of all individuals in the same job classification or organizational unit eligible for the Program, and the ages of all individuals in the same job classification or organizational unit who are not eligible. The Chart each Institution must attach to the Agreement and Release Package is meant to satisfy this requirement.
VII. Questions and Answers

b. Each Institution is responsible for preparing this Chart, showing eligibility/inelegibility for the Institution as a whole by department or school. Such chart should specifically:
   - Contain a list by faculty position, age and department (but without name) of those faculty eligible and those ineligible to participate in the Program.
   - Include as persons eligible to participate those tenured faculty members who would be eligible to participate if they resigned their current full-time administrative positions (including both faculty and administrative titles).
   - Include as persons ineligible to participate those tenured faculty members who meet the eligibility requirements but who are disqualified for one of the reasons identified under the Program (other than current employment in an administrative position), as well as tenured faculty members who do not meet the basic eligibility requirements.

c. Faculty members remain individually responsible for providing to the Institution age and service data needed to determine their particular Program eligibility.

d. The Chart should be in the format of the Example set forth below. Data appearing initially on the Chart were required to reflect projected age and service as of August 1, 1998. The Chart should then be updated each year as of August 1, reflecting projected age and service as of the next August 1, to the extent known or reasonably predictable.

e. The Chart should be prepared by individuals not involved in any other aspect of the institution’s implementation of the Program. The age data used to prepare the Chart should not be made available to any person who is involved in determining limits on participation in the Program or who is developing individual agreements under the Program. This information is highly sensitive and should be treated accordingly.

Example

<table>
<thead>
<tr>
<th>Job title</th>
<th>Age</th>
<th>Number</th>
<th>Eligible*</th>
<th>Ineligible*</th>
</tr>
</thead>
<tbody>
<tr>
<td>History Professor</td>
<td>60</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>History Professor</td>
<td>59</td>
<td>0</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>[This age 59 professor is under admin. appointment, so also give admin. title.]</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Assoc. History Professor</td>
<td>51</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Assoc. History Professor</td>
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<td>0</td>
<td>2</td>
<td></td>
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<tr>
<td>Assoc. History Professor</td>
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<td>0</td>
<td>1</td>
<td></td>
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<tr>
<td>Subtotal (History Dept.)</td>
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<td></td>
<td></td>
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<tr>
<td>Latin Professor</td>
<td>62</td>
<td>1</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL (Institution)</td>
<td>3</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This Chart is based upon current institutional information. However, if any error or omission is detected, it should be promptly reported to the appropriate academic department or school. Faculty members are individually responsible for providing age and service data needed to determine their Program eligibility.

In addition, tenured faculty occupying full-time administrative or staff positions are deemed potentially eligible on the assumption that, prior to accepting early retirement, they must voluntarily resign/vacate their administrative appointment.

5. Data updates. Prior to an Eligible Faculty Member receiving a final Agreement and Release package, the chart and data discussed in Section VI.E.4., above, must be updated for the Application and Release to remain valid. The Chart’s revision date should appear in the upper right hand corner. A Chart will be deemed current with respect to an application if the Chart has been updated as of the August 1 next proceeding the date on which the application is timely received from a faculty member.

VII. Questions and Answers

A. There are sure to be numerous questions about the Program. Each Institution shall designate specific officials who will be the only persons authorized to respond to these questions. They will likely be Human Resource personnel, such as the campus Benefits Officer or other Personnel Department staff. The number of individuals appointed for this purpose should be kept to a minimum. The more individuals an Institution authorizes to answer questions, the greater the risk that an Institution’s answers to questions will not be uniform.

B. Each Institution must ensure that the information provided to faculty members is accurate and generally consistent. This may be aided by presentations at scheduled Program orientations, like the faculty group meetings suggested in Section VI.B., above. These faculty and administrative personnel designated to provide Program information should be told not to respond to interpretive policy questions about the operation of the Program and, instead, advised to refer such questions to a single designated official of the Institution.

C. Institutions may seek assistance from representatives in the UNC General Administration Divisions of Academic Affairs, Legal Affairs, or Huma Resources. This assistance is intended to be a source of information for each Institution’s Program officials, not a hotline for faculty members.

D. A frequent question will likely be, “Should I apply to participate in the Program?” Faculty members should be advised that the decision to seek entry into the Program is a personal one and they will have to make on their own. An Institution SHOULD NOT advise a faculty member to seek or not seek to participate in the Program. For example, a Program officer should not say, “If I were in your shoes, I would seek to participate,” or “I think this is a good opportunity for you since you are close to retirement age.”

E. The following do’s and don’ts may also be helpful:

- **DO**
  - Spend as much time with the faculty member as necessary to fully explain the Program.
  - Answer any question the faculty member has about the operation of the Program or the eligibility and disqualification provisions of the Program.

- **DON’T**
• Provide an opinion to a faculty member on whether he or she should seek to participate in the Program.
• Indicate to a faculty member that anything about his or her current position and work at the Institution will change if he or she does not seek to participate in the Program.
• Give out names of faculty members who are participating or not participating in the Program.
• Discuss the effect that a faculty member’s decision may have on another faculty member’s opportunity to participate in the Program.
• Discuss or mention in any fashion or form the protected statuses included in Section 103 of The Code. These circumstances should play no part in information the Institution provides regarding the Program.

300.7.2.1(G): Adopted 5/16/97, Amended 09/10/04, Amended 09/25/07, Amended 01/20/15, Amended 11/14/17

300.7.4 Policy on Offering Roth 403(b) Accounts

Each constituent institution and other entities of the University are hereby authorized to enter into agreements with companies to offer Roth 403(b) accounts to their employees.\footnote{Employees should note that, while the North Carolina Department of Revenue has not stated its position on the taxation of earnings and distributions from Roth 403(b) accounts, North Carolina state tax law now follows the federal model, at least through 2010. Additional North Carolina legislative action may be necessary to make these rules permanent, similar to the action taken by Congress in the Pension Protection Act of 2006.}

The constituent institutions and entities should take care to comply with tax laws for these new accounts.

300.8 Other Personnel Matters

300.8.1 Selective Service Registration of Applicants for Employment

The 1989 Session of the North Carolina General Assembly enacted legislation requiring applicants for state jobs and certain benefits to prove that they are in compliance with the registration requirements of 50 United States Code Appx. Section 453 (Military Selective Service Act). The statute also obligates all state employers to adopt rules and regulations for enforcing this requirement. Pursuant to that mandate, the following regulations are hereby adopted.

1. Each application form to be used for university employment shall contain a set of questions which is consistent with the model provided at Appendix A.
2. If an application does not answer affirmatively either of the questions specified in Appendix A, he or she shall be notified that a proposed finding of eligibility for the position will be finalized, unless, within 30 days, he or she provides information which establishes that he or she is in fact in compliance with the registration requirements of the Military Selective Service Act.
3. The applicant may present documentary or oral evidence to prove that he or she is in fact registered or to show that compliance is not required. University officials in charge of employment may allow the applicant an opportunity for a hearing to challenge the proposed finding of eligibility.
4. To prove eligibility an applicant may show one of the following bases:
   a. that he is registered with the Selective Service;
   b. that he is not required to be registered with the Selective Service; or
   c. that the requirement to register has terminated or become inapplicable and that the failure to register was not a knowing and willful failure to register.
5. In determining whether the applicant has established eligibility under these rules, the level of proof required shall be a preponderance of the evidence.

Appendix A

Statement of Selective Service Registration Compliance

(Check A or B)

A. _____ I certify that I am not required to be registered with the Selective Service because (check one):
   ___ I am a female.
   ___ I am in the armed services on active duty. (Note: Members of the Reserves and National Guard are not considered on active duty.)
   ___ I am under the age of eighteen years.
   ___ I was born before 1960.
   ___ I am a permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands.

B. _____ I certify that I am registered with the Selective Service.

Name (Print) ____________________________
Signature ____________________________ Date __________
300.8.2[R] Regulations on Seat Belt Use

The State of North Carolina requires that seat belts be used by all drivers and front-seat passengers in most types of motor vehicles. To re-enforce and complement that requirement, it is the policy of the University of North Carolina that all persons (both employees and students) traveling in a State vehicle assigned to the University shall use available front and back seat belts. Failure to comply with this policy may result, at the option of the campus, in the withdrawal of an individual's privilege of using State vehicles.

(This is a rewrite of Administrative Memorandum #226.)

The UNC Policy Manual: 300.8.2[r], Adopted 10/15/85

300.8.3[R] Regulation on Institutional Occupational Safety and Health Programs

I. Purpose

A. This regulation provides the framework for the establishment and maintenance of a comprehensive safety and health program at each UNC constituent institution in accordance with federal law, and state law and regulations.

B. The federal Occupational Safety and Health Act is designed to ensure, so far as possible, safe and healthful working conditions for every worker in the nation. In 1973, the General Assembly passed the Occupational Safety and Health Act of North Carolina (N.C. Gen. Stat. §§ 95-126 through 95-155; hereinafter, the OSHA NC Act). The OSHA NC Act assigns the responsibility for administration of the State-wide Occupational Safety and Health Program to the North Carolina Department of Labor (NC DOL). Section 23 of the OSHA NC Act outlines the responsibilities of public agencies.

II. Roles and Responsibilities

A. Role of the North Carolina Department of Labor. The NC DOL is responsible for the administration of the OSHA NC Act. The state program is self-inspecting with respect to public agencies; however, the NC DOL will provide advice and counsel, certain printed forms and materials, and inspection assistance as may be required.

B. Role of the Office of State Human Resources. The Office of State Human Resources (OSH) is responsible for providing the North Carolina State Employee Safety and Health Handbook, which is intended to assist state agencies and UNC constituent institutions in establishing institutional programs in conformance with the OSHA NC Act; for providing consultation and technical services to state agencies to ensure compliance with the minimum standards of the program; and for producing an annual report to the State Human Resources Commission assessing program compliance.

C. Role of the UNC System Office. The associate vice president of safety and emergency operations is designated as the primary liaison for the UNC System Office to the safety and health officers at each UNC constituent institution and to NC DOL and OSH with regard to institutional health and safety matters.

D. Role of the Chancellor. In accordance with N.C. Gen. Stat. § 143-580, for purposes of the safety and health program, each UNC constituent institution is considered a public agency. The chancellor, as chief executive, is responsible for implementation of the institutional safety and health program and shall designate an institutional safety and health director to provide daily oversight of this program. This individual shall have appropriate training and experience to carry out these responsibilities and shall report to a senior officer of the institution. As an alternative, a chancellor may make arrangements with another constituent institution of the University under a shared services arrangement to provide for this role.

E. Role of the Institutional Safety and Health Director

1. The institutional safety and health director shall act as the institutional liaison with the UNC System Office, NC DOL, and OSH on matters relevant to the scope of responsibility.

2. The institutional safety and health director is responsible for preparing a campus safety and health plan, in accordance with standards and requirements of the NC DOL, G.S. 143-582, and the OSHR Workplace Requirements for Safety and Health. This plan shall be shared at least annually with the institution’s board of trustees.

3. The institutional safety and health director is responsible for periodic risk assessments of institutional operations to ensure that occupational health and safety hazards are assessed and that any hazards are mitigated.

4. The institutional safety and health director shall prepare such reports and maintain such records as required by the System Office, NC DOL, and OSHR.

F. Role of the Safety and Health Advisory Committee

1. Each UNC constituent institution must comply with G.S. 143-584 and establish a safety and health committee to coordinate with the institutional safety and health director "to perform workplace inspections, review injury and illness records, make advisory recommendations to the agency’s managers, and perform other functions determined by the Office of State Human Resources to be necessary for the effective implementation of the State Employees Workplace Requirements Program for Safety and the workers’ compensation program."

2. In accordance with the requirements of 25 NCAC 01N .0105, the institutional safety and health director or designee shall serve as an ex-officio committee member with voting rights, and the committee must be representative of the community it serves by inclusion of senior administrators, supervisory personnel, and non-supervisory personnel.

3. In accordance with the requirements of 25 NCAC 01N .0106, the committee shall serve as the liaison between the institutional safety and health director and institutional employees and shall, at a minimum, assist the institutional safety and health director with health and safety program oversight.

G. Role of Institutional Personnel. In order to achieve successful results, the program must involve persons at a wide variety of administrative levels. Support and promotion of the program by institutional leadership is a primary requisite. Institutions shall implement a system to encourage the participation and cooperation of all employees in health and safety compliance and best practices.

III. Program Requirements. Site safety programs shall emphasize the inclusion of appropriate risk assessments, training, operating procedures, use of personal protective equipment, and the effective investigation of injuries with appropriate follow up to ensure that identified hazards are corrected. Each safety and health program must include the following objectives:

A. To provide safe and healthful working conditions for all persons employed by the University, regardless of their employment status (e.g., SHRA or EHRA, full-time or part-time, temporary, or permanent).

B. To identify and correct as early as possible any and all unsafe or hazardous conditions on the campus.

C. To provide, or make available at minimal cost as applicable, personal equipment or devices as may be found necessary for protection of employees in their operations.
D. To establish and maintain an environment conducive to the prevention of illness or injury of all persons.
E. To plan, establish, and conduct such education and training programs as are deemed advisable to keep employees actively conscious of safety in all operations, on and off the job.
F. To provide for first aid, by training and equipment, in event of any accident with a view toward minimizing the effects of any injury.
G. To make all employees aware of the provisions of the OSHA NC Act and the requirements of OSHR to ensure compliance.

IV. Annual Reporting. The institutional safety and health director shall make a written report at least annually to the institution's chancellor, board of trustees, and UNC System Office associate vice president of safety and emergency operations on the major activities and programs conducted as part of the institution’s safety and health function. The report shall also include the latest OSHA 300A summary and any outstanding OSHR or NC DOL findings.

V. Other Matters
   A. Effective Date. The requirements of the policy and this regulation shall be effective as of the fall semester of the 2019-20 academic year and thereafter.
   B. Relation to Federal and State Laws. 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.

[1] This regulation replaces Section 300.8.3[G] of the UNC Policy Manual, adopted March 3, 1974, which was originally a rewrite of Administrative Memorandum #30.


300.8.3[R]: Adopted 06/19/19

300.8.4[G] Guidelines on Reporting Misuse of State Property by State Employees

North Carolina General Statute § 114-15.1 creates an obligation on State employees who are informed of or have evidence of misuse of State property by a State employee to report that information within three (3) days to the reporting employee’s immediate supervisor. The statute further specifies that the information must then be reported to the immediate supervisor’s institutional head, and, in turn, within ten (10) days, to the director of the State Bureau of Investigation. Misuse includes such offenses as arson, attempted arson, damage of, theft from, or theft of, or embezzlement from, or embezzlement or otherwise misuse of any State-owned personal or real property.

Each chancellor is appointed to function as institutional head as contemplated under N.C.G.S. § 114-15.1.

The President's office will administer N.C.G.S. § 114-15.1 with respect to General Administration.

Attached is a form for submitting written reports to the SBI. The SBI also requests, that in addition to the written report, immediate telephone notification be made to SBI headquarters (919-733-4311) as soon as such information is available. A copy of any report made by local law enforcement authorities relating to the offense should be forwarded to the SBI.

[This is a rewrite of Administrative Memorandum #84.]
300.8.5 Policy on Diversity and Inclusion Within the University of North Carolina

I. Purpose

The Board of Governors adopts this policy to support and facilitate efforts across the University to advance diversity and to foster an inclusive environment that engages, respects, and values all members of the University community and to ensure such efforts are carried out in an effective manner.

II. Definitions

For purposes of this policy, the following definitions shall apply:

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 any one of the 17 degree/diploma-granting institutions that comprise the University of North Carolina.

C. "Diversity" means the ways in which individuals vary, including, but not limited to, backgrounds, personal characteristics, ideas, beliefs, cultures, and traditions that distinguish one individual or group from another, which may include, but are not limited to, Federal, State, University, and constituent institution protected classes.

D. "Inclusion" means the enablement of individuals, including those from underrepresented groups, to fully and equitably have access to, and participate in, the University's programs, services, facilities, and institutional life.

E. "Diversity and Inclusion (D&I)" collectively means the intentional efforts undertaken to create an institutional culture and a working and learning environment that offers acceptance, support, and respect for a diversity of individuals as they pursue their academic, research, and professional ambitions and interests.

F. "Equal Opportunity (EO)" means the right of individuals to be considered for admission to, employment by, and promotion within the institution on the basis of merit, experience, and qualifications, without unlawful or impermissible discrimination with respect to federal, State, University, and constituent institution protected classes.

G. "President" means the chief administrative and executive officer of the University of North Carolina, as described in Section 501 of The Code.

III. Statement of Commitment

The University features equality of opportunity in education and employment as a core value. To support this value and to meet the University's educational, research, and public-service goals in an increasingly diverse and global society, the University needs the talents and skills of all qualified and available individuals. To this end, the University is committed to building a culture and community that actively supports and promotes diversity and inclusion for its students, faculty, and staff, and for members of the general public who access our programs, services, and facilities.

IV. Accountability

A. Division of Responsibility. Responsibility for diversity and inclusion efforts shall be shared by the UNC System Office and the constituent institutions.
as determined by the president or president's designee. Responsibilities shall also incorporate appropriate reporting to the boards of trustees, the president, and the Board of Governors to ensure that individual and collective efforts have a measurable and meaningful effect.

B. System-Wide D&I Metrics. A common set of D&I metrics across the University system is necessary to conduct trend analysis, leverage experiences and successful approaches across constituent institutions, identify areas for future investments, and drive accountability for outcomes from D&I investments. To this end, the president shall set a defined number of system-wide D&I metrics that all constituent institutions shall track. These metrics shall complement the D&I goals specific to the distinctive mission of each constituent institution.

V. Reporting and Dissemination Requirements

A. Reporting to Boards of Trustees. Each constituent institution, through its chancellor, D&I Officer, or other chancellor designee, shall provide a report at least annually to the board of trustees on D&I-related information as identified by the president or president's designee. The board of trustees may request or require additional or more frequent information to be reported related to D&I operations, programs, and activities.

B. Reporting to the System Office and Board of Governors. Each constituent institution shall provide to the System Office, upon request of the president or president's designee, relevant information regarding the EO and D&I operations, programs, and activities of the constituent institution.

C. Dissemination of D&I Policies and Information. Constituent institutions shall periodically provide information describing their institutional D&I policies and programs to students, faculty, and staff, consistent with any requirements set by the president or president's designee.

VI. Other Matters

A. Effective Date. This policy shall be effective on the date of adoption 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, statutory enactments which may govern the activities of public officials.

C. Relation to Other University Policies. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, other University policies, regulations, and guidelines related to equal opportunity, free speech, and free expression.

D. 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: 300.8.5, Adopted 09/20/19

300.8.5[R] Regulation on Diversity and Inclusion Within the University of North Carolina

I. Purpose. This regulation outlines specific requirements and procedures related to the implementation of Section 300.8.5 of the UNC Policy Manual, Policy on Diversity and Inclusion Within the University of North Carolina (the policy). This includes the definition of roles and responsibilities and sets forth procedures related to the oversight of D&I activities and related reporting to monitor the effectiveness of these efforts.

II. System Office D&I Liaison. The president shall designate a senior officer[1][1] at the UNC System Office (System Office) who shall serve as the System Office D&I Liaison (Liaison). The Liaison shall, at a minimum:

A. Act as the primary point of contact at the System Office for D&I-related inquiries, including inquiries from the constituent institutions and the Board of Governors;

B. Serve as the System Office representative and liaison to the system-wide D&I Council and perform those functions as further described in section V, below;

C. Facilitate the aggregation and comparative analysis of D&I-related data and information reported annually by each constituent institution to the president and the Board of Governors;

D. Coordinate the administration of the policy and its various requirements; and

E. Coordinate D&E efforts and programs directed at serving System Office staff.

The Liaison's responsibilities may be carried out by an existing senior officer at the System Office or by a newly created role, at the discretion of the president.

III. Institutional D&I Officer

A. Each constituent institution's chancellor shall designate a senior-level administrator as its D&I Officer who shall, at a minimum:

1. Assist the chancellor in policy development and strategic planning to promote and advance D&I;

2. Oversee the development of D&I strategy and the definition of D&I goals and performance measures specific to the institution and its community;

3. Ensure production of required reports on the progress and outcomes of the institution's D&I operations, programs, and activities;

4. Advise on training, outreach, educational programs, and other strategies for students, faculty, staff, and other stakeholders to promote and advance diversity and inclusion throughout all levels and areas of the institution;

5. Be available to make presentations and to participate in meetings with employees or students, and their representative groups, as well as community organizations and other members of the general public;

6. Support the development of D&I-related campus communications;

7. Ensure ease of access to D&I-related information by members of the institution's community, as appropriate;

8. Serve as the institutional representative on the D&I Council; and

9. Seek out personal opportunities for ongoing professional training to remain current with industry trends and leading practices in the rapidly evolving D&I field.

B. These responsibilities shall be performed in collaboration with the institution's EO Officer and in alignment with the institution's Affirmative Action Plans and other EO-related policies, programs and activities. The EO Officer shall be coordinated where possible.

C. The appointed D&I Officer shall have or be required to develop directly relevant experience in: designing and implementing D&I strategies, plans, and programs, preferably within higher education; facilitating effective relationships across diverse constituencies; defining metrics and analyzing quantitative and qualitative indicators of success; building mutual understanding among diverse sets of stakeholders; managing change and communicating effectively; and developing training plans and delivering training.

D. The reporting relationship of this role, and whether this is an existing or newly created position, is at the discretion of the institution's chancellor.

E. When deemed appropriate by the respective chancellors, this role may be shared among constituent institutions.

IV. Institutional Inclusion Executive

A. Each constituent institution's chancellor shall designate a single senior-level administrator as the institution's Inclusion Executive. As appropriate, the Inclusion Executive, the D&I Officer, and/or the EO Officer roles may be assigned to the same position or to different positions. The Inclusion Executive shall, at a minimum:

1. Provide oversight on behalf of the chancellor to ensure that the activities of both the institution's EO and D&I functions are coordinated and executed in a complementary and efficient manner and that goal-setting and resource allocation is tied to the achievement of measurable outcomes;
2. Facilitate communication and coordination among various divisions, departments, and constituents within the institution that have EO and D&I responsibilities;

3. In conjunction with the institution’s D&I Officer, ensure that D&I program standards and quality assurance activities are carried out as outlined in Section VIII of this Regulation, and;

4. Participate in institution-level EO and D&I-related councils or committees to ensure connection and knowledge-sharing between EO and D&I initiatives.

B. The reporting relationship of this role is at the discretion of the institution’s chancellor. This role may or may not directly supervise the individual EO and/or D&I function, but shall be assigned the executive oversight duties as described above.

V. Establishment and Responsibilities of a UNC System D&I Council

A. The president or president’s designee shall establish a D&I Council comprising the D&I Officers from each of the 17 constituent institutions, the System Office D&I Liaison, and representatives of other constituencies to be determined by the council in consultation with the president or president’s designee.

B. The council shall be an advisory body for the University System with general assistance from the System Office. It shall be headed by a chair elected for a two-year term by a majority vote of D&I Council peers and approved by the president or president’s designee.

C. The council shall develop its charge, subject to approval by the president. Any subsequent updates or proposed changes to the council’s work shall also be subject to approval by the president or president’s designee.

D. The council, in consultation with relevant officials of each constituent institution, shall be responsible for developing for the president’s approval System-wide D&I metrics as well as standardized formats for reporting of D&I information to the System Office.

E. The council members shall collaborate on programming where feasible, make recommendations to the president or president’s designee on any System-wide training requirements, and explore master agreements for relevant external vendor products/training solutions with general assistance from the System Office.

F. The council shall facilitate the sharing of knowledge and D&I best practices, collaborative problem-solving, and interactions between institutions and with the System Office.

G. The D&I Council shall recommend to the president or president’s designee through the System Office D&I Liaison any potential revisions to the University’s D&I policy and/or regulation as well as the creation or modification of measurement methods for D&I goals and metrics.

VI. Defining System-Wide D&I Metrics and Goals

A. Metrics. The D&I Council shall develop for the president’s approval three to five System-wide annualized D&I metrics. Core statistical information that may be considered in the development of these metrics includes, but is not limited to: student, faculty, and staff demographics; academic achievement gaps; graduation and persistence rates; recruitment and retention of students, faculty, and staff; and campus climate assessments on diversity and inclusion based on institution-level or System-wide surveys.

B. Goals. In addition to the System-wide D&I metrics, the D&I Officer at each constituent institution shall, in collaboration with appropriate stakeholders, develop D&I goals and metrics specific to the institution and its community. As part of this process, it is the University’s expectation that the D&I Officer actively seek input on an annual basis from the constituent institution’s board of trustees as well as appropriate faculty, staff, and student governance organizations, on all proposed D&I goals and metrics.

VIII. D&I Program Standards and Quality Assurance

The institutional D&I Officer and the institutional Inclusion Executive shall together be responsible for establishing a process to ensure that feedback is collected from participants in D&I programs and that participants are informed of the appropriate institutional point of contact to address questions or concerns regarding D&I policies or programs. This shall include ensuring that all programs conform to all relevant University policies, regulations, and standards.

IX. Reporting to the Boards of Trustees

The constituent institution, through its chancellor, D&I Officer, or other chancellor’s designee, shall provide a report at least annually to the institution’s board of trustees, which, at a minimum, shall include the following:

A. The impact of the institution’s D&I programs and activities with respect to System-wide D&I metrics and institutional D&I goals;

B. The number of positions and FTEs with D&I responsibilities, indicating the percentage of each associated with D&I responsibilities;

C. An accounting of institutional budget expended on D&I operations and activities, broken out by personnel and non-personnel costs and by funding source (e.g., state funded versus other funded); and

D. A list of signature D&I programs that serve a critical role in helping the constituent institution accomplish its learning and D&I objectives, along with their purpose and any data on outcomes, including relevant participant feedback.

X. Reporting to the System Office

Each constituent institution shall provide to the System Office, upon request of the president or president’s designee, relevant information regarding D&I operations, programs, and activities of the constituent institution. These items shall be reported in a format recommended by the D&I Council and approved by the president or president’s designee. Such information, at a minimum, shall include the items described in section IX., subsections A., through D., above.

XI. Reporting to the Board of Governors Committee on Personnel and Tenure

No later than every 24 months, or sooner at the request of the committee chair, the president or president’s designee shall provide an update to the Committee on Personnel and Tenure regarding the D&I activities of the constituent institutions.

XII. Opportunities for Dissemination of D&I Policies and Information

A. Information for Students. Constituent institutions shall include in student orientation programs, and periodically provide to students in printed and/or electronic form (e.g., web sites), information describing their institutional policies regarding D&I consistent with this policy. Any information provided should include the name and contact information of the institutional officer, office, or department with responsibility for ensuring compliance with the policy and for answering any related questions or concerns.

B. Information for Faculty and Staff. Constituent institutions shall include in new hire onboarding, and periodically provide to faculty and staff in printed and/or electronic form (e.g., web sites), information describing their institutional policies regarding D&I consistent with this policy. Any information provided should include the name and contact information of the institutional officer, office, or department with responsibility for ensuring compliance with the policy and for answering any related questions or concerns.
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 State Laws. 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 the activities of public officials.
C. Relation to Other University Regulations and Policies. The foregoing regulation as adopted by the president is meant to supplement, and does not purport to supplant or modify, other University policies, regulations, and guidelines related to equal opportunity, free speech, and free expression.

[A] A senior officer is an employee who is covered by Section 300.1.1 of the UNC Policy Manual.

The UNC Policy Manual: 300.8.5[R], Adopted 09/25/19
Chapter 400 Academic Programs

400.1 Policy on Academic Program Planning

North Carolina citizens and institutions must be prepared to compete in a rapidly changing global environment. Consistent with this mandate, the University of North Carolina Board of Governors, the University's General Administration, and the constituent universities shall be guided by the needs of the people of North Carolina in their academic degree program development, approval, and discontinuation actions. Academic program planning and procedures must be nimble, efficient, and responsive to those needs at all levels.

Campuses shall continue to have a lead role in identifying academic program needs and in formulating proposals to meet those needs. The University's General Administration shall engage in the identification of academic program needs. General Administration shall develop procedures to regularly review workforce and societal needs and, on at least a biennial basis, identify degrees and programs beneficial to the State. General Administration shall periodically draw on the expertise of the faculty to identify longer-term emerging trends that may have implications for new degree programs. In its analysis, General Administration shall always consider whether all regions of the State are adequately served by the University. As referenced in this policy, needs of the State and its citizens are inclusive of requirements growing out of local, regional, national, and global challenges.

Once academic program needs are identified by the campuses or by General Administration, General Administration, in consultation with the campuses, shall forward, after appropriate review, recommendations to the Board of Governors regarding how best to meet those needs. All campuses shall have an opportunity to participate in a process for recommending the best way to address those needs. Disciplinary and cross-disciplinary processes that utilize campus faculty and administrators shall be established to recommend whether expansion of a current degree program, collaboration in a joint degree program, an online degree program, or a stand-alone degree program is the best option. Campuses are urged to give high priority to collaborative or joint program development.

In these processes, faculty expertise is essential for sound academic decision making at the campus and system levels. At the campus, disciplinary, cross-disciplinary, University, and board levels, analysis and recommendation of the need for a new academic program, the place for its establishment, and the method of its delivery shall be based on:

1. number, location, and mode of delivery of existing programs,
2. the relation of the program to the distinctiveness of the campus and the mission of the campus,
3. the demand for the program in the locality, region, or State as a whole,
4. whether the program would create unnecessary duplication,
5. employment opportunities for program graduates,
6. faculty quality and number for offering the program,
7. the availability of campus resources (library, space, labs, equipment, external funding, and the like) to support the program,
8. the number and quality of lower-level and cognate programs for supporting the new program,
9. impact of program decision on access and affordability,
10. the expected quality of the proposed degree program,
11. feasibility of a joint or collaborative program by two or more campuses, and
12. any other consideration relevant to the need for the program.

General Administration shall, in collaboration with the campuses, promote the expansion and availability of online degrees and other programs which facilitate access to higher education for all citizens. As the availability of online degree offerings increases, General Administration, in collaboration with the campuses, shall incorporate consideration of online offerings into the assessments of proposals for new academic degree programs. Online program development is part of the academic planning and assessment processes, and campuses will continue to take the lead in proposing the establishment of online degree programs.

While the responsibility for quality, efficiency, and productivity of academic degree programs rests at the campus level, General Administration shall be responsible for periodic reviews to determine whether productivity and quality review processes are followed. Campuses shall regularly review the priorities of their offerings and are to be prepared to discontinue programs that no longer meet any significant need. In collaboration with the campuses, General Administration shall review and revise standards for offering degree programs at various levels and by various methodologies. The University shall balance responsiveness with due diligence and a state-wide perspective. In achieving this balance, General Administration shall develop expedited program review processes for rapid response where warranted. The campuses' faculty and administration and General Administration shall assure a continuing commitment to academic excellence.

The President, after consultation with the campuses and the Board of Governors, shall promulgate regulations to implement this Board of Governors policy and is authorized to provide guidance to the campuses in their academic program development and discontinuation.

400.1: Adopted 05/06/09

400.1.1[R] Regulation for Academic Program Planning and Evaluation

1. Purpose. This regulation defines the authority, responsibilities, and required processes as related to academic program planning and evaluation in the University of North Carolina System (UNC System).
   A. Compliance
      1. UNC System institutions are individually accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and are responsible for compliance with SACSCOC criteria and procedures with respect to any action related to academic programs that may constitute a substantive change as defined by SACSCOC.
      2. UNC System institutions are required to adhere to the SACSCOC policies and Best Practices and Protocols for Electronically Offered Degree and Certificate Programs in planning, delivering and assessing distance education courses and programs.
      3. UNC System institutions are responsible for meeting SACSCOC expectations for the review of the effectiveness of their educational programs, inclusive of student learning outcomes.
      4. The University of North Carolina System Office (UNC System Office) utilizes the most recent Classification of Instructional Programs (CIP), for the classification of all degree programs.
      5. If a program will be delivered out of state, whether face-to-face or electronically mediated, the institution must assure the UNC System Office that all required licensing or other authorization is secured before the program is offered out of state.
6. The UNC System Office will maintain an Academic Program Inventory (API) as the official record of degree programs offered by the University and of all actions taken regarding degree programs. Constituent institutions will work with the UNC System Office to maintain the integrity of the API.

B. Constituent Institution Policy and Procedure. Each institution must have a clearly defined process for the review and approval of proposals to plan or establish new degree programs, including online or site-based distance education, off-campus, or alternative delivery of degree programs. All constituent institution processes must be followed and constituent institution approval must be received before a proposal may be submitted to the UNC System Office.

C. Communication and Forms. Chancellors of the constituent institutions shall communicate to the UNC System Office their intentions or requests with respect to the following:

1. Request for authorization to plan any new degree program.
2. Request for authorization to change the title, degree type, or CIP of an existing degree program.
3. Request for authorization to establish a new delivery mode of any existing degree program.
4. Request for authorization to discontinue a degree program.

Constituent institutions must utilize the most recent versions of request forms as required, maintained, and made available by the UNC System Office. Forms for new degree program requests must at minimum address the areas indicated in Section 400.1, Policy on Academic Program Planning, of the UNC Policy Manual, as the basis for decision making on the requests.

II. Academic Program Planning

A. New Baccalaureate, Master's, and Doctoral Degree Program Proposals

1. In addition to demonstrated capacity of the institution to deliver a quality program, major considerations in the planning and evaluation of new degree program proposals are student demand for the program, societal demand (availability of employment for graduates of the program), budget and source of funding for the proposed program, collaborating possibilities with other degree programs within UNC System, and relationship of the new degree program with institutional mission.

2. Constituent institutions must comply with regulations on fostering undergraduate student success that limit the number of baccalaureate degree program credit hours to no more than 128 and that designate baccalaureate programs exceeding 135 semester credit hours as five-year baccalaureate programs.

3. The UNC System Office will be responsible for managing the review process for new degree proposals and for making a recommendation to the Board of Governors of the University of North Carolina (Board) according to the attached flowcharts: Process for Planning and Establishment of New Baccalaureate Degree Program, Process for Planning and Establishment of New Master's Degree Program, and Process for Planning and Establishment of New Doctoral Degree Program. The UNC System Office may approve authorization to plan proposed programs that clearly meet the considerations in II.A.1, above. External reviews will be required for all doctoral programs and may also be sought to evaluate constituent institution readiness to deliver online or site-based distance education, off-campus, or alternative delivery of degree programs at any level.

4. The senior vice president of academic affairs at the UNC System Office, in cooperation with the constituent institutions, will periodically review and determine a standard maximum number of new degree program proposals that each constituent institution can have under active review at UNC-GA at any given time. Proposals for new joint degree programs shall be exempt from these limitations.

B. Online and Site-Based Distance Education Programs and Off-campus Programs

1. Distance education occurs when students and instructors are not in the same place. Distance education may be mediated through use of the Internet (online) or other means. Off-campus program delivery occurs when students and instructors are together at an instructional site that is geographically separate from the main campus of the institution.

The UNC System Office has authority to approve online and site-based distance education degree programs and off-campus degree programs previously established by the board according to the flowchart Process to Request New Delivery Mode for Existing Degree Program (any level); otherwise, new degree programs to be delivered online, site-based, or off-campus are processed in the same way as all other new degree program proposals and require board approval. Approval by the UNC System Office is required if 50 percent or more of the degree program will be offered in an alternative, online, or distance delivery mode, or a combination of these modes with the following exceptions:

1. The first online or site-based distance education degree program offering for which a constituent institution must follow any SACSCOC substantive change procedure, regardless of the percent offered in that format, must be approved by the UNC System Office.

2. Any off-campus offering of a degree program, regardless of the percent offered in that format, must be approved by the UNC System Office.

Constituent institutions proposing such programs will be expected to document how online and site-based distance education programs and off-campus programs exhibit comparable quality to programs offered on site at the constituent institution in terms of both academic standards and standards for student support. The application and maintenance of academic standards are the responsibility of the academic unit and constituent institution offering the instruction online or at a site off-campus.

Constituent institutions proposing such programs will also be expected to document how online and site-based distance education programs and off-campus programs do not result in an unnecessary duplication of effort and resources, including among programs delivered to students on campus.

For off-site delivery, priority should be given to partnering with UNC constituent institutions and with the North Carolina Community College System where appropriate.

Rapidly changing technology may lead to new modes of delivery of courses and degrees. Proposals for other methods for delivery of degree programs must document the comparable quality of the proposed programs to programs offered by the constituent institution in terms of both academic standards and standards for student support.

C. Degree-Related Distance Education Courses

The development and delivery of individual degree-related distance education courses are institutional responsibilities. Courses may be offered without prior approval of the UNC System Office. However, institutions should list these courses on their distance education web site. Proposals to offer courses or programs through the Southern Regional Electronic Campus (SREC) will be coordinated through the UNC System Office.

D. Doctor's Degree - Professional Practice

Professional practice doctoral program proposals (formerly First Professional program proposals, as in medicine, pharmacy, dentistry, veterinary medicine, law, and others) normally involve outside reviewers in the early stages of development and in many cases an on-site review team. Other high-cost programs may also be addressed in the same manner. Constituent institutions should consult
with the UNC System Office before beginning to prepare a Professional Practice program proposal.

E. Joint Degree Programs. Joint Degree programs result in the awarding of a single joint degree by two or more UNC constituent institutions or by a UNC constituent institution and non-UNC educational institution. Joint degree programs must be approved through the regular institutional processes and have the approval of the chancellor of each participating UNC institution before submission to the UNC System Office for review and presentation to the board for approval.

Proposals for joint degree programs must include documentation that, at minimum, the fundamental elements of the following institutional processes have been agreed to by the partners:

1. Admission process;
2. Registration and enrollment process for students;
3. Committee process for graduate students;
4. Plan for charging and distributing tuition and fees;
5. Management of transcripts and permanent records;
6. Participation in graduation; and
7. Design of diploma.

Each student who will receive a Joint Degree must be approved by each UNC institution whose name will appear on the diploma using the institutional process for certifying a student to receive a degree.

F. Dual Degree Programs. A Dual Degree program involves two academic units, either at the same institution or at different institutions, including non-UNC institutions, in a formal agreement to offer two degrees as part of a program of study that will result in a student being awarded both degrees (two diplomas). While such programs offer the advantage that some course work may count for each degree, the requirements for each of the two degrees in a Dual Degree program must be substantially equivalent to the requirements for a student taking only one of the degrees. For example, a juris doctorate and an MBA could be linked in a Dual Degree program. While SACSCOC must approve dual degree arrangements, these arrangements are considered by the UNC System Office as articulation agreements among existing degree programs and do not require additional approval by the UNC System Office or the Board.

G. Expeditied Program Review. While board policy requires that the academic program planning and evaluation process achieve a balance between responsiveness, due diligence, and a state-wide outlook, it also necessitates development of expedited program review processes for circumstances when rapid response is warranted. A request for an expedited review will be warranted where there is an extraordinary need to have a program start up immediately to meet a clear state need, or to announce immediately that the program will be available at a certain future time. An example might be the need for a degree program as part of a state effort for recruiting or expanding business, industry, or a governmental function. An expedited review will not require a request for permission to plan, and some or all external review requirements may be eliminated at the discretion of the UNC System Office academic affairs leadership.

H. Discontinuation of Academic Degree Programs. The Board of Governors has the authority to establish and discontinue degree programs. A constituent institution may recommend the discontinuation of a degree program at any time. The proposal for discontinuation should provide a reasonable time for currently enrolled students to complete their academic requirements or provide an alternative way for these students to complete their program of study. The constituent institution may submit a letter for approval to reinstate the degree program within five years of its discontinuation.

I. Program Consolidation. Constituent institutions may request that two or more existing degree programs be discontinued in order to be combined in a single degree program. If the resulting consolidated program differs substantively from the component programs in both curricular requirements and program classification, then the constituent institution must complete an abbreviated request for establishment for expedited review by the UNC System Office and approval by the Board as a new degree program. Alternately, a constituent institution may seek to discontinue one or more degree programs to become concentrations or tracks within another degree program whose core requirements and program classification will otherwise not change. In this case, the request for establishment and board approval as a new program are not required, but for the programs to be discontinued, the request to discontinue must be completed and approved by the board. Constituent institutions should work closely with the UNC System Office to assure the correct steps are taken for consolidation requests.

III. Academic Program Evaluation. In accordance with state statutes and on behalf of the Board of Governors, the UNC System Office shall manage a biennial program review process in cooperation with constituent institutions. All academic degree programs are to be reviewed against criteria specifically developed to determine program productivity. The review may result in either decisions to strengthen programs that are or can reasonably be made productive or in program discontinuation. Availability of educational opportunities for North Carolina citizens, including racial and geographic diversity, are also considered.

IV. 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 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.
### Process for Planning and Establishment of New Baccalaureate Degree Program:

<table>
<thead>
<tr>
<th>Letter of Intent Review</th>
<th>UNC System Office responds with approval or request within four weeks</th>
<th>UNC System Office approves and invites submission of Request to Establish</th>
<th>Campus submits Request to Establish within four months</th>
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<td>Within four weeks</td>
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<tr>
<th>Request to Establish Review</th>
<th>UNC System Office responds that proposal is complete or UNC System Office requests information; campus replies within four weeks</th>
<th>Completed Request to Establish is posted to Academic Planning Website for four weeks for system-wide review and comments</th>
<th>UNC System Office reviews comments received</th>
<th>UNC System Office is prepared to make recommendation to EPPP Committee or Campus notified of any remaining issues; campus replies within four weeks</th>
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<td>Within two weeks</td>
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<tr>
<th>Board of Governors Action</th>
<th>Upon UNC System Office recommendation degree program brought to next EPPP Committee meeting</th>
<th>Upon EPPP Committee approval degree program brought to next Board of Governors meeting</th>
<th>Board of Governors acts on EPPP Committee recommendation</th>
</tr>
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### Process for Planning and Establishment of New Master's Degree Program:

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<tr>
<th>Letter of Intent Review</th>
<th>UNC System Office responds with approval to move forward with request or UNC System Office responds with questions; campus replies within four weeks</th>
<th>UNC System Office approves and invites submission of Request to Establish</th>
<th>Campus submits Request to Establish within four months</th>
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<tbody>
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<tr>
<th>Request to Establish Review</th>
<th>UNC System Office responds to the UNC Graduate Council for four-week review period. Graduate deans submit campus comments to UNC System Office for information and consideration</th>
<th>UN System Office reviews comments received</th>
<th>UNC System Office is prepared to make recommendation to EPPP Committee or Campus notified of any remaining issues; campus replies within four weeks</th>
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<th>Board of Governors acts on EPPP Committee recommendation</th>
</tr>
</thead>
</table>
1. included in the community college FTE count but not in the campus FTE count for Regular Term Enrollment;
2. included in determining the student’s course load for purposes of establishing eligibility for financial aid at the institution;
3. excluded in determining the student’s tuition charges at the institution except that the campus may act as fiscal agent for the community college in collecting its tuition and fee charges;
4. included in the student record at the institution and at the community college; and
5. included in the Freshmen Performance File and Student Data File collected by this office. The cost of faculty and staff employed by the community college and the cost of student tuition and course fees that the campus may collect on behalf of the community college should not be included in expenditure data on remedial instruction that are reported annually to the vice president for academic affairs.

This is a rewrite of Administrative Memorandum #325.

400.1.11[g]: Adopted 07/09/92
400.1.12 Awarding of Joint Degrees in the University of North Carolina

A Joint Degree is a degree awarded by two or more UNC constituent institutions or a UNC institution and a non-UNC educational institution who are participating in a joint degree program. A joint degree will carry the names of two or more institutions on the student’s diploma.

Joint Degree programs must be approved by the Board of Governors and proposals are to follow a process similar to that for the approval of a degree program for a single campus. Upon approval by the Board of Governors, UNC institutions may award joint degrees in the approved programs. The president will promulgate regulations for implementing the awarding of joint degrees.

400.1.12: Adopted 04/11/03

400.1.2 Termination of Programs

1. N.C.G.S. § 116-110(c) provides as follows:

The Board [of Governors] shall determine the functions, educational activities and academic programs of the constituent institutions. The board shall also determine the types of degrees to be awarded. The powers herein given to the board shall not be restricted by any provision of law assigning specific functions or responsibilities to designated institutions, the powers herein given superseding any such provisions of law. The board, after adequate notice and after affording the institutional board of trustees an opportunity to be heard, shall have authority to withdraw approval of any existing program if it appears that the program is unproductive, excessively costly or unnecessarily duplicative.

2. When the President determines that he should recommend to the Committee on Educational Planning, Policies, and Programs that a program be terminated, or when the committee on its own initiative tentatively determines that a program should be terminated, the President shall give written notice of that determination to the chancellor and chairman of the Board of Trustees of the affected institution, notifying them that, if they request it, they will be given a hearing on the matter before the committee. The chancellor and chairman may bring to this hearing such administrative staff members and faculty members as they may deem useful in representing the institution.

3. If a hearing is requested by the institution, the chancellor shall so notify the president within 30 days after receipt of the notice of determination to terminate an opportunity for hearing. If either the chairman or the chancellor intends to object to the proposed program termination, he shall, not later than two weeks prior to the hearing, file with the president a written statement of reasons why in his opinion the program should not be terminated, together with such supporting data as he may wish to provide. The president shall transmit this material to the committee.

4. After hearing the chancellor and chairman of the board of trustees, if a hearing is requested, the committee shall make its decision and, if its decision and recommendation to the Board of Governors are for program termination, the committee shall include in its report a summary of the objections, if any, that were filed by the chancellor or chairman with respect to the recommended program termination.

5. The foregoing procedure is in addition to and not in lieu of procedures for the termination of programs on the initiative of a chancellor.

400.1.2: Adopted 08/22/77

400.1.2.1[R] Regulations on Terminating Programs

The procedure for terminating programs was adopted by the Board of Governors on August 22, 1977. This procedure constitutes a designation of the planning committee as the board's agency to hear contested decisions to terminate programs.

Section 605 A of The Code provides that a chancellor, on the chancellor's own initiative, can undertake a major curtailment or termination of a program. The chancellor is required by Section 605 C (1) to consult with the administrative officers and faculty of the institution, and the chancellor's action is subject to the concurrence of the President and approval of the Board of Governors.

The termination procedure established in this policy, is entirely separate from the one just noted and applies to those instances where on the initiative of the president or of the planning committee, a program is to be terminated. This procedure is beyond the control of the chancellor (except as an adviser to the president and the planning committee). This procedure makes no provision for the termination of the employment of individual faculty members, only of programs. It would be a matter for the chancellor's decision whether the termination of a program would have the effect of making the services of one or more faculty members unnecessary. The chancellor would then follow procedures appropriate to the case.

[This is a rewrite of Administrative Memorandum #85.]

400.1.2.1[R]: Adopted 04/24/77

400.1.2[R] Regulations for New Campuses, Branch Campuses and other Off-site Educational Use of Facilities

1. In the matter of a proposed new campus, the president will make a preliminary determination of whether to recommend to the Board that a study be done.

2. If the Board directs that a study be done of a proposal for a new campus, the president shall initiate and oversee the study and upon its conclusion recommend a proposal to the Board.

3. In the matter of a proposed branch campus, the president will make a preliminary determination of whether to recommend to the Board that a study be done.

4. The University will use as its definition of a branch campus the one adopted by the Commission on Colleges of the Southern Association of Colleges and Schools: A branch campus is defined as a location of an institution that is geographically apart and independent of the main campus of the institution. A location is independent of the main campus if the location is (1) permanent in nature, (2) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential, (3) has its own faculty and administrative or supervisory organization, and (4) has its own budgetary and hiring authority.

5. If the Board directs that a study be done of a proposal for a branch campus, the President shall initiate and oversee the study and upon its conclusion recommend a proposal to the Board.

6. Proposals for constructing, acquiring, leasing, or otherwise using off-site facilities shall provide assurance that all University requirements are to be met.

7. The President will consult with the North Carolina Community College System in the process of assessing the need for a new campus, a branch campus,
or other new facilities for off-site educational delivery.
8. Templates will be developed which contain the components that must be included in agreements for constructing, leasing, or otherwise using off-site facilities for academic program delivery.
9. In proposing or reviewing proposals for off-site facilities, all options for delivery of instruction shall be considered including online options.

400.1.2[R]: Adopted 05/06/09

400.1.3 Second Academic Concentration Requirement

400.1.3.1[R] Regulations for the Second Academic Concentration Requirement for Teacher Education Programs

The following regulations are issued by the President to govern teacher education programs offered by the constituent universities.

1. Students enrolled in undergraduate teacher education programs must complete a minimum of 18 credit hours in a second academic concentration. This minimum requirement reflects a change from the previous requirement of 24 credit hours.
2. Individual campuses may establish interdisciplinary second academic concentrations to allow for greater understanding in more than one related content area. Examples of interdisciplinary concentrations include but are not limited to: Global Studies; Science, Mathematics, and Technology; Diversity/Multicultural Studies; and Linguistics/Second Language Learning.
3. Special education programs are exempt from the second academic concentration requirement.
4. The design and modification of the second academic concentrations shall reside with the constituent campus. Each campus will be responsible for certifying that the second academic concentrations established for their teacher education programs align with the regulations listed herein.
5. The above regulations are effective as of the 2004 fall semester for incoming freshmen, transfer students, and any students entering teacher education programs.

400.1.3.1[R]: Adopted 05/06/09

400.1.5 Fostering Undergraduate Student Success

I. Purpose

The University of North Carolina’s policies on student success adopted by the Board of Governors direct constituent institutions to:

A. Set academic progress and degree attainment as primary outcomes;
B. Promote academic quality, rigor, and integrity; and
C. Make possible “seamless” educational opportunities across the UNC constituent institutions, with the North Carolina Community College System (NCCCS), and early college high schools.

Improving retention, graduation rates, and time to degree are important aspects of such policies. However, the Board of Governors also recognizes that students come into the system from a number of different life circumstances and their paths to success vary accordingly. Policies, therefore, set parameters within which a constituent institution can best meet the needs of these diverse student populations.

II. University-Wide Policies

A. The Board of Governors has adopted the following policies for all institutions comprising the University of North Carolina except the North Carolina School of Science and Mathematics.[1]

1. Constituent institutions will require no more than 120 semester credit hours for a four-year baccalaureate degree program unless an exception is granted by a board of trustees as described in Section 400.1.5[R] of the UNC Policy Manual.
2. Constituent institutions will follow the credit hour limits for five-year baccalaureate degree programs as described in Section 400.1.5[R] of the UNC Policy Manual.
3. Constituent institutions will develop academic policies within the regulations established by the UNC General Administration on:
   a. Satisfactory Academic Progress (SAP)
   b. Course Adjustment Periods ("Drop/Add")
   c. Course Withdrawal
   d. Grade Exclusion or Replacement
   e. Minimum, Maximum, and Average Course Load
4. Constituent institutions will establish a student success and support structure to review and to issue regular reports on:
   a. Retention, academic progression, graduation, and time to degree;
   b. Course scheduling as it relates to whether courses required for graduation are offered on a timely basis and with an adequate number of sections and seats;
   c. Course offerings and grade requirements to assess if any undue additions to general education requirements exist or if such requirements unintentionally lengthen time to graduation; and
   d. The academic advisement system to ensure students receive appropriate assistance in proceeding toward graduation in a timely manner.
5. Constituent institutions will be compliant with Title IV regulations that define student eligibility for and receipt of federal financial aid.
6. Constituent institutions will be compliant with the Comprehensive Articulation Agreement with the NCCCS and are encouraged to develop policies that promote seamless transfer among schools in the University of North Carolina System.

B. These policies are designed to ensure that campus and system-wide policies and practices facilitate behaviors that support retention and timely
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.


400.1.5: Adopted 01/08/93, Amended 09/08/06, Amended 07/01/07, Amended 01/11/13, Amended 01/26/18

400.1.5.2[R] Fifteen Hour Average Courseload Requirement for Full-Time Undergraduates

This Regulation sets annual goals and establishes guidelines for campuses to be in compliance with the board’s 1993 Plan to Improve Graduation Rates and to meet the board’s expectation that undergraduates enroll in at least 15 semester hours per term in order to graduate in four years. These annual goals and guidelines will also put each campus in compliance with Section 89(a), Senate Bill 27, of the 1993 Session Laws which states:

In order to monitor institutional progress in meeting the expectation of Item 1 of the “Plan to Improve Graduation Rates in the University of North Carolina” that full-time undergraduates will take an average of 15 semester hours per term, the Board of Governors shall require constituent institutions to set a goal of increasing to 15 the average number of credit hours per term taken by full-time undergraduates. This goal shall be met system-wide and by each constituent institution no later than December of 1997. The Board shall instruct all institutions to report on their progress in meeting their goals in their annual assessment reports. The Board shall require those institutions failing to make timely progress to submit special reports identifying additional steps to be taken. The Board shall report annually by April 1 to the Joint Legislative Education Oversight Committee on the progress of each constituent institution in meeting these goals.

It should be noted that neither the board’s expectation nor this requirement changes the definition of a full-time undergraduate course load from 12 to 15 credit hours, nor do they require that every full-time undergraduate carry 15 or more credit hours. Instead, they require that the course loads of full-time undergraduates average at least 15 credit hours. Monitoring of the legislative requirement will be based on all regular session degree-creditable and remedial course hours taken by degree-seeking undergraduates as reported on the institution’s fall and spring Student Data Files.

Report Schedule

In accordance with Section 89(a), Senate Bill 27, of the 1993 Session Laws, the board issued its final progress report in March 1998. As noted in that report, the board recommended that it continue to monitor the average course load of full-time undergraduates as part of its annual report on Time-To-Degree. To accomplish this task, the following guidelines shall continue to guide the campuses in submitting their annual reports.

In order to include the most current date in the annual report, while at the same time allowing sufficient time for responses from campuses not meeting goals to be prepared and summarized, the following schedule will be followed.

An average annual credit hour count for full-time undergraduates will be calculated in November of each year. It will include the credit hours reported on the spring and fall Student Data Files of that calendar year (not academic year). After the November calculation is made, any institution whose count is below its annual goal will be asked to report by the end of the following January on corrective steps to be taken in the new calendar year. Following receipt of the campus reports, a report will be prepared for board approval and for submission to the legislature before April 1.

Annual Goals

Attached to this Regulation is a table entitled UNC Board of Governors Report on Average Credit Hours Taken by Full-Time Degree-Seeking Undergraduates (As required by Section 89(a), Senate Bill 27, 1993 Session Laws). It presents data on average annual credit hour counts and goals for UNC institutions for the years 1993 through 1998. Institutions above the 15-hour average in 1993 are required to maintain an average of 15 hours or more in each of these years.

[This is a rewrite of Administrative Memorandum #345.]
400.1.5[R] Regulation Related to Fostering Undergraduate Student Success

I. Required Semester Credit Hours for Baccalaureate Degree Programs. Baccalaureate degree programs shall require no more than 120 semester credit hours. An institution with compelling reasons as to why a program’s requirements must exceed 120 semester credit hours may petition to have an exception approved by its board of trustees. Compelling reasons include, but are not limited to: programmatic accreditation standards; licensure requirements; and other state, federal, or professional regulations.

An institution must report any exceptions granted by its board of trustees, and the reasons for those exceptions, to the Board of Governors and the president by the end of calendar year 2018 and annually thereafter.

Any program authorized by the Board of Governors to require 135 semester credit hours or more shall be officially designated as a five-year baccalaureate program.

A. Constituent institutions shall observe these regulations in all proposals for new degree programs.

B. This section applies to individual baccalaureate degree programs, not to credit hour requirements for students who earn more than one major.

C. Constituent institutions must publicize the required number of semester credit hours and projected length of full-time enrollment required to obtain each baccalaureate degree in both printed and online catalogs. During new student orientation sessions and in publications for students and parents, constituent institutions must provide a description of factors that may prolong the length of time to complete a degree.

D. The UNC System Office will maintain a catalog of all active baccalaureate degree programs and their required hours, and the Board of Governors will periodically review compliance with this 120-credit limitation, including approved exceptions to that limitation.

This section is effective as of the beginning of the fall 2019 semester, and shall not affect the credit hour requirements in place at the time of registration for students who registered at a constituent institution prior to the fall 2019 semester. Students who registered at a constituent institution prior to the fall 2019 semester will have the option to elect into the fall 2019 catalog.

II. Student Success Policies. Constituent institutions must have policies addressing student success, including Satisfactory Academic Progress and Good Academic Standing.

A. Satisfactory Academic Progress and Good Academic Standing. Satisfactory Academic Progress and Good Academic Standing are determined by:

1. Cumulative Grade Point Average; and
2. Ratio of attempted to completed semester credit hours.

B. The implementation of these criteria shall include the following:

1. Upon initial admission to a UNC constituent institution, a student is in Good Academic Standing.
2. All undergraduates in the University of North Carolina System must earn and maintain a minimum cumulative GPA of 0 to be considered in Good Academic Standing. Constituent institutions may choose to utilize term GPA in determining Good Academic Standing.
3. All constituent institutions must develop an academic progress policy that defines the ratio of attempted to earned semester credit hours required for continued enrollment. Federal Title IV regulations for Satisfactory Academic Progress shall be the minimum allowable standard.
4. If a student meets the criteria in each of the standards above, then the student is considered to be making Satisfactory Academic Progress, remains in Good Academic Standing, and is eligible to continue enrollment at that UNC constituent institution.
5. Constituent institutions may develop policies that allow students falling below one or more of the standards to be placed on academic warning and/or academic probation as opposed to being academically dismissed or academically suspended. These policies must, at a minimum, be in accord with federal Title IV regulations and should include the use of academic success contracts where appropriate.
6. Constituent institution policies related to this section must be published in all campus academic and financial aid materials, both printed and online. Students should be informed of these policies at new student orientation.

B. The Course Adjustment Period (i.e., “Drop/Add”). The Course Adjustment Period will be established as the time during which students may drop or add courses without academic penalty (i.e., no impact on the Grade Point Average (GPA), attempted hours, or tuition surcharge). Constituent
institutions may choose to make the period for adding courses and the period for dropping courses the same or different; however, both the drop and add periods must be concluded by the census date. The implementation of this section shall include the following:

1. Constituent institutions may set policies that allow faculty to drop students administratively if they do not attend the course by the end of the Course Adjustment Period. These policies must be publicized to students. Faculty using this option must have a limited window to take such action in order to complete the drop without causing the student to incur financial penalties other than those normally applied during the course adjustment period. Constituent institutions may allow faculty to add students into those seats in a timely fashion under guidelines set by the constituent institution.

2. Constituent institution business practices determine if adjustments made during Course Adjustment Period result in any refund or additional charges to the student. Any financial repercussions to students must be publicized in the constituent institution's academic and financial aid policies describing the Course Adjustment Period.

3. Federal Title IV regulations shall be the minimum standard for all policies related to student refunds during the course adjustment period.

C. Course Withdrawal. Students are expected to complete all the courses for which they are registered at the close of the Course Adjustment Period. These courses must be recorded on a student's official transcript and receive a grade that is used in the calculation of a GPA, count as attempted hours, count toward the tuition surcharge calculation, and conform to all financial aid and Satisfactory Academic Progress rules unless withdrawal is permitted under conditions described below:

1. Course withdrawal with extenuating circumstances:
   a. Constituent institutions will develop policies that permit a student to withdraw from a course or courses at any time and without academic penalty for serious extenuating circumstances, including military deployment. These policies must describe a clear process that defines the documentation required, the nature of the review by a designated institutional body or official, and an opportunity for one level of appeal at the institution level. Students who must withdraw from a course or courses due to military service should also consult the UNC Policy Manual on Military Student Success, Section 700.7.1. Course withdrawals taken during the 2020 spring semester due to the COVID-19 pandemic shall be considered taken due to serious extenuating circumstances.
   b. Any constituent institution policy developed for course withdrawal for extenuating circumstances must require that:
      (1) A W be recorded on the transcript;
      (2) The course(s) count as attempted hours;
      (3) The course(s) not count in tuition surcharge calculations (see UNC Policy Manual, Section 1000.1.5(G));
      (4) The course(s) not count in GPA calculation; and
      (5) The course(s) are subject to all financial aid and SAP rules and calculations.

2. Course withdrawals without extenuating circumstances:
   a. After the initial Course Adjustment Period, constituent institutions may develop policies that allow students to withdraw from one or more courses without meeting the standards for withdrawals for extenuating circumstances. These policies must specify up to four courses or up to 16 semester credit hours as the maximum number of such withdrawals permitted over the course of a student’s degree or degrees.
   b. Any policy developed for course withdrawal without extenuating circumstances must require that:
      (1) A W be recorded on the transcript;
      (2) The course(s) count as attempted hours;
      (3) The course(s) count in surcharge calculations; and
      (4) The course(s) are subject to all financial aid and SAP rules and calculations.
   c. Constituent institution policies must include a deadline for such withdrawal at a date no later than the completion of 60 percent of the term.

D. Course Repeats. Constituent institution policies on course repeats must conform, at the minimum, to federal Title IV Financial Aid standards with regard to course repeats. Students receiving federal financial aid cannot be treated differently from students not on such aid. In addition, all constituent institution policies on course repeats must, at the minimum:
   1. Include on the student transcript all attempts to complete a course;
   2. Count all attempts to complete a course in calculations of satisfactory academic progress;
   3. Count all attempts to complete a course in the tuition surcharge calculation in accordance with the UNC Policy Manual, Section 1000.1.5(G); and
   4. Use all grades earned in a course in the calculation of the GPA, unless the grade can be excluded through an institution-based grade exclusion or replacement policy.

E. Forgiveness Policies. Constituent institutions may establish policies that permit a student who is academically dismissed or academically suspended to be readmitted after a specified period of time, have a modified or new GPA calculation, and to be under other specific steps for re-admittance to the campus.

F. Grade Exclusion or Grade Replacement

1. Constituent institutions must develop policies on grade exclusion and/or grade replacement. These policies must specify up to four courses or up to 16 semester hours as a maximum number of allowable exclusions/replacements. Courses taken during the 2020 spring semester shall not count against the maximum number of allowable exclusions/replacements due to the impacts of COVID-19.

2. Institutional policies that permit either grade exclusion and/or grade replacement must provide for:
   a. The inclusion on the transcript of both the initial grade earned for the course and a notation of its exclusion from or replacement in the calculation of the GPA; and
   b. The inclusion of the course(s) in both the calculations of satisfactory academic progress and the tuition surcharge.

G. Minimum, Maximum, and Average Semester Course Load. A minimum “full-time” undergraduate course load is defined as 12 credit hours per semester. In advising and other communications, constituent institutions shall encourage full-time students to consider an average semester load of 15 credit hours, when possible, to stay on track for a timely graduation. Constituent institutions may allow students in good academic standing to enroll in up to 18 semester hours in a fall or spring semester without special permission. No student shall exceed 18 semester hours in a fall or spring semester without special permission as designated by institutional policy. Constituent institutions shall develop appropriate policies for a maximum load in summer terms.

III. Student Success Review and Reporting. Constituent institutions will establish a student success support structure of one or more committees comprised of the appropriate officials from areas such as admissions, registrar’s office, financial aid, advising, the counseling center, the cashier’s office, faculty governance, and student government to review and issue regular reports on:

A. Retention and Graduation

1. Each constituent institution shall, in consultation with the UNC System Office, establish goals for retention and graduation for first-time, full-time students. Constituent institutions shall also work with the UNC System to develop a tracking model for the retention and graduation rates of full-time students, transfer students, and part-time students.

2. The UNC System Office will report annually to the Board of Governors on the success of these various categories at both the institutional
and system level.

B. Additional Student Success Measures. Constituent institutions shall work with the UNC System Office to develop common output measures of student success and achievement as a means to assess the academic progress goals set by each institution.

C. Review of Course Scheduling and Offerings. Constituent institutions shall develop mechanisms to monitor whether all courses necessary for graduation are offered on a timely basis and with an adequate number of sections for a student to graduate in four years. As a part of this review, institutions shall determine:

1. If general education requirements (e.g., themes, designators, etc.) allow appropriate student progress;
2. If excessive or unnecessary specification or augmentation of general education courses for certain majors places an undue burden on students changing majors; and
3. If excessive GPA or course grade requirements for admission to or completion of a major are delaying student progress toward graduation.

These evaluations will be prepared on a three-year cycle beginning in fall 2014 and will examine data from the previous three academic years. The UNC System Office will consult with institutions to develop the reporting format and required data.

D. Advising. Constituent institutions shall develop policies to monitor the availability of appropriate and timely academic advising, particularly for first-time undergraduates and first-semester transfer students to:

1. Assist students in making effective academic and career decisions;
2. Increase the potential for students selecting appropriate courses and schedules;
3. Provide students with assistance in selecting a major in a timely fashion;
4. Prevent excessive changes of major;
5. Increase students’ awareness of an appropriate course load and academic assistance available to them; and
6. Provide information as appropriate on course selection and the impact on tuition surcharge.

This review should take place on a three-year cycle beginning in fall 2014 and examine data from the previous three academic years. The UNC System Office will consult with institutions to develop the reporting format and required data.

E. Early Warning System Plan.

1. Effective with the start of the fall 2014 semester, each constituent institution will have an early warning system (EWS) to alert relevant campus personnel to signs of poor academic performance by a student or of behavior likely to lead to a student not making Satisfactory Academic Progress. Each constituent institution will submit a comprehensive intervention plan to the UNC System Office that describes how students are identified by the EWS, what campus staff or faculty are notified when a student is identified by the EWS, and how the staff or faculty member is to respond. Interventions may include written communication with students, phone calls or text messages, face-to-face meetings with campus personnel, and/or formal programs involving extended student participation.
2. The EWS should specify what interventions will be used, who will be responsible for them, how warnings will be communicated to responsible personnel, and how interventions will be tracked and reported.
3. Each constituent institution will identify strategies to assess the effectiveness of its EWS and use the results for ongoing improvement.

IV. Regulations on Student Financial Aid and Title Regulations on Student Financial Aid and Title IV

A. All constituent institutions will develop financial aid disclosure practices that will, at the minimum, include entrance and exit counseling for students receiving financial aid. [11]

B. All institutional policies will be compliant with federal Title IV regulations, including, but not limited to, the following:

1. Common definition of the federal Title IV regulation that defines a student as eligible for federal financial aid for up to 150 percent of normal time to graduation.
2. Four-year-degree requirements in the University of North Carolina System range from 120-128 semester credit hours. The system will use 120 hours as the common definition for defining federal financial aid eligibility, making 180 hours the limit for 150 percent of normal time to graduation.
3. Constituent institutions will define procedures whereby a student completing 180 or more attempted hours will undergo an automatic review to determine continued federal financial aid eligibility. If the student is enrolled in a program requiring more than 120 hours, the appropriate allowance will be calculated on campus based on the exact number of credits required for that degree.

These policies must be widely distributed in all institutional academic and financial aid materials.

C. Guidelines to monitor first undergraduate degree completion. Federal Title IV regulations require that institutions monitor first undergraduate degree completion and offer no additional federal grant aid (e.g., Pell, SEOG) after a student earns the initial undergraduate degree. Under federal rules, a student can take out federal loans for a second degree, if eligible. To ensure compliance, institutions must develop protocols for:

1. Monitoring student degree completion each term (fall, spring, summer); and
2. For advising students of their status and eligibility for federal financial aid.

These policies must be widely distributed in all institutional academic and financial aid materials.

V. Compliance with the Comprehensive Articulation Agreement (CAA) with the North Carolina Community College System (NCCCS) and Transfer within the UNC System

A. Constituent institutions will be fully compliant with the Comprehensive Articulation Agreement with the NCCCS.

B. Any student completing the Associates in Arts (AA) or Associates in Science (AS) degrees according to the CAA will be considered to have completed general education requirements at all UNC institutions in which they matriculate.

C. Any change by a constituent institution in its General Education requirements must be consistent with the CAA.

VI. Information Distribution

A. To ensure that students receive policy information that is both comprehensive and timely, institutions must develop broad-based communications plans that inform students about:

1. Recommended course loads, required numbers of earned hours, and the projected length of full-time enrollment needed to obtain the baccalaureate degrees;
2. Factors that may extend the length of time to complete a degree;
3. Requirements for Good Academic Standing and Satisfactory Academic Progress;
4. The course adjustment period;
5. Tuition surcharge; and
6. Other policies on course withdrawal, course repeat, and grade replacement or exclusion and their potential financial consequences.

B. All policies and procedures listed in this regulation will be effective no later than the fall 2014 semester.

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

Constituent institutions are not obligated to enact policies for either academic probation or academic warning below the allowable standards.

For regular term instruction, the census date is the conclusion of the 10th class day of the fall and spring semesters. For summer sessions, degree credit extension courses, and any other degree-credit courses taught on an irregular calendar, the census date is the end of the class day representing the passage of 10 percent of the instructional period. UNC Policy Manual, Section 400.1.8[R].

If the course is offered online, the instructor may administratively drop the student from the course if the student has not signed in by the end of the course adjustment period.

All constituent institution business practices must conform to UNC FIT Student Account Standards.

All institutional policies on withdrawal must include policies about refunds and conform to UNC FIT Financial Aid and Student Account Standards.

Summer courses are excluded from the tuition surcharge as per UNC Policy Manual, Section 1000.1.5[G].

The calculation of this date should begin with the first day of classes and conclude on the last day of regular class meetings. It should exclude the reading day and exam period.

The development of a policy does not imply that a constituent institution must allow grade replacement and/or exclusion. A policy may simply state that the institution does not allow such.

For purposes of reporting on first-time, full-time students, retention rate shall be defined as “the percentage of first-time degree-seeking undergraduates from the previous fall who are again enrolled in the current fall.” (http://nces.ed.gov/ipeds/glossary/)

For purposes of reporting, graduation rate data shall be collected as defined by “the number of students entering the institution as full-time, first-time undergraduate students in a particular year (cohort), completing their program within 150 percent of normal time to completion. It shall be calculated by race/ethnicity and gender.” (http://nces.ed.gov/ipeds/glossary/)

All institutional policies on disclosure practices must conform to UNC FIT Financial Aid and Student Account standards.

Adopted 04/29/13: Amended 08/01/14, Amended 01/31/18, Amended 03/23/20

400.1.5[G] Guidelines Related to Fostering Undergraduate Student Success

These guidelines provide additional information related to interpreting UNC Policy 400.1.5 and its associated regulations. Specifically, these guidelines more fully describe how campuses can implement programs and system to help foster undergraduate student success.

I. Determining Good Academic Standing and Satisfactory Academic Progress

A. Good Academic Standing is determined by cumulative grade point average and ratio of attempted to completed semester hours. No specific criteria related to term GPA have been included in the Policy or regulations, and thus each campus can determine how to incorporate semester or summer term GPA into Academic Standing determinations. An appropriate use of semester or summer term GPA would be in the early warning process. For example, if a student’s semester or summer term GPA is below 2.0, then the campus early warning system (EWS) may identify the student for intervention and follow up.

B. Satisfactory Academic Progress (SAP) is commonly used in financial aid eligibility determinations but is also used to determine a student’s ability to continue enrollment. This same measure should be applied to all students in order to measure progress toward degree. The minimum SAP should be in accord with Federal Title IV regulations.

II. Allowing Course Withdrawals

A. Withdrawal With Serious Extenuating Circumstances

1. Consistent with the requirements set out in Section II.C., of UNC Policy 400.1.5[R], each campus must develop a policy whereby undergraduate students can request course withdrawals due to serious extenuating circumstances. Each campus must widely distribute this policy.

2. Campuses will need to code the course withdrawals in their ERP systems as separate grade codes in order to distinguish between withdrawals with extenuating circumstances and those without extenuating circumstances.

3. Campuses should not communicate on the transcript that a course withdrawal was for extenuating circumstances. Campuses should develop a mechanism whereby withdrawals due to extenuating circumstances are designated on the transcript in a manner that respects and protects the privacy of the student.

B. Withdrawals Without Extenuating Circumstances

1. Effective beginning with the 2014-2015 academic year, campuses must adopt policies that allow for students to withdraw from either a maximum of up to four courses or up to 16 credit hours over the course of the student’s degree or degrees. Campuses should have one policy in place for all undergraduate students.

2. Students will sometimes voluntarily withdraw from all of their courses without indicating any extenuating circumstances. Campuses have the option to designate extenuating circumstances to these students provided the process for requesting course withdrawals with extenuating circumstances is followed.

3. Course withdrawals that result in a student exceeding the designated campus limit will not be allowed. Students will receive a grade for all courses they enroll in after they reach the limit, unless course withdrawal with extenuating circumstances is allowed. Developing Effective Early Warning Systems.

III. Developing Effective Early Warning Systems

A. Consistent with Section II.E., of UNC Policy 400.1.5[R], as of the Fall 2014 semester each campus must implement EWS, which identifies students experiencing or at-risk for academic difficulties. The EWS should at a minimum monitor all first time and transfer students, sophomores, student athletes, students on academic warning or probation, students whose semester or term GPA is less than 2.0, students returning from academic suspension or academic
400.1.8[R]: Adopted 12/10/99, Amended 07/01/07

This regulation defines a common census date for the counting of enrolled degree-credit students, full-time equivalent students, and student credit hours for budgeting and reporting purposes. Effective July 1, 2000, each UNC institution should take the steps needed to ensure that institutional practices comply with the following definition.

For regular term instruction, the census date is the 10th class day of the term. For summer sessions, degree credit extension courses, and any other degree-credit courses taught on an irregular calendar, the census date is the class day representing the passage of 10 percent of the instructional period. Implementation of and adherence to a common census date policy will standardize the time at which institutions take their official enrollment and course counts and thereby facilitate the auditing of these counts.

Previous attempts to implement a common census date proved difficult to accomplish because of the number of affected policies and programs at some institutions. However, the absolute necessity of implementing such a policy in connection with the new SCH funding model requires that it be done as soon as possible. Institutions that are able to adopt the common census date before July 1, 2000, are encouraged to do so.

(This is a rewrite of Administrative Memorandum #403.)

[1] The census date for the high school program of the North Carolina School of Science and Mathematics is the 10th day of the academic year. See G.S. 116-235.

400.1.8[R]: Adopted 12/10/99, Amended 07/01/07

400.1.6: Adopted 07/12/96, Amended 02/08/02, Amended 07/01/07

400.1.7: Adopted 05/11/90

400.1.6 The University of North Carolina Academic Calendar

Academic Calendars will be structured to provide a minimum of 75 class days per semester—excluding Saturdays, Sundays, and holidays—for a minimum of 150 class days per academic year. The chancellor of the constituent institutions shall submit to the president by October 15 of each year copies of the calendars for the subsequent academic year.

All UNC campuses must ensure that every course offered for academic credit adheres to the standard of a minimum of 750 scheduled minutes of instructional time or the equivalent per credit hour. The time may include required examination periods, but may not include study days. In setting the academic calendar for each semester, campuses may set holiday periods, study days, and final examinations appropriate to accommodate the scheduled classes. In no case may a campus set a calendar that has optional final examinations if the time is considered a part of the required minimum class time.

The standard course of study and academic calendar of the North Carolina School of Science and Mathematics shall be structured in accordance with regulations set by its Board of Trustees. See G.S. 116-235.

400.1.6: Adopted 07/12/96, Amended 02/08/02, Amended 07/01/07

400.1.7 Nursing Education

A report on nursing education by the Committee on Educational Planning, Policies, and Programs contained the following recommendations approved by the board:

1. that the Board of Governors again confirm the President's plan to establish a UNC Nursing Transfer Study Committee to make recommendations for a comprehensive plan to facilitate further the transfer of RNs who do not hold the baccalaureate degree into BSN programs in UNC institutions. An interim report on the work of this committee is expected in January 1991, and a final report in the spring of 1991;
2. that the Board of Governors authorize the President to proceed with a special study of assigning to the nursing programs at Winston-Salem State University the special mission of dedicating its resources and facilities entirely to the education of RNs who have graduated from associate degree and diploma programs, and to discontinue the enrollment of generic nursing students. The President is further authorized to use external consultants in making this study and to report his findings and recommendations to the Committee on Educational Planning, Policies, and Programs by December 1990;
3. that the board affirm the President's proposed policy with respect to passing rates on the licensing examination; (1) a requirement that the President will consider, jointly with the chancellor, an evaluation of the leadership, faculty, admissions policies and the curriculum of any program whose graduates do not achieve for two consecutive years an annual passing rate of 85 percent for first-time writers; and (2) a requirement that the President will ask the board to initiate program termination procedures for any program having a first-time passing rate of less than 75 percent for two consecutive years;
4. that it be authorized by the Board of Governors, as proposed by the President, to appoint a special subcommittee to consider the relocation of the BSN program at North Carolina Central University to Fayetteville State University to be operated as a joint program with Pembroke State University. The subcommittee would proceed as indicated in the President's report to make a study, looking first at the availability of facilities, and would report to the Planning Committee during the fall. The Planning Committee would then report to the board by the end of this year; and
5. that the board authorize the President to request that the Legislative Commission on Nursing consider the establishment of a graduate fellowship program for North Carolina residents who pursue a master's or doctoral study in nursing in UNC institutions, with particular emphasis given to the recruitment of minority students for these awards.

400.1.7: Adopted 05/11/90

400.1.8[R] Regulations on Use of Common Census Date for Reporting Purposes

This regulation defines a common census date for the counting of enrolled degree-credit students, full-time equivalent students, and student credit hours for budgeting and reporting purposes. Effective July 1, 2000, each UNC institution should take the steps needed to ensure that institutional practices comply with the following definition.

For regular term instruction, the census date is the 10th class day of the term. For summer sessions, degree credit extension courses, and any other degree-credit courses taught on an irregular calendar, the census date is the class day representing the passage of 10 percent of the instructional period. Implementation of and adherence to a common census date policy will standardize the time at which institutions take their official enrollment and course counts and thereby facilitate the auditing of these counts.

Previous attempts to implement a common census date proved difficult to accomplish because of the number of affected policies and programs at some institutions. However, the absolute necessity of implementing such a policy in connection with the new SCH funding model requires that it be done as soon as possible. Institutions that are able to adopt the common census date before July 1, 2000, are encouraged to do so.

(This is a rewrite of Administrative Memorandum #403.)

[1] The census date for the high school program of the North Carolina School of Science and Mathematics is the 10th day of the academic year. See G.S. 116-235.

400.1.8[R]: Adopted 12/10/99, Amended 07/01/07
The essential educational mission of the University is augmented through a broad range of activities generally categorized as "public service." These public services, which greatly extend the benefits which the higher education system provide to the people of the state, are integral to the basic instructional and research responsibilities of the University, but they also have an identity and integrity apart from instruction and research. An important component of the University's public service is the non-credit continuing education programs conducted by the constituent institutions.

The scope and importance of non-credit continuing education have increased in recent years, as individuals have availed themselves of opportunities to learn new skills, upgrade job performance, enhance their ability to perform as family members or citizens, or for personal enrichment. Numerous professional licensing and accrediting bodies require continuing education as a condition for maintenance of good standing. Accordingly, the number and variety of programs offered by higher education institutions have increased.

The Continuing Education Unit (CEU) was developed by a task force of the National University Extension Association and has been recognized by the Southern Association of Schools and Colleges and numerous professional organizations as a way to provide a consistent method to record and report the participation of individuals in non-credit continuing education or the activities of constituent institutions in this area. In 1973 a "Guide of the Implementation of the Continuing Education Unit in The University of North Carolina" was issued to assist institutions in the development and conduct of non-credit continuing education and extension programs. This guide was revised in 1980.

As non-credit continuing education activities become more important to individuals and a more significant portion of the activities of the constituent institutions, it is important that CEUs be awarded on the basis of nationally accepted program quality criteria and administrative procedures. The guide, developed with the advice and assistance of the University Council on Continuing Education and the University Council on Teacher Education, will provide assistance in this regard.

[This is a rewrite of Administrative Memorandum #135.]

Guide for the Use of the Continuing Education Unit
The University of North Carolina
January 1980

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PREFACE

This guide was developed with the assistance of the University Council on Continuing Education and the University Council on Teacher Education and supersedes the "Guide for Implementation of the Continuing Education Unit in The University of North Carolina" issued in 1973. Since 1973, fourteen of the sixteen constituent institutions have awarded Continuing Education Units (CEUs) for non-credit continuing education programs, generally following the provisions of the 1973 guide.

This guide is based upon the experience gained since 1973 in awarding CEUs by the constituent institutions and incorporates many of the provisions of the "Criteria and Guidelines for Use of the Continuing Education Unit" published in 1979 by the National Council on the Continuing Education Unit. Adoption by the University of wording from this Council's Criteria and Guidelines for the sections of this guide dealing with Definition, Program Criteria, and Operational Procedures will insure that North Carolina conforms to nationally accepted standards.

INTRODUCTION

In recent years the scope and impact of non-credit continuing education programs have increased greatly. Until the concept of the Continuing Education Unit (CEU) was developed, no uniform unit of measurement existed to facilitate the accumulation and exchange of standardized information about individual participation in non-credit continuing education.

In 1968, the National University Extension Association (NUEA) appointed a task force to study the need for a uniform recording and reporting system for non-credit activities and to formulate procedures for nationwide implementation. The subsequent report of this task force was adopted by the NUEA. The Southern Association of Colleges and Schools also recognized the need for a uniform unit of measurement for non-credit activities in its revision of Standard Nine on Special Activities adopted in December, 1971. Since then the NUEA task force has evolved into the Council on the Continuing Education Unit, which performs a national monitoring, but not accrediting, role. Professional organizations, institutions, and regional and professional accrediting associations have adopted the CEU, and hundreds of colleges and universities are using the CEU.

The University of North Carolina has long been committed to and involved in continuing education as an integral part of its threefold mission of teaching, research, and public service. The majority of the student body traditionally has consisted of full-time undergraduate and graduate students who have entered the University to pursue an uninterrupted sequence of education. But in recent years an increasing number of students may not be working toward a degree. These include those who return to school later in their careers, who pursue occupational or professionally-related continuing education throughout their careers, and who pursue continuing education for the purpose of improved citizenship, cultural enrichment, or personal growth.
As the need for continuing education among diverse population groups increases, it is essential that a uniform means be used to recognize individual participation outside of the degree credit mechanism. Currently, a variety of methods is used to recognize individual participation in continuing education, ranging from formal institutional certificates to informal letters from faculty to student. Such recognition is often highly significant to the individual involved and at the same time perplexing to organizations attempting to evaluate the quality of the education received or to assess the educational effort of the sponsoring institution.

The adoption of a standard unit of measurement concept will satisfy several needs.

1. The individual will have a method of providing his or her employer or prospective employer with a meaningful record of educational activities based on standardized criteria.
2. State and national associations, industry, government, and other organizations may use the standard unit of measurement as a criterion for evaluation of prior non-credit training of prospective employees.
3. Educational institutions may use a standard unit of measurement to determine the involvement of the institution in selected non-credit activities.

[The purpose of this guide is to establish policies and procedures for recognizing individual participation in selected non-credit continuing education programs of the University of North Carolina.]

GUIDE FOR THE USE OF THE CONTINUING EDUCATION UNIT

THE UNIVERSITY OF NORTH CAROLINA

DEFINITION

One Continuing Education Unit is defined as:

TEN CONTACT HOURS OF PARTICIPATION IN AN ORGANIZED CONTINUING EDUCATION EXPERIENCE UNDER RESPONSIBLE SPONSORSHIP, CAPABLE AND QUALIFIED INSTRUCTION.

Each element included in the definition of the Continuing Education Unit is an integral part of the larger concept of providing an educational experience of sufficient merit to be documented in permanent form on the record of the individual participant.

Ten Contact Hours of Participation

The contact hour is defined as a typical fifty-minute classroom instructional session or its equivalent. Ten instructional contact hours are required for one CEU. The number of instructional contact hours is readily determined in the formal classroom situation. In informal formats, the clock hour should be used. In more nontraditional formats, it may be necessary to exercise judgment in determining the instructional hours required to achieve the educational objectives.

In An Organized Continuing Education Experience

An organized educational experience presumes that there has been planning to meet a specific need. The essential elements of such planning include determination of the program’s educational objectives in terms of:

1. the clientele to be served;
2. the new competencies to be achieved;
3. the content or subject matter to be covered; and
4. the program format and instructional methodology to be employed to develop the competencies.

Adequate and properly responsive program planning requires interaction between administrative personnel of the sponsoring organization, the instructor or educational leaders responsible for the learning experience, and representatives from the client group to be served.

Under Responsible Sponsorship

The sponsoring organization that awards CEUs must assume administrative responsibility for the program. This responsibility includes the assignment of direct supervision of the activity to a professionally capable program director or educational administrator and the maintenance of a permanent record system. The reputation and organizational integrity of the sponsor are reflected in the quality of the educational experience presented.

Capable Direction

The elements of capable direction include:

1. professional educational leadership in program planning and development;
2. selection of the most effective educational format for the intended purpose and objectives;
3. assignment of qualified instructional staff;
4. adequate program management and administration; and
5. the design and implementation of evaluation techniques applicable to both individual participants and the total program.

Qualified Instruction

Attainment of specified educational objectives requires the selection of an instructional staff that has the following qualifications:

1. competence in the subject matter;
2. ability to transmit the educational content to participants;
3. understanding of the program objectives; and
4. knowledge and skill in the instructional methodology and learning processes to be employed.

PROGRAM CRITERIA

The CEU should be offered only for those non-credit activities which have been organized to provide systematic instruction, measurable in duration of time, subject to performance evaluation for the participant, and which meet the definitional requirements. The CEU is a flexible unit of measure for selected non-credit educational programs and may be used to record an individual’s participation in these activities as well as to quantify an institution’s sponsorship of non-credit continuing education activities. The following criteria are to be met for each non-credit continuing education activity before CEUs may be awarded to participants and recorded on individuals’ records.
The educational activity fulfills each of the elements in the definition of the CEU: an organized continuing education experience, responsible sponsorship, capable direction, qualified instruction.

Planning. The program or activity is planned in response to the educational needs of a target population or client group. Such planning includes the opportunity for input from representatives of the immediate client group, as well as from other knowledgeable individuals having content expertise and an appreciation of the educational objectives to be met.

Objectives. A clear statement of rationale, purposes, and goals is prepared for each educational activity prior to its initiation.

Instruction. Qualified instructional personnel are directly involved in conducting the educational activity.

Performance. Specific performance requirements for the award of CEUs to participants are established prior to the offering of the program.

Registration. Participant registration must include sufficient detail to provide the necessary information for a permanent record of individual participation.

Records. Program administration will include a system for verification of satisfactory completion of the activity by each participant (see discussion of registration immediately above) and for providing an approved list of those awarded CEUs to the office responsible for preparing and maintaining permanent records for individual participants.

Program Evaluation. Evaluation procedures determined during the planning process are used to measure the effectiveness of the program design and operation. The qualitative aspects of CEU programs are to be constantly under review. The method of evaluation should be developed after specific program objectives have been stated and should apply to sponsors, programs, and participants.

ACTIVITIES FOR WHICH THE CEU MAY NOT BE AWARDED

Credit Programs. CEUs are not to be awarded to an individual for any program or course which awards academic credit, either secondary or collegiate.

High School Equivalency. Programs leading to high school equivalency certificates or diplomas do not qualify for the awarding of CEUs.

Indoctrination Programs. Programs which deal with the internal affairs of an organization do not qualify for the awarding of CEUs. Examples include topics such as: rights, benefits, and responsibilities of employees; structure of the organization; and on-the-job methods, processes, or procedures.

Committee Meetings. Committee activities do not qualify for the awarding of CEUs.

Policy Assignments. Board meetings, delegate assemblies, or similar meetings for policy-making-making purposes do not qualify for CEUs.

Meetings and Conventions. Meetings and conventions of societies and associations do not qualify, per se, as continuing education. However, planned educational activities programmed and associated with these meetings may meet the criteria for awarding CEUs if record keeping and all other criteria for program sponsorship are met.

Mass Media Programs. Participation in programs delivered through the media (e.g., television, radio, newspapers) does not merit the awarding of CEUs unless these presentations are an integral part of an educational program which fulfills program criteria set forth herein.

Entertainment and Recreation. Attendance at lecture series, cultural performances, entertainment or recreational meetings or activities, and participation in travel groups do not qualify for CEUs unless such activities are an integral part of a larger educational program.

Work Experience. On-the-job training and other work experiences do not qualify for the award of CEUs unless structured as part of a planned educational experience which fulfills program criteria set forth herein.

Individual Scholarship. The independent writing of articles or research reports or the presentation of papers outside a planned and directly supervised educational program does not qualify for the awarding of CEUs.

Self-Directed Studies. Individual, self-directed studies or other forms of independent learning experiences which are not planned, supervised, and directed by sponsoring agencies do not qualify for the awarding of CEUs.

Association Membership and Certification Programs. Noneducational activities of associations and professional societies, which may otherwise be used to qualify for professional and occupational group membership or certification, are not eligible for the awarding of CEUs. Examples of such activities include:

1. membership or service in a professional, occupational, or other society or organization;
2. attendance at annual, periodic, or special meetings, conventions, conferences, rallies, and retreats;
3. writing or presentation of articles or research papers;
4. speaking, teaching, or other program assignments; and
5. self-directed reading or study.

OPERATIONAL PROCEDURES

A conservative approach is appropriate when an institution decides to award CEUs for its continuing education programs. Only those programs which clearly qualify should be considered.

Determining the Number of Units

One Continuing Education Unit (CEU) is to be awarded for each ten contact hours of instruction, or the equivalent, included in the educational activity. The number of contact hours and appropriate CEUs must be determined prior to the beginning of the program, but only after the objectives, content, format, methods of instruction, and program schedule have been established. The decision to award CEUs is not to be made after the offering of the program, nor advertised as available before the activity has been approved for the award of CEUs.

When unforeseen circumstances require a significant alteration in the program schedule, an appropriate adjustment in the number of CEUs may be recommended by the director or coordinator of the program.

Responsibility for the determination of the number of units to be assigned rests with the director of the educational office that administers the program. Assistance and recommendations from others more intimately concerned with the specific program are desirable in making this determination. The accuracy and consistency with which CEUs are assigned depend on the skill and professional commitment of the director in assessing each learning.
Items of information which should be retained and may be recorded by the sponsoring organization include:

1. name and address of the awarding organization or institution;
2. name of the individual participant;
3. social security number of the individual participant;
4. title of the program or activity (as descriptive as possible);
5. completion date of the program or activity; and
6. number of Continuing Education Units awarded.

Items of information which should be retained and may be recorded by the sponsoring organization include:

1. brief description of the program or activity with some indication of content, level, objectives, and format (to be retained permanently in the sponsor's files and made available upon request);
2. evaluation of individual performance, if available;
3. instructors utilized in the activity;
4. location of the program (city or facility);
5. cooperating organizations (company, agency, association, or institution);
6. additional personal information about the participant (address, date of birth, educational background, employment status, program status, etc.).

In the conventional classroom situation the contact hour relates to the instructional hour, which is normally a minimum of fifty minutes in length. In other more flexible formats clock hours may be a more appropriate measure. In either case, only the number of complete instructional hours should be considered in assigning CEUs. For example, for a program with 17 contact hours, 1.7 CEUs are assigned; likewise for 17.50 or 17.75 hours, 1.7 CEUs are assigned.

Programs involving less than ten contact hours of instruction (less than one CEU) should be evaluated very carefully before a decision is made to award CEUs to participants. Such shorter programs should be sufficiently planned and sequentially designed to meet all program criteria and extensive enough to build a measurable competency and provide a significant educational experience.

In calculating the contact hours involved in an educational activity, the following factors may be included:

1. Classroom or meeting session hours with direct participation between the learner and instructor or discussion leader are counted as contact hours.
2. Laboratory sessions, clinical experiences, field trips and activities using nontraditional methods of instruction (e.g., independent study, directed reading, or correspondence courses) may be awarded CEUs, but the contact hours must be based on the equivalent instructional class hours.
3. For correspondence or self-study courses, the number of CEUs to be applied should be based on the time that the sponsor estimates will be required by students to complete the course at a satisfactory level.

Time devoted to the following and similar activities may not be included when calculating contact hours for CEUs:

1. meeting time devoted to business or committee activities;
2. meeting time devoted to announcements, welcoming speeches, or organizational reports;
3. time for study, assigned reading, reports, written assignments, and other related activities outside of the class or meeting schedule; and
4. scheduled time allocated to social activities, coffee hours, luncheons, dinners, etc. (Luncheon or dinner presentations which are an integral part of the educational experience may be included.)

When the appropriate number of instructional or contact hours has been determined, CEUs are assigned on the basis of one unit for each ten contact hours and one-tenth unit for each additional full contact hour.

Satisfactory Completion

Once activities have been approved for the awarding of CEUs and the number of units for the activity has been determined, only those individuals who satisfactorily complete the activity will receive CEUs. Satisfactory completion will be determined by the program director or instructor on the basis of criteria for completion developed by the planning group for the program or activity.

Satisfactory completion in the case of some activities will require evaluation of the performance of the individual participant. Such evaluation may take the form of a demonstration or actual performance involving the skill or information acquired, involve a project or written report, be limited to an oral or written test or examination involving the material to be mastered, or require other evidence of satisfactory completion.

When participants are evaluated in any of these ways, their individual permanent records may carry the performance evaluation, either in terms of a traditional letter grade, a numerical grade, a pass/fail grade, or by other designations. A failing mark should not be entered on the record of an individual participant; however, since only those individuals successfully completing a program should receive CEUs. When individuals do not satisfactorily complete CEU activities, information relating to that activity should be maintained in the sponsor’s activity files for future reference.

In the case of programs in which performance evaluation of the participants is not deemed necessary, attendance and participation as determined by the planning group or program director may be used as the requirement for satisfactory completion of the activity. If attendance is the only criterion for satisfactory completion, then high minimum attendance requirements should be established (e.g., attendance during not less than eighty percent of the instructional hours), and some method of verifying the attendance of individual participants must be utilized. Information and records substantiating satisfactory attendance and participation provide essential backup in support of the CEUs awarded to individuals.

A designated official of the sponsoring institution or organization, usually the program director or the instructor, must verify and report that each individual has (or has not) met the specified completion requirements and is (or is not) to be awarded CEUs. Individual permanent records are to be established indicating the CEUs awarded to each participant.

Permanent Records

The sponsoring institution or organization is responsible for establishing and maintaining a record of all CEUs awarded to individual participants. Cumulative records for each individual participant are to be available on a permanent basis and issued as an official statement or transcript upon the request of the participant. A nominal transcript or transfer fee may be assessed for this service. Records of each continuing education activity should be available from the sponsoring institution or organization, describing as clearly as possible the audience, purposes, format, content, duration, teaching staff, course or experience prerequisites, and level of instruction, so that valid judgments concerning the educational experience can be made by the recipient of the record. The following information must be included on all transcripts or official statements:

1. name and address of the sponsoring organization or institution;
2. name of the individual participant;
3. social security number of the individual participant;
4. title of the program or activity (as descriptive as possible);
5. completion date of the program or activity; and
6. number of Continuing Education Units awarded.
Since program criteria set forth for CEUs must be applied to each approved program or activity, the qualitative aspects of CEU programs are constantly under review. Representatives of the target audience participate in the program planning process to insure the suitability of the subject matter to the level of application. The changing needs of audiences are thus readily transmitted to CEU program sponsors to facilitate program revision and updating. The inability of a program sponsor to adjust to the changing needs of client or user groups results in decreased acceptability for programs offered.

Sponsor integrity is therefore subject to constant review when CEU criteria are fully met. Planning, administration, presentation, and evaluation functions must be continuing concerns of both program sponsors and user groups. Increased responsibility for planning and evaluation must be assumed by user groups if CEU programs are to be fully relevant and useful.

Proper program planning provides opportunities for qualitative checks by user groups to assure that the level and scope of the instructional content is consistent with the qualifications of the user group (participants) and is properly designed to fulfill the educational needs and objectives of the participants.

Evaluation

Methods of evaluation to determine the effectiveness of non-credit continuing education should be developed and applied as an integral part of each program. Without an initial statement of specific objectives for each program, it is difficult, if not impossible, to ascertain that desired goals have been attained. Program objectives developed during the planning process may include, but are not limited to:

1. changes in the attitude and approach of the learner to the solution of problems;
2. presentation of new knowledge or updating obsolete information in specific content areas;
3. introduction to and/or mastery of specific skills and techniques; and
4. improvement in the selective responses of the learner.

Both immediate and long-range analysis of each program and of student achievement by the program sponsor is essential for maintaining the effectiveness of future programs. Innovative approaches to evaluation are encouraged. Sponsors as well as students engaged in non-credit programs should be encouraged through appropriate orientation to accept evaluation as an essential element in non-credit programs.

Group indices will usually suffice to indicate the effectiveness of the educational effort, but provision should be made for recording evaluative indices for individual participants whenever appropriate.

REPORTING REQUIREMENTS

The General Administration of the University of North Carolina collects educational data from the sixteen constituent institutions on a regular basis. These data are used for long-range planning, legislative information, budget requests, and many other purposes. Data pertaining to the CEU are useful in documenting the substantial contribution of the University in the field of non-credit educational activities. The following information about activities awarding CEUs during the preceding fiscal year is therefore requested by the General Administration as a part of the regular annual reporting requirements submitted by October 15:

1. total number of CEUs awarded by the institution;
2. number of programs for which CEUs were awarded;
3. number of participants receiving CEUs.

400.1.9[g]: Adopted 01/22/80

400.2 Long-Range Plan

400.2.1 Long-Range Planning

Every two years, the president, with input from the constituent institutions, shall present to the Board of Governors for adoption, a long-range plan covering a five-year period. Such plan shall outline the process for linking enrollment, academic program, and facilities planning, and expansion budget and capital improvements requests with the mission, direction, and programmatic priorities of the University. It shall also include a process to promote the continuing progress of the University of North Carolina in increasing the enrollment and retention of minority students at all constituent institutions, thereby diversifying the student bodies of those campuses.

Upon adoption, the long-range plan shall be forwarded by the chairman of the Board of Governors to the Governor, Lieutenant Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, and members of the Advisory Budget Commission. The senior vice president for academic affairs shall maintain a copy of each long-range plan that has been adopted by the Board of Governors.

400.2.1: Adopted 09/14/01

400.2.2 Accountability/Goals and Assessment Measures

The UNC Fiscal Accountability/Flexibility Act, which was enacted by the 1991 General Assembly as a part of the appropriations bill, Chapter 689 of the 1991 Session Laws, authorized the Board of Governors to designate one or more institutions as special responsibility constituent institutions. Since the adoption of this policy, all campuses have been awarded this designation.

Section 116-30.5 of the Act provides that:

The Board of Governors shall require each special responsibility constituent institution to include in its institutional effectiveness plan those assessment measures that are determined by the Board to be measures that will assure some standard measure of student learning and development in general undergraduate education at the special responsibility constituent institutions. The intent of this requirement is to measure the impact of G.S. 116-30.1 through G.S. 116-30.5, establishing and administering special responsibility constituent institutions, and their implementation on undergraduate student learning and development.

The Board of Governors adopts the attached goals and assessment measures for special responsibility institutions. Using these measures, these institutions will focus attention on student performance during the first two years, track student progress during the next two to four years, and follow up every four years.
with an assessment by baccalaureate graduates of their educational experience as undergraduates.

**Fiscal Accountability Goals and Assessment Measures**

**Goal 1.** To enhance student learning and development.

The performance of all first-time full-time freshmen will be reported on the following measures:

1. Percent completing the first year with a GPA equal to or greater than 2.0.
2. Percent completing the first year with a GPA equal to or greater than 0 and with 30 or more credit hours or coursework completed.
3. Average grades in first year courses completed.
4. Percent completing the second year with a GPA equal to or greater than 2.0.
5. Percent completing the second year with a GPA equal to or greater than 2.0 and with 60 or more credit hours of coursework completed.
6. Average grades in courses completed.

**Goal 2.** To improve student persistence and graduation.

The persistence and graduation rates of all first-time freshmen, including those student who transferred to another UNC institution — with a comparison of those students who attended full-time in all fall semesters with those who attended full time in their first-time semester but part-time in one or more succeeding fall semesters — will be reported for the following years:

1. Four-year persistence and graduation rates.
2. Five-year persistence and graduation rates.

**Goal 3.** To strengthen the undergraduate degree program.

The self-assessment of spring baccalaureate graduates in the Class of ’92 will be compared to the self-assessment of the spring graduates in the Class of ’88 on the following measures which evaluate their undergraduate educational experience:

1. intellectual growth
2. writing skills
3. speaking skills
4. mathematical skills
5. computing skills (new measure in 1992)
6. analytical skills
7. preparation for graduate and professional studies
8. job satisfaction reported by fully employed graduates
9. overall instruction
10. instruction in major field

The assessment measures related to Goal 3 will be reported every four years, following the quadrennial administration of the baccalaureate graduate survey. All other measures will be reported by the special responsibility institutions as a part of their regular institutional assessment reports.
400.3 Tenure and Teaching in the University

400.3.1 Tenure and Teaching in the University of North Carolina

September 1993

This policy has been published in a separate pamphlet, copies of which are available through General Administration, Office of the Secretary.

400.3.1: Adopted 09/10/93

400.3.1.1[G] Guidelines on Tenure and Teaching in the University of North Carolina

I. Introduction

At the November 1992 meeting of the Board of Governors, questions were raised about the procedures and criteria for the awarding of tenure and about the evaluation, recognition, and reward of teaching, particularly in tenure decisions. The chairman of the board referred the questions and concerns to two standing committees, the Committee on Personnel and Tenure and the Committee on Educational Planning, Policies, and Programs. The report entitled, Tenure and Teaching in the University of North Carolina, adopted by the board on September 10, 1993, distilled what was learned by the committees and recommended additional steps to encourage good teaching within the university and to see that the quality of teaching continues to be a prime consideration in tenure decisions.

In its report, the board reaffirmed the concept of tenure. The central question that led to the review was whether sufficient consideration is given to the quality of teaching when tenure decisions are made. The board recognized that the relative importance given to the three major functions of teaching, research, and public service varies at specific institutions depending upon their respective missions. Nevertheless, the report confirms that, regardless of classification, “each institution should view teaching as a core requirement.” The board states in its long-range plan that teaching or instruction is the primary responsibility of each of the UNC institutions. Thus while neither teaching nor service nor research is the sole measure of a faculty member’s competence and contribution at any UNC institution, teaching should be the first consideration at all of the UNC institutions.”
II. Recommendations

This policy lists the recommendations adopted by the Board of Governors and provides instructions to be followed by the constituent institution in complying with them.

1. That the Board of Governors, through the president of the University, instruct the chancellors of each constituent institution to do the following:
   a. Review institutional mission statements, tenure policies, and the criteria for making faculty personnel decisions and, where necessary, to revise them so as to give explicit recognition to the primary importance of teaching in the University.
   b. Revise institutional policies and procedures, as necessary, to require (1) that clear and specific statements of criteria for evaluation of faculty performance at every level (institution, college/school, department) are provided in writing and discussed with each probationary faculty member before initial employment and at the beginning of the first term of employment and with each candidate being reviewed for reappointment or tenure at the beginning of the year in which the review is scheduled to be made, and (2) that a record of these discussions be kept in the individual's personnel file;
   c. Review procedures for the evaluation of faculty performance to ensure (1) that student evaluations and formal methods of peer review are included in teaching evaluation procedures, (2) that student evaluations are conducted at regular intervals (at least one semester each year) and on an ongoing basis, (3) that peer review of faculty includes direct observation of the classroom teaching of new and non-tenured faculty and of graduate teaching assistants, and (4) that appropriate and timely feedback from evaluations of performance is provided to those persons being reviewed.

   Any proposed revision to institutional mission statements necessitated by the review referenced in Recommendation 1.a. should be submitted to the president by January 21, 1994, so that they can be acted upon prior to adoption of the revised long-range plan. A full report on actions taken in response to Recommendation 1 with respect to criteria for faculty personnel decisions and policies and procedures for evaluation of faculty teaching performance at both the undergraduate and graduate levels should be sent to General Administration by April 4, 1994. Proposed changes to tenure policies and regulations, which require the approval of the president and the board, should be separately identified in the report.

2. That the President of the University be asked to report on these reviews to the Board of Governors by July 1, 1994.

3. That the Board of Governors, through the President of the University, call upon the chancellors of institutions which do not now have awards for outstanding teaching to establish such awards either campus-wide or at the college/school level.

   Institutions that do not now have awards for outstanding teaching should submit a report on the actions taken in response to Recommendation 3 by April 4, 1994.

4. That the Board of Governors create annual system-wide teaching awards with monetary stipends which are designated "Board of Governors' Awards for Excellence in Teaching." (The Chairman of the Board of Governors should name an ad hoc committee to work out the details and present recommendations concerning implementation of this proposal.)

   Chairman Poole has appointed an ad hoc committee to work out the details to implement the awards. Institutions are invited to submit recommendations or suggestions by December 1, 1993, for the consideration of this committee.

5. That the Board of Governors seek appropriations for each campus in biennial budget requests to establish or to strengthen centers and activities designed to encourage and support teaching excellence and to improve teaching effectiveness throughout the University.

   The report recognized the special efforts of many institutions to emphasize professional development activities intended to have a direct and positive impact on teaching. But it also acknowledged that greater efforts need to be made in this regard at a number of campuses, especially those with limited resources available for such initiatives. Despite financial strains, it declared that "each institution should allocate a portion of its budget for faculty development and target a specific part of that for the development of teachers and teaching." It is the board's clear expectation that an institution which does not have a special center for teaching and learning should plan to create such a center as soon as possible. The report also urged institutions to provide tangible incentives and encouragement for tenured and non-tenured faculty and graduate teaching assistants to take advantage of these professional development opportunities. In addition, Recommendation 5 commits the board to seek appropriations in biennial budget requests to give greater support to centers and activities designed to encourage and support teaching excellence.

6. That greater efforts be made to develop and strengthen the teaching skills of graduate students, and that the Board of Governors ask the President to prepare, in consultation with the University-wide Graduate Council, a report with specific guidelines and recommendations for the training, monitoring, and evaluation of graduate students who teach courses in UNC institutions.

   A committee from the University-wide Graduate Council is addressing this recommendation and should report to General Administration by February 1, 1994. Thereafter, the council's proposals will be shared with constituent institutions for their reactions and comments.

   [This is a rewrite of Administrative Memorandum #338.]

400.3.1.[g]: Adopted 09/28/93

400.3.2 The Tenure Regulations of the Constituent Institutions

The president of the University shall maintain a compilation, either in printed or electronic form, of each constituent institution’s tenure regulations adopted in accordance with Section 602 of The Code of the University of North Carolina. Each campus shall separately publish its tenure regulations and distribute them to its faculty.

400.3.2: Adopted 09/14/01

400.3.3 Performance Review of Tenured Faculty

The Board of Governors adopts the following policy concerning performance reviews of tenured faculty.

1. The system of post-tenure review in the University of North Carolina shall incorporate the following principles:
a. The purpose of the review shall be to support and encourage excellence among tenured faculty by:
   (1) Recognizing and rewarding exemplary faculty performance (performance that exceeds expectations);
   (2) Providing for a clear plan and timetable for improvement of performance of faculty found to not meet expectations; and
   (3) For those whose performance continues to not meet expectations, providing for the imposition of appropriate sanctions which may, in the most serious cases, include a recommendation for discharge consistent with Chapter VI of The Code of the University.

b. The system of review will encompass and acknowledge the importance and significance of annual performance reviews while providing for comprehensive, periodic, cumulative review of the performance of all faculty, whose primary professional responsibilities are teaching, research, and/or service.

c. The review procedure must provide for the evaluation over an appropriate period of time of all aspects of professional performance of faculty relative to the mission of the institution, college, and program. For each tenured faculty member, a cumulative review shall take place no less frequently than every five years. A review undertaken to grant tenure or to decide on promotion qualifies as such a cumulative review.

d. There must be peer involvement in the review.

e. Both the department chair/unit head and the dean must conduct an evaluative review in the cumulative review process.

f. The provost must annually certify that all aspects of the post-tenure review process are in compliance with this policy and any associated guidelines adopted by the president of the University.

g. The review process must include written feedback to the faculty member being reviewed as well as anonymity for faculty responding to the evaluation.

h. Institutional policies for post-tenure review must not abrogate, in any way, the criteria and procedures for due process and for discharge or other disciplinary action established in Chapter VI of The Code of the University.

i. While constituent institutions may wish to consider individual development or career plans for all faculty as a part of the review system, each performance review system must require such a plan for each faculty member who does not meet expectations in the cumulative review. These individual development or career plans must include specific steps designed to lead to improvement, a specified timeline in which improvement is expected to occur, and a clear statement of consequences should improvement not occur within the designated timeline.

j. Proposing its policies, each constituent institution must consider the resources necessary to support and facilitate a meaningful review system and its outcomes.

2. That within the broad principles approved in 1., above, each constituent institution will develop policies and procedures for review that will reflect the mission of the institution. Development a system of post-tenure review will require re-examination of the effectiveness of current faculty personnel policies as well as planning and program review policies.

3. That the president of the University will adopt guidelines that include training and process requirements and provide for periodic reviews to ensure compliance with this policy and the guidelines.

4. Each institution shall adopt and maintain policies for the performance review of tenured faculty that are consistent with this policy.

5. That the policies and procedures developed by each constituent institution will be effective upon review and approval by the president of the University, or his or her designee, in accordance with any regulations or guidelines adopted.

Note: "Because of the unique character and mission of the University of North Carolina School of the Arts, the requirement that the institution adopt tenure policies will be satisfied at that institution based on renewable contracts..." (The Code). Therefore, the recommendations contained herein are not applicable to the North Carolina School of the Arts.

[1] This policy was initially adopted based on the recommendations contained in the report of the University of North Carolina Committee to Study Post-Tenure Review entitled, "Post-Tenure Review in the University of North Carolina." The full text of the report is available at UNC General Administration.

[2] Name changed from North Carolina School of the Arts to University of North Carolina School of the Arts effective August 1, 2008.

400.3.3: Adopted 05/16/97, Amended 10/17/08, Amended 06/20/14

400.3.3.1[G] Guidelines on Performance Review of Tenured Faculty

Background
At its meeting on May 16, 1997, the Board of Governors adopted the recommendations in the report of the University of North Carolina Committee to Study Post-Tenure Review. A copy of that report is available at General Administration. Post-tenure review is defined in the report as "a comprehensive, formal, periodic evaluation of cumulative faculty performance, the prime purpose of which is to ensure faculty development and to promote faculty vitality" (p. 8).

The report asserts that review of the performance of tenured faculty in the University shall be "to support and encourage excellence among tenured faculty by:

1. Recognizing and rewarding exemplary faculty performance;
2. Providing for a clear plan and timetable for improvement of performance of faculty found deficient; and
3. For those whose performance remains deficient, providing for the imposition of appropriate sanctions, which may, in the most serious cases, include a recommendation for discharge" (p. 12).

The report also provides broad principles for conducting such reviews but leaves room for each institution to develop the details of its own process following the release of guidelines by General Administration. In keeping with Section 602 of The Code, the board of trustees of each constituent institution shall adopt the policies and regulations governing performance reviews of tenured faculty. Institutional policies and procedures will also be approved pursuant to Policy 400.3.3 and should be included in all appropriate documents of the constituent institutions.

The report further specifies that "developing a system of post-tenure review will require reexamination of the effectiveness of current faculty personnel policies as well as planning and program review policies" (p. 13). Initiation of these performance reviews in the University of North Carolina provides constituent institutions with an opportunity to create a policy that examines individual faculty contributions to departmental, school/college, and university goals as well as to the academic programs in which faculty teach. Thoughtful attention to the ways in which post-tenure review can promote faculty vitality across their careers will assure that such reviews lead to increased effectiveness within the university.

Guidelines to assist in formulating institutional policy concerning performance reviews of tenured faculty are set out below. These guidelines have been promulgated and are periodically reviewed to assure the continuing rigorous application of post-tenure review as intended by the Board of Governors as described in Policy 400.3.3.

Guidelines
Each constituent institution shall observe the following guidelines in developing or revising institutional policies and procedures for post-tenure review:

1. Proposed revised policies must be submitted to General Administration for approval in accordance with any timeframe established and communicated by the president of the University, or his or her designee.

2. Institutional policies shall assure that each tenured faculty member undergoes a cumulative review no less frequently than every five years. (Note: a review undertaken to grant tenure or to decide on promotion qualifies as such a cumulative review.)

3. Institutional policies shall assure that faculty performance will be examined relative to the mission of the institution, college, and program.

4. Institutional policies shall be in compliance with the criteria and procedures for due process and for discharge or other disciplinary action established in Chapter VI of the Code of the University.

5. Post-tenure reviews shall evaluate all aspects of the professional performance of faculty, whose primary responsibilities are teaching, and/or research, and/or service. If faculty responsibilities are primarily only in one or two of these areas, the post-tenure review and resulting recommendations should take this allocation of responsibilities into account.

6. At the beginning of the post-tenure review cycle, the faculty member shall develop with his/her department chair a five-year goal or plan. This plan can be modified annually by the faculty member, in consultation with the department chair, as deemed appropriate by changes in institutional, departmental, or personal circumstances. This plan should indicate milestones aligned with annual performance evaluations.

7. Institutional policies shall show the relationship between the annual performance review of tenured faculty and the post-tenure review criteria. Annual performance reviews, however, are not a substitute for the "comprehensive, periodic, cumulative review" required by the Board of Governors. The post-tenure review process can be informed by annual reviews but must involve an additional assessment as described in these guidelines.

8. Institutional policies shall explicitly involve peers in the post-tenure review process. A peer review committee for a department or academic unit will be selected by a process agreed upon by the tenured faculty in that unit. The faculty member being reviewed will not have the option of selecting members of the peer review committee. The department chair or academic unit head must consult with the peer review committee in rendering his or her evaluation. Deans must provide an evaluative review in addition to the review conducted by the peer review committee and the department chair. The provost must certify that all aspects of the post-tenure review process for that year are in compliance with policy and guidelines.

9. Institutions shall provide ongoing support and training for all post-tenure review evaluators, including peer review committee members, department chairs or academic unit heads, and deans. UNC General Administration will prepare digital training modules that focus on the basics of state personnel policy and UNC policies, regulations, and guidelines related to personnel and tenure; the essential elements of a useful and thoughtful review; how to prepare, conduct, and manage a meaningful review process; and how to provide constructive criticism in a positive manner. Campuses shall ensure that all post-tenure review evaluators benefit from these modules and receive training in campus-specific policies and procedures. In submitting required annual post-tenure review reports, the provost will also certify that required training has been conducted.

10. UNC General Administration will evaluate the training and post-tenure review processes of all campuses during the 2016-2017 fiscal year. In subsequent years, UNC General Administration shall review the post-tenure review processes of all campuses on a three-year rotating cycle unless irregularities at a particular campus are identified. If such irregularities are identified, then UNC General Administration shall conduct more frequent reviews of that institution as deemed appropriate by the president or his or her designee. As part of this review, the president or his or her designee will certify that the constituent institution is in compliance with all aspects of the policy and guidelines.

11. Institutional policies shall establish at least three assessment categories. These categories must reflect whether a faculty member exceeds expectations, meets expectations, or does not meet expectations. Institutional policies also shall assure that there is written feedback to the faculty member being reviewed as well as a mechanism for the faculty member to respond to the evaluation. As intended by the Board of Governors, this feedback should include recognition for performance that exceeds expectations. Because performance rewards are often part of the annual review process, the post-tenure review may provide additional support for this form of recognition. Any review that results in an evaluation that the faculty member does not meet expectations must include a statement of the faculty member's primary responsibilities and specific descriptions of shortcomings as they relate to the faculty member's assigned duties and the directional goals established. A faculty member's response to a review that the faculty member does not meet expectations will also be shared at the next highest administrative level.

12. Institutional policies shall require individual development or career plans for all faculty members who do not meet expectations in the cumulative review. These plans must include specific steps designed to lead to improvement, a specified timeline in which improvement is expected to occur, and a clear statement of consequences should improvement not occur within the designated timeline. The use of mentoring peers is encouraged, and progress meetings with the department chair or academic unit head must occur on at least a semi-annual basis during the specified timeline. If duties are modified as a result of an assessment that the faculty member does not meet expectations, then the development or career plan should so indicate and take into account the new allocation of responsibilities.

As policies are developed and revised, institutions shall consider resource implications of a meaningful performance review system, identifying in advance the sources of support for the process and its outcomes.

Implementation of revised institutional policies will be effective upon approval as provided in Policy 400.3.3.

400.3.3.1[G]: Adopted 06/24/97, Amended 03/10/08, Amended 06/20/14, Amended 08/17/15

400.3.4 Monitoring Faculty Teaching Workloads

Introduction:

As a result of findings and recommendations of the 1995 Legislative Study Commission on the Status of Education at the University of North Carolina, the 1995 Session of the General Assembly enacted House Bill 229, Section 15.9 entitled "Rewarding Faculty Teaching." The bill requires:

The Board of Governors shall design and implement a system to monitor faculty teaching workloads on the campuses of the constituent institutions.

The Board of Governors shall direct constituent institutions that teaching be given primary consideration in making faculty personnel decisions regarding tenure, teaching, and promotional decisions for those positions for which teaching is the primary responsibility. The Board shall assure itself that personnel policies reflect this direction.

The Board of Governors shall develop a plan for rewarding faculty who teach more than a standard academic load.

The Board of Governors shall review the procedures used by the constituent institutions to screen and employ graduate teaching assistants. The Board shall direct that adequate procedures be used by each constituent institution to ensure that all graduate teaching assistants have the ability to communicate and teach effectively in the classroom.

The Board of Governors shall report on the implementation of this section to the Joint Legislative Education Oversight Committee by April 15, 1996.
All campuses and constituent institutions will develop and implement policies and procedures to monitor faculty teaching loads and to approve significant or sustained variations from expected minimums. Policies must include the criteria and approval process for reductions in institutional load attendant to increased administrative responsibilities, externally-funded research, including course buy-outs, and additional institutional and departmental service obligations. Given the complexity of faculty work activities, individual faculty teaching loads are best managed at the department and school level, and not the system or state level. However, to ensure meaningful comparisons of faculty teaching load over time and across peers, all campuses shall adopt a standard methodology for collecting data on teaching load. This standard is described below.

For reporting purposes the Board of Governors will annually review data from the National Study of Instructional Costs & Productivity (The Delaware Study) of teaching loads for full time equivalent faculty within the University. The Delaware Study provides comparable teaching data at the discipline level using the following faculty categories: regular tenure stream, other regular, supplemental and teaching assistants. Teaching load is derived by the number of organized class courses a faculty member is assigned in a given semester. Courses that are not conducted in regularly scheduled class meetings, such as “readings,” “special topics,” “problems” or “research” courses, including dissertation/thesis research, and “individual lesson” courses (typically in music and fine arts) are excluded from the Teaching Load calculation.

*[Supersedes and Replaces the prior UNC Policy 400.3.4 "Monitoring Faculty Teaching Workloads" as this version was approved by the Board of Governors on January 11, 2013]*

Standard annual teaching loads will be differentiated to accommodate the diverse missions of the individual campuses. These differences will be captured by Carnegie Classification.*[1] Standard faculty teaching load measured by number of organized class courses a faculty member is assigned in a given academic year is the following:

- Research Universities I:4
- Doctoral Universities I:5
- Masters (Comprehensive) I:6
- Baccalaureate (Liberal Arts) I:8
- Baccalaureate (Liberal Arts) II:8

**Distinction between Teaching, Instructional, and Total Faculty Workload:**

In addition to teaching load, as defined above, instructional workload also includes developing materials for a new course, developing courseware or other materials for technology-based instruction, supervising undergraduate research and masters theses and doctoral dissertations, directing students in cocurricular activities such as plays, preparing and equipping new laboratories, supervision of teaching assistants, and academic advising.

To ensure that course material delivered in the classroom is relevant, faculty perform scholarly activities such as research, scholarship, and creative expression. These activities may include writing articles, monographs, and grant proposals, editing a scholarly journal, preparing a juried art exhibit, directing a center or institute, or performing in a play, concert, or musical recital.

Faculty also engage in service activities that inform classroom teaching and student learning. These activities may include responses to requests for information, advice, and technical assistance as well as instruction offered directly through continuing education. Service includes training and technology transfer for business and industry, assistance to public schools and unit of government, and commentary and information for the press and other media. Service also includes time spent internal to the university which may include participation in faculty governance, serving on search committees for new faculty, and preparing for discipline accreditation visits.

In order to appropriately monitor and reward faculty teaching, evaluations must be placed in the context of total faculty workload. Therefore, all campuses and constituent institutions shall implement annual faculty performance evaluation policies that measure and reward all aspects of faculty workload, separately and in combination, consistent with the instructional mission.

**Rewarding Teaching:**

The board’s intent is that measures described in the previous section will lead to personnel policies and decisions that take due account of each faculty member’s contribution to the undergraduate teaching mission of the institution. The President and the board are concerned that faculty be rewarded both for the quantity and even more for the quality of teaching. Concerning quality, the board notes the enthusiastic support from campuses and the public for its teaching awards. It takes pride in the standard for teaching excellence that is set by award recipients.

All policies and procedures required under the UNC Policy 400.3.4 must be submitted by campuses and constituent institutions to General Administration and approved by the president.

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*[1]* The National Study of Instructional Costs & Productivity ("The Delaware Study") is the acknowledged "tool of choice" for comparative analysis of faculty teaching loads, direct instructional cost, and separately budgeted scholarly activity, all at the level of the academic discipline.

*[2]* The Carnegie Classification™ is a framework for recognizing and describing institutional diversity in U.S. higher education. This framework has been widely used in the study of higher education, both as a way to represent and control for institutional differences, and also in the design of research studies to ensure adequate representation of sampled institutions, students, or faculty.

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**400.3.4[R]** Regulations Related to Monitoring Faculty Teaching Workloads

I. **Purpose**

In order to monitor constituent institutions’ faculty teaching workloads in a consistent manner across the University, it is necessary to define the means and standards by which faculty teaching workload data shall be reported.

II. **Procedures for Collecting Data**

A. **Data Collection Format.** The University of North Carolina campuses will use the National Study of Instructional Costs and Productivity (Delaware Study) Data Collection Form for reporting.

B. **Data Consistency**
1. All UNC institutions of higher education, except for UNC School of the Arts, will follow the Data Collection Form.

2. To further ensure consistency, the University of North Carolina defined Instructional Formats will be reported to the Delaware Study as an "Organized Class:"
   a. Lab.A course requiring scientific- or research-focused experiential work where students test, observe, experiment, or practice a field or discipline in a hands-on environment, typically held in 210 designated spaces.
   b. Studio.A course requiring visual- or aesthetic-focused experiential work where students test, observe, experiment, or practice a field or discipline in a hands-on environment.
   c. Lecture.A course requiring the extended expression of thought supported by generally accepted or theoretical ideas of a field or discipline led by an expert or qualified representative of the field or discipline.
   d. Seminar.A course requiring students to participate in structured conversation or debate focused on assigned readings, current or historical events, or shared experiences led by an expert or qualified representative of the field or discipline.
   e. Lecture and lab.A course that requires the combined attributes of a lecture course and a lab course.
   f. Recitation.A course requiring the extended expression of thought supported by generally accepted or theoretical ideas of a field or discipline led by a teaching assistant or instructor under the guidance of a permanent faculty member, which often supplements or expands upon the content of a related or co-requisite course.

400.3.4[R]: Adopted 01/17/13, Amended 08/04/16

400.3.5 Training, Monitoring, and Evaluating Graduate Teaching Assistants

In September 1993, the Board of Governors of the University of North Carolina adopted a report entitled Tenure and Teaching in the University of North Carolina. With respect to graduate teaching assistants, the report made the following recommendation:

That greater efforts be made to develop and strengthen the teaching skills of graduate students, and that the Board of Governors ask the president to prepare, in consultation with the University-wide Graduate Council, a report with specific guidelines and recommendations for the training, monitoring, and evaluation of graduate students who teach courses in UNC institutions.

At the president's request, the Graduate Council, consisting of graduate deans and representatives of the graduate faculties at the various institutions, drafted a proposed set of guidelines and recommendations which were approved by the Board of Governors on June 10, 1994. The Board recognizes the procedures that UNC institutions have put into place since 1994 to ensure that GTAs are well-trained, supervised, and evaluated.

UNC institutions should continue their efforts to develop and strengthen the teaching skills of graduate teaching assistants. The president may issue guidelines on the training, monitoring, and evaluation of graduate teaching assistants and on the format required for reporting on these matters.

400.3.5: Adopted 06/10/94, Amended 04/12/96, Amended 01/13/06

400.3.5.1[G] Guidelines on Training, Monitoring, and Evaluating Graduate Teaching Assistants

I. Introduction

The University has an obligation to produce effective, dedicated, well-trained teacher-scholars to fill faculty ranks in the future. Graduate teaching assistants are a major means by which the University introduces young scholars to the professoriate.

Graduate teaching assistants are chosen from highly qualified students who have been accepted into the graduate programs of the University. The number and role of these assistants varies from institution to institution depending on the size of the graduate program, the particular culture of the institution, and the resources available to the institution for their training and support.

By supporting graduate students with assistantships, the University is able to compete in the recruitment of the very best applicants to our nationally recognized programs. The presence and service of bright and promising graduate students make our constituent institutions more valuable resources to the state and the nation.

Guided and supported by senior members of the profession, graduate students can grow in understanding and appreciation for the craft of their discipline through supervised practice and application of teaching and research methodologies.

In September 1993, the Board of Governors of the University of North Carolina adopted a report entitled Tenure and Teaching in the University of North Carolina, which included the following recommendation:

That greater efforts be made to develop and strengthen the teaching skills of graduate students, and that the Board of Governors ask the President to prepare, in consultation with the University-wide Graduate Council, a report with specific guidelines and recommendations for the training, monitoring, and evaluation of graduate students who teach courses in UNC institutions.

In the years since the Board adopted this recommendation, UNC campuses have established or enhanced procedures to develop and strengthen the teaching skills of graduate teaching assistants (GTAs) and have reported annually to the president and, through the president, to the Board of Governors on these efforts. In light of the procedures established by UNC institutions to ensure that GTAs are well-trained, supervised, and evaluated, the president issues the following guidelines.

II. Guidelines

The use of graduate teaching assistants within the university is subject to the principles and standards of the regional accrediting body, the Commission on Colleges of the Southern Association of Colleges and Schools (SACS). Institutions employing graduate teaching assistants should consult the current SACS standards, including Comprehensive Standard 3.7.1, Credential Guidelines:

Graduate teaching assistants: master’s in the teaching discipline or 18 graduate semester hours in the teaching discipline, direct supervision by a faculty member experienced in the teaching discipline, regular in-service training, and planned and periodic evaluation.

In addition, the following University guidelines have been established to ensure that graduate teaching assistants receive the appropriate training, monitoring, and evaluation.

1. Graduate teaching assistants must possess a demonstrated competence in the subject matter that they will be teaching as determined by experts in the field. They should have an appreciation for the theory and practice of the subject matter as well as an appreciation for the teaching and learning enterprise by means of required and optional teaching seminars, symposia, workshops, publications, and access to university staff resources. Competency to teach includes an effective command of the language of instruction, usually American English, and an appreciation for the culture of the American university classroom.

Appropriate procedures to assure competence include the following:

- GTAs will be offered a Teaching Contract from the hiring department or institution which outlines (a) educational requirements, (b) job requirements, (c) duties, and (d) performance standards. A logical and effective match must be established between the level and requirements of the teaching assignment and the experience and knowledge of the prospective GTA.
- In departments where teaching assistanceships range from grading and discussion-group leadership to full-course responsibility, GTAs will be assigned to independent classes only after they have performed effectively in a less independent setting.
- Formal training and evaluation programs will be provided for GTAs who are assigned the responsibility for teaching an undergraduate class. At the beginning and during that assignment, the hiring department will provide resources and opportunities for continued growth and development of the GTAs in the theory and practice of teaching. These resources may be school-wide programs, departmentally based programs in discipline-centered pedagogy, programs developed by several participating departments, off-campus programs offered by other institutions or professional associations, or individual mentoring with faculty.
- Departments will provide GTAs and their faculty supervisors with appropriate written guidelines on academic procedures and provisions for formal training and evaluation. The information should include a directory of other university resources available for the further development and training of the GTA.
- The hiring department will verify that GTAs whose first language is not English possess adequate English language proficiency and communication skills. This verification will be in the form of a standardized test which includes an evaluation of verbal skills, supplemented by a personal review by the department's supervising faculty mentor. English as a Second Language courses and other activities, or alternative assignments for assistantships, will be provided to the GTA who does not meet adequate standards of English language proficiency.
- Offices that work with international students will be requested to cooperate with campus and departmental programs for international teaching assistants (ITAs) to facilitate their awareness of the culture of the American university classroom and approaches to communicate effectively to undergraduate students.
- Faculty members who train, supervise, mentor and evaluate GTAs do so as a component of their academic assignment. Such faculty will be recognized for their work and accorded opportunities for additional training and professional development.

2. Graduate teaching assistants must be graduate students in good standing in their programs, as defined by the employing institution.

3. Universities will honor effective graduate teaching assistants by establishing appropriate awards and honors to recognize them for outstanding teaching.

4. Universities must establish and maintain effective channels for communication and dialogue between all populations of the university community affected by the work of graduate teaching assistants. This communication may be facilitated in a number of ways, including appropriate representation of GTAs on campus-wide and departmental student-faculty committees and the preparation of a brochure which discusses the role, selection, preparation, and supervision of GTAs, to be distributed to students, their families, and other groups as appropriate.

5. The chief academic officer (CAO) will designate the Graduate School or another appropriate administrative unit to oversee and facilitate the training, mentoring, supervision, and evaluation of graduate teaching assistants. At institutions which use graduate teaching assistants to teach undergraduate courses, the graduate dean or other appropriate administrative unit will report annually to the CAO on the effectiveness of GTAs, their utilization on campus, compensation, training, and the impact of their teaching on the overall teaching mission of the school. In addition, the report will document the impact and effectiveness of teaching by graduate students on their learning and professional development. The report will certify that an evaluation is on record for each GTA by a faculty member to whom the GTA is assigned.

6. Each program that utilizes graduate teaching assistants must develop, regularly update, and file with the appropriate administrative unit, as determined by the CAO, a plan for graduate teaching assistants including a definition of teaching tasks and responsibilities, provisions for support, supervision, and training for each type of teaching assignment, and provisions for feedback and evaluation. The plan should specifically address the selection, funding, training, mentoring, supervision, and evaluation of graduate teaching assistants. Programs must provide for a formal training program, classroom observations, explicit procedures for supervision and evaluation of GTAs. Formal evaluations of each GTA by an assigned faculty member must be kept on record.

400.3.5.1[G]: Adopted 09/22/94, Amended 04/12/96, Amended 01/13/06, Amended 11/14/17

### 400.3.6 University Teaching Awards

**Introduction**

At its September 1993 meeting, the Board of Governors adopted a report on *Tenure and Teaching in the University of North Carolina*. The report, prepared jointly by the Board’s Committee on Personnel and Tenure and its Committee on Educational Planning, Policies, and Programs, reaffirmed the Board’s insistence that teaching is the primary responsibility of each of the 17 constituent institutions of the University. To underscore the importance of teaching and to encourage, identify, recognize, reward, and support good teaching within the University, the Board adopted a set of six specific recommendations, including the following:

*That the Board of Governors create annual systemwide teaching awards with monetary stipends which are designated “Board of Governors Awards for Excellence in Teaching.”*

1. **Annual Awards for Teaching Excellence**
   A. The Board of Governors will allocate $352,000 each year for the Awards for Teaching Excellence with approximately one half of the fund ($217,500) to be used each year for a system-wide awards program and the other half ($134,500) to be used for allocations to campuses for
teaching awards.

B. Each year the chair of the Board of Governors will appoint a special committee, or designate a standing committee such as the Committee on Personnel and Tenure, to provide coordination and oversight for the teaching awards programs.

C. The program of awards will be evaluated and revised periodically.

II. System-wide Awards

A. Number of Awards

There shall be a total of 17 Board of Governors Awards annually. One recipient shall be nominated from each of the 17 constituent institutions.

B. Nature of Awards and Recognition

Each recipient of a Board of Governors Award for Excellence in Teaching will receive a citation and a one-time award of $12,500. Presentation of the awards will be made at an appropriate event to be attended by recipients and their guests, members of the Board of Governors, the President and vice presidents of the University, the chancellors or their designees, and other guests.

C. Eligibility for Selection

Any faculty member who has earned tenure[1] at the institution and has taught at the institution for at least seven years is eligible. The recipient must have demonstrated excellent or exceptional teaching ability over a sustained period of time. Potential nominees must be teaching in the academic year in which they are selected.

No faculty member will be eligible to receive this award more than once while teaching at any UNC institution.

III. Institutional Teaching Awards

A. A total of $134,500 will be allocated each year to the 17 constituent institutions to establish additional faculty awards for teaching excellence.

B. Each institution should develop procedures for establishing awards and selecting recipients supported by the Board's allocation.

C. In establishing these awards, the Board gave special emphasis to the smaller institutions with more limited resources and to those institutions which did not have teaching awards.

In keeping with this objective the following eight institutions are allocated $9,500 each: Elizabeth City State University, Fayetteville State University, North Carolina Central University, University of North Carolina at Asheville, University of North Carolina at Pembroke, University of North Carolina School of the Arts[2], Winston-Salem State University and North Carolina School of Science and Mathematics, with the other nine constituent institutions being allocated $6,500 each for teaching awards.

IV. Guidelines for Implementing the Awards for Teaching Excellence

The president will issue guidelines for the nomination and selection of system-wide teaching awards and the allocation of funds for institutional teaching awards.

[1] At the North Carolina School of Science and Mathematics and the University of North Carolina School of the Arts, a faculty member with a multi-year contract who has taught at the institution for at least seven years is eligible.

[2] Name changed from North Carolina School of the Arts to University of North Carolina School of the Arts effective August 1, 2008.

400.3.6: Adopted 03/24/94, Amended 09/10/04, Amended 07/01/07, Amended 10/17/08, Amended 06/14/13

400.3.6.1[G] Guidelines on University Teaching Awards

These guidelines contain a summary of the steps to be taken by the constituent institutions to implement the policy amended by the Board of Governors on September 10, 2004, on University Teaching Awards.

Implementation of Teaching Awards by the Constituent Institutions

I. System-wide Awards

1. Each institution should have developed detailed, written procedures for nominating one faculty member annually to receive the Board of Governors Award for Excellence in Teaching.

2. The selection of the nominee, who must meet the eligibility criteria established by the Board, shall be made by a campus-wide selection committee.

3. The name of the institution's nominee, along with convincing supportive evidence (e.g., a portfolio), must be submitted to the president through the chancellor of the nominating institution by February 1 of each year.

4. Portfolios must include:

   A brief written statement which articulates each finalist's teaching philosophy and methods used to achieve educational goals;

   Copies of peer evaluation of teaching;

   Statements by colleagues and former students of the instructor who have provided letters of support for the nominee;

   A copy of the nominee's resume or curriculum vitae;

   A current photograph of the nominee.

   Other materials may be included in the portfolio at the discretion of the campus.

   These materials will be returned to the campus after the awards ceremony.

5. The Board of Governors committee charged with overseeing the Teaching Awards process will review the documentation and recommend the names of recipients to the Board of Governors.

6. Once the selection has been made and the recipient of the annual Board of Governors Award for Teaching Excellence has been announced, a
summary of the supporting documentation should be made available to all of the campus community. (The documentation could be placed in the campus library.)

7. The $7,500 award paid to a recipient of a Board of Governors Award for Excellence in Teaching must be in addition to, and not in lieu of, any salary increases (for merit or other reasons) to which an individual recipient may be entitled.

II. Institutional Awards

1. The internal allocation of funds provided for institutional awards must be consistent with institutional procedures as required by the Board in Policy 400.3.6. Eligibility criteria for the awards on the various campuses (i.e., length of service and tenure status, etc.) are to be determined by appropriate committees at the appropriate levels.

2. Each institution must file an annual report by June 15 to the Board of Governors through the President on the internal distribution and use of these allocations for teaching awards.

III. Evaluation of Program of Awards

The Board committee responsible for overseeing the Awards for Teaching Excellence will periodically evaluate the policy (400.3.6), revise it as appropriate, and recommend changes to these guidelines to the president as appropriate.

400.3.6.1[G]: Adopted 4/29/94, Amended 09/10/04

400.3.7 Extension Faculty

Consistent with Session Law 2002-126, Section 9.14, UNC institutions with EPA faculty designated as "Non-Teaching Faculty" in the Cooperative Extension Service or Agricultural Research Service budgets may define those faculty as "Teaching Faculty" if the chancellor determines that the primary work assignment is consistent with a faculty appointment. All employees designated as EPA faculty will be treated similarly in determining salary adjustments and other benefits. This policy applies only to ranked faculty as defined by the chancellor of each constituent University.

400.3.7: Adopted 09/12/03

400.4 Programs Outside the University

400.4.1 Policy on Standards for Licensure of Nonpublic Degree Granting Postsecondary Activity


II. Definitions

A. "Postsecondary degree" means a credential conferring on the recipient thereof the title of "Associate," "Bachelor," "Master," or "Doctor," or an equivalent title, signifying educational attainment based on:

1. Interactions between faculty and students following a coherent course of study with specified student outcomes; and/or

2. A coherent course of study in which the student and instructor are not in the same place delivered either synchronously or asynchronously with specified student outcomes and faculty-student interaction mediated through electronic means; or

3. A combination of the foregoing; provided, that "postsecondary degree" shall not include any honorary degree or other so-called "unearned” degree. The content and rigor of the curriculum for the degree must be at a level to assure an education of good quality.

B. "Institution" means any sole proprietorship, group, partnership, venture, society, company, corporation, school, college, or university that engages in, purports to engage in, or intends to engage in any type of postsecondary degree activity.

C. "Nonpublic institution" means an institution that is not a constituent institution of the University of North Carolina or the North Carolina Community College System.

D. "Instruction" means delivery of a coherent and formal plan of study constructed for students so that they can demonstrate specific learning outcomes.

E. "Postsecondary degree activity" means:

1. Awarding a postsecondary degree; or

2. Conducting or offering study, experience, or testing for an individual or certifying prior successful completion by an individual of study, experience, or testing, under the representation that the individual successfully completing the study, experience, or testing will receive credit, at least in part, that may be used toward a postsecondary degree.

Postsecondary degree activity includes conduct with respect to either a complete postsecondary degree program or any study, experience or testing represented as creditable toward a postsecondary degree.

F. "Publicly registered name" means the name of any sole proprietorship, group, partnership, venture, society, company, corporation, school, college, or institution that appears as the subject of any Articles of Incorporation, Articles of Amendment, or Certificate of Authority to transact business or to conduct affairs, properly filed with the Secretary of State of North Carolina and currently in force.

G. "Board" means the Board of Governors of the University of North Carolina.

III. Exemption from Licensure

A. Institutions Continuously Conducting Postsecondary Degree Activity in North Carolina since July 1, 1972. Any institution that has been continuously conducting postsecondary degree activity in this State under the same publicly registered name or series of publicly registered names since July 1, 1972, shall be exempt from the provisions for licensure upon presentation to the Board of Governors of information acceptable to the Board to substantiate such postsecondary degree activity and public registration of the institution’s names. Any institution that, pursuant to a predecessor statute, had presented to the Board proof of activity and registration such that the Board granted exemption from licensure, shall continue to enjoy such exemption without further action by the Board. [G.S. 116-15(c)]

B. Programs Relative to Religious Education. No institution shall be subject to licensure under this section with respect to postsecondary degree activity based upon a program of study, equivalent experience, or achievement testing, the institutionally planned objective of which is the attainment of a degree in theology, divinity, or religious education or in any other program of study, equivalent experience, or achievement testing that is designed by the institution primarily for career preparation in a religious vocation. This exemption shall be extended to any institution with respect to each program of study, equivalent experience, and achievement test that the institution demonstrates to the satisfaction of the Board should be exempt from licensure requirements. [G.S. 116-15(d)]

C. Institutions Conducting Postsecondary Degree Activity within the Military. To the extent that an institution undertakes postsecondary degree activity on the premises of military posts or reservations located in this State for military personnel stationed on active duty there, or their
students, dependents, or employees of the military, the institution shall be exempt from licensure requirements. [G.S. 116-15(f)(2)] If the institution offers or conducts postsecondary degree activity for other persons, the institution shall be subject to licensure. Institutions declared exempt under this section shall present annual reports to General Administration describing degree activity and enrollments.

D. Distance Education Conducted Pursuant to a State Authorization Reciprocity Agreement. Any institution conducting postsecondary degree activity in North Carolina pursuant to a State Authorization Reciprocity Agreement to which the State of North Carolina is a party shall be exempt from licensure requirements.

IV. Standards for Licensure. To be licensed to conduct postsecondary degree activity in the State of North Carolina, a nonpublic postsecondary educational institution shall satisfy the Board of Governors that it meets the standards as specified by G.S. 116-15(f) and has demonstrated that its academic programs meet the Board of Governors’ standards for an education of good quality.

A. Standard 1 (Charter). The institution shall be state-chartered. If chartered by a state or sovereignty other than North Carolina, the institution shall also obtain a Certificate of Authority to Transact Business or to Conduct Affairs in North Carolina issued by the Secretary of State of North Carolina. [G.S. 116-15(f)(1)]

1. Charter. The institution is chartered by the Secretary of State of North Carolina and has been issued a Certificate of Authority to Transact Business or to Conduct Affairs in North Carolina, if applicable.

2. Availability of articles of incorporation. A copy of the articles of incorporation or other relevant business formation documents of the institution and all amendments thereto must be on file in the office of the chief executive officer of the institution and available for review on request during normal working hours by any person. If the institution is chartered outside North Carolina, a copy of the Certificate of Authority to Transact Business or to Conduct Affairs in North Carolina must also be on file in the office of the chief executive officer and be available for review by any person.

3. Publication of contact information. The address, telephone number, email address, website, and other pertinent contact information of the institution, and of the principal office of the corporation must be published in a manner accessible to students, prospective students, and the public.

4. Availability of articles of incorporation of controlling corporation(s). If the institution is controlled, directly or indirectly, by one or more other business entities, a copy of the governing documents and amendments thereto of each such business entity must also be on file in the office of the chief executive officer of the institution and available for review by any person.

5. Publication of governing board membership of controlling corporation(s). The membership of the governing board of the institution as well as the name and membership of the governing board of any other corporation or corporations, which may control, directly or indirectly, the institution must be published in a manner accessible to students, prospective students, and the public.

B. Standard 2 (Period of Operation). The institution must have been conducting postsecondary degree activity in a state or sovereignty other than North Carolina during consecutive, regular-term academic semesters, exclusive of summer sessions, for at least the two years immediately prior to submitting an application for licensure under this section, or must have been conducting with enrolled students, for a like period in this State or some other state or sovereignty, postsecondary educational activity not related to a postsecondary degree; provided, that an institution may be relieved temporarily of this standard under the conditions set forth herein. [G.S. 116-15(f)(2) and G.S. 116-15(j)]

1. Availability of interim permit. An institution which meets standards for licensure except for having conducted postsecondary degree activity for at least two years immediately prior to submitting an application for licensure may be granted an interim permit to conduct postsecondary degree activity if the institution can demonstrate stability, experience, reputation, and performance which two years of operation would normally denote.

2. Review of interim permit. Review of an institution’s interim permit may be conducted at any time to determine whether the institution demonstrates compliance with these standards.

C. Standard 3 (Program of Study). The substance of each course, program of study, equivalent experience, or achievement test must be such as may reasonably and adequately achieve the stated objective for which the study, experience, or test is offered in order to be certified as successfully completed. [G.S. 116-15(f)(3)]

1. Support of mission. The program of study offered by an institution must reflect and support the mission of the institution and be reasonably designed to achieve the stated objectives. The academic program must ordinarily include provisions for a general education curriculum and specific fields of study at the associate, baccalaureate, or advanced level as appropriate for the mission of the Institution.

2. Courses. The institution shall have an academic curriculum that is designed to reasonably and adequately achieve its mission and educational objectives. The institution shall demonstrate that each academic program, for which academic credit is awarded is: (a) approved by the faculty and the administration; and (b) evaluated annually to determine its effectiveness. Course objectives, prerequisites, the plan of instruction, requirements, and procedures for evaluation must be clearly stated and available to current and prospective students in a written course syllabus. An institution must provide for annual evaluation of course and program effectiveness including assessment of student learning, retention, and graduation rates, and student and faculty satisfaction.

3. Distance education. Academic standards for courses delivered off-campus or electronically must be the same as for courses delivered at the institution where they originate. The quality and content of each course, regardless of the mode of delivery, must be such as may reasonably and adequately achieve the stated objective. Appropriate data must be used to determine comparability. Such reviews are to demonstrate that student learning outcomes and satisfaction in distance courses delivered electronically are comparable to student learning outcomes and satisfaction in courses offered at the campus where they originate. The technology being used must be appropriate to meet course objectives. Instruction employing distance-learning technology must ensure appropriate interaction between students and faculty and among students.

4. General education. If the institution offers associates or bachelor’s degrees, or credit which may be used towards associates or bachelor’s degrees, then the institution shall offer a general education program at the collegiate level that is a substantial component of each undergraduate degree, ensures breadth of knowledge, and is based on a coherent rationale. One or more courses, or their equivalents, shall be taken from each of humanities/fine arts, social/behavioral sciences, and natural science/mathematics. The institution shall identify appropriate general education competencies, and shall provide evidence that graduates have attained those competencies. If the institution requires prior completion of a general education program as a condition of admission to an associates or bachelor’s degree program, then the institution shall have a defined and published policy for evaluating, awarding and accepting credit for academic instruction, regardless of its mode of delivery.

5. Duration and intensity. The program of instruction must include educational activities extending over a sufficient period of time and in sufficient intensity to fulfill the mission and academic goals of the institution. The academic year, regardless of its organization, is ordinarily at least 30 weeks in duration.

6. Associate degree. Each educational program leading to an associate degree shall include a general education component at the collegiate level that is a substantial component of each degree, ensures breadth of knowledge, and is based on a coherent rationale. For degree completion in associate programs, the general education component constitutes a minimum of 15 semester hours or the equivalent. The associate degree program normally consists of courses carrying a minimum of 60 semester credit hours or 90 quarter hours or the equivalent in instructional activities as measured by the institution. The associate degree program normally requires full-time attendance for two academic years or the equivalent but an institution may award the associate degree to students who have completed the course requirements at an accelerated pace or can otherwise demonstrate that they have met the measurable objectives of the program.
The following associate degree designations may be awarded:

a. The Associate in Arts (A.A.) degree. Awarded to those who successfully complete programs that emphasize the liberal arts and/or the fine and performing arts. Programs must meet the general education requirements and provide for substantial additional work in the liberal, fine or performing arts. Such programs, if transfer-oriented, may need to contain additional requirements. The general education component is not directed toward specialized study or specific occupational or professional objectives.

b. The Associate in Science (A.S.) degree. Awarded to those who successfully complete programs which emphasize mathematics and/or the biological or physical sciences and which meet the general education requirements of this degree. In addition to meeting the general education requirements for an associate degree, substantial work must be done in mathematics, and/or the biological and physical sciences. Such programs are designed to serve both career and transfer objectives. Such programs, if transfer-oriented, may need to contain additional requirements.

c. The Associate in Applied Science (A.A.S.) degree. Awarded to those who successfully complete programs which emphasize preparation in the applied arts and sciences for careers, typically at the technical or semi-professional level. Not less than 15 semester credit hours or 23 quarter hours in general education and not less than 30 semester credit hours or 45 quarter hours in the area of specialized preparation are required.

7. Baccalaureate degree. Each program of instruction leading to a baccalaureate degree shall include a general education component at the collegiate level that is a substantial component of each undergraduate degree, ensures breadth of knowledge, and is based on a coherent rationale. A minimum of 30 semester hours or the equivalent is required for a general core of study. The credit hours are to be drawn from, and include at least one course in each of the following areas: humanities/fine arts, social/behavioral sciences, and natural science/mathematics. The general education course work shall not focus on narrow skills, techniques, or procedures relative to a particular occupation or career. Institutions must present a written justification and rationale for course equivalency. Additionally, baccalaureate degree programs must include clearly defined requirements for majors in academic disciplines. Baccalaureate degree programs normally consist of courses carrying a minimum of 120 semester credit hours or 180 quarter hours or the equivalent in other measurement used by the institution. Normally full-time attendance for four academic years or the equivalent in part-time attendance, independent study, work study, or other similar programs are required, but institutions may award the baccalaureate degree to students who have completed the credit requirements at an accelerated pace or can otherwise demonstrate that they have met the measurable objectives of the program.

8. Graduate degree. An institution's graduate program is progressively more advanced in academic content than undergraduate programs. The institution shall ensure that its graduate instruction and resources foster independent learning, enabling the graduate to contribute to a profession or field of study. The majority of credits toward a graduate or postbaccalaureate professional degree are earned through the institution awarding the degree. In the case of graduate and postbaccalaureate professional degree programs offered through joint, cooperative, or consortia arrangements, the student earns a majority of credits from the participating institutions. A graduate or post-baccalaureate degree normally represents the completion of a program beyond the baccalaureate level of one or more academic years of full-time course work or the equivalent in part-time attendance, independent study, work-study, or other similar programs. An institution may award a graduate degree to students who have completed the requirements of a graduate program at an accelerated pace or can otherwise demonstrate that they have met the measurable objectives of the program.

The following graduate degrees may be awarded:

a. The master's degree. Awarded to those who successfully complete a program beyond the baccalaureate level in the arts and sciences, or professional fields normally requiring full-time study for not less than one nor more than two academic years. Master's degrees usually require a minimum of 30 semester credit hours.

b. The intermediate degree (designated variously, e.g., specialist in professional education, engineer in engineering, and candidate or licentiate in liberal arts). Awarded to those who successfully complete programs at least one academic year beyond the master's level but who do not reach the doctoral level. Normally, such programs qualify persons as highly knowledgeable and skilled in given fields rather than competent in carrying out independent research and scholarly work.

c. The doctoral degree. Awarded to those who successfully complete programs requiring three or more academic years of full-time graduate study beyond the baccalaureate level and demonstrate a capacity to do independent work. Such demonstration may take the form of completed research (doctor of philosophy), musical composition or performance (doctor of musical arts), clinical competence (doctor of medicine), or the knowledge and capacity to analyze legal problems (juris doctor). The latter two degree programs, along with dentistry, pharmacy, and veterinary medicine, constitute first professional degree programs.

9. Residence. The award of an associate or baccalaureate degree normally entails at least 25 percent of the work being done through the institution awarding the degree. The method and procedures used by the institution in evaluating and granting academic credit for postsecondary degree activity completed elsewhere must be described in writing and disseminated to students and prospective students.

10. Transferability. The institution shall publish its transfer policies and articulation agreements in the institution's catalog. Policies and agreements must define criteria for transferring credit. The institution shall have a defined and published policy for evaluating, awarding and accepting credit for academic instruction, regardless of its mode of delivery.

D. Standard 4 (Facilities and Library). The institution must have adequate space, equipment, instructional materials, and personnel available to it to provide education of good quality. [G.S. 116-15(f)(4)]

1. Facilities. The institution shall operate and maintain physical facilities, either on or off campus, that are adequate to serve the needs of the institution’s educational programs, support services, and mission-related activities. Physical facilities include buildings, classrooms, computers and access to the Internet, laboratories, equipment, furniture, grounds, instructional materials, and machinery. Facility sites must be free of traffic hazards and distracting noises.

a. Compliance with safety and health laws. The facilities shall comply with all pertinent ordinances and laws relative to the safety and health of persons on the campus. See also Standard 9.

b. Laboratories and equipment. Laboratories and equipment must be adequate for supporting the particular program of instruction and enhancing student-learning outcomes.

c. Supportive services. Supportive services, faculty and staff offices, and other facilities must be adequate in size and number to accommodate faculty, staff, and students.

d. Housing. Student housing owned, leased, maintained, or approved by the institution must be appropriate, safe, and adequate.

e. Nonownership. If a physical facility is not owned by the institution, evidence through a lease or other means must be submitted that facilities are available for a sufficient duration to demonstrate the stability of the institution and that the institution is capable of completing any program it offers.

2. Library and electronic resources. An adequate library or access to a library and information resources is essential to supporting instruction and enhancing student-learning outcomes.

a. Objectives and policies. The library must have a mission statement and goals to serve as a framework for its activities. The mission and goals are to be compatible and consistent with the institution’s mission. The institution shall be able to demonstrate that the library and information resources (or access to library and information resources) fulfill the institution’s mission and provide adequate
support to academic programs. The library shall engage in a formal planning process that involves a broad spectrum of the college community and includes the faculty and students. Planning is an iterative process that includes evaluation, updating, and refinement. Evaluation of library resources shall involve all categories of library users. The institution must ensure that users have access to regular and timely instruction in the use of the library and other learning/resources. The institution shall have a librarian. The lines of authority, status, tenure, and major duties of the librarian must be clearly stated as well as the nature of faculty involvement in the determination of library policy and in acquisition procedures. Contractual agreements with other libraries must define the following:

1. The extent to which the holdings of the other libraries support adequately the institution’s educational program and enrollment at the relevant degree level;
2. The degree to which students of the institution can use these libraries and the nature of the use, including procedures for student and faculty registration for use;
3. The arrangements with the other libraries for acquisition of materials needed for the institution’s educational program which the outside library may not normally acquire;
4. The degree of authority of the institution’s officials in making library policy to support the needs of the institution;
5. Financial arrangements or fees for the use of other libraries; and
6. Responsibilities of the college for replacement of materials lost by students of the college. The details of the contractual arrangements with other libraries must meet the criteria outlined in these standards.

b. Staff. The library staff must be of a size and quality adequate to meet the objectives of the library and the academic programs it supports. The library must ordinarily be under the direction and supervision of a professionally trained librarian, who has a graduate degree in library science that is accredited by the American Library Association. The librarian must perform duties of a professional nature, involving organization of the entire library program, supervision or performance of acquisitions, cataloging, reference, circulation and use functions, and coordination of the library with the academic program of the college. The last involves working with faculty members in the selection and use of materials, and organizing and/or conducting a library orientation and instruction program for students and faculty. Staff of the library must be sufficient to perform all the clerical functions of the library and must have skills and training appropriate for their duties.

c. Administration. The library must be administered in a manner that permits and encourages the most effective use of available library resources. The librarian shall report either to the chief executive officer or the chief academic officer. There must be a standing advisory committee of faculty members representative of the academic programs of the college to advise the librarian at least annually on acquisitions and ways of improving library services as well as to serve as the main channel of formal communications between the library and the users of the community. The library committee will monitor the adequacy of the collection and services. The library must keep up-to-date and adequate records of circulation, holdings, inventory data, materials on order, current periodicals received, expenditures, and budgets. The library must encourage the additional use of other library resources that may be available and seek out and help develop cooperative agreements with other libraries. Written contractual agreements must be negotiated with the libraries and these agreements must include the items specified under paragraph IV.D.2.a., above. The institution must assign responsibility for providing library/learning resources and services and for ensuring continued access to them at each site.

d. Distance education. The institution is responsible for funding and appropriately meeting the information needs of students enrolled in its distance learning courses and programs by supporting teaching, learning, and research. This support must provide ready and equivalent library service and learning resources to all its faculty and students, regardless of location. The institution must own the library/learning resources, provide access to electronic information available through existing technologies, and/or provide them through other libraries. If programs are to depend primarily on other libraries, the collections in those libraries must be adequate to support academic programs and courses at levels relevant to the degree objectives.

e. The library collection. The holdings of the library must be appropriate for the purpose, course offerings, degree programs, and enrollment of the institution. College libraries must assure quality and appropriateness of the collection by the use of standard lists of books and periodicals for selection. The number of volumes in the collection, or access to resources, must be appropriate for the academic programs and the enrollment. Procedures must be developed to involve the faculty in selecting materials for the collection. Selection tools such as Choice, Current Reviews for Academic Libraries, Book Publishing Record, Library Journal, and professional library journals must be available for selection of current books and periodicals. There must be a continuing evaluation of the quality of the collection by checking holdings against bibliographies, and basic lists.

f. Organization of collection. Materials must be classified and organized by nationally approved conventions and arranged on the shelves for efficient retrieval. A catalog or catalogs of holdings by author, title, and subject must be available for public use. In addition, requisite subordinate files such as serial checking records and shelf lists must be available.

g. Budget and finance. An annual library-operating budget, which authorizes sufficient financial support, is required to provide, maintain, and insure adequate and suitable library holdings, facilities, and services.

h. Service and use. The library must establish and maintain a range and quality of services that will promote the academic program of the college. In addition to providing basic reference and circulation services, orientation and instruction in the use of libraries must be provided for students and faculty. It is ordinarily desirable to have a written library guide and/or handbook for students and faculty members. When appropriate, teaching faculty should require the use of library materials in instructional programs, such as supplementary readings and research papers. If the institution maintains a physical library, the library must be open to student access for a reasonable number of hours when classes are not scheduled, both during the normal study week and during weekends and vacation periods. Library materials must be circulated to students, faculty members, and other qualified users under equitable policies. The quality of the collections available locally to patrons should ordinarily be enhanced by an interlibrary loan service in accordance with the American Library Association (ALA) Interlibrary Loan Code and local, regional, or state interlibrary cooperative agreements.

i. Library facilities. If the institution maintains a physical library, then the space assigned for library usage must be conducive to study. A central and single location is desirable. The library must have good lighting, adequate ventilation, and proper temperature and humidity control. The size or square footage shall be appropriate for the student body, number of volumes in the collection, and the type of instructional program emphasized by the college. Seating must be provided for at least 10 percent of the largest number of students on campus at any time. Space allocated for book and periodical shelving must be sufficient for normal growth, as well as for the current collection. In addition, adequate space must be provided for staff, library services, and other instructional materials, which may require special facilities for safekeeping.

j. Equipment. If the institution maintains a physical library, furniture, computers, copy machines, audiovisual, digital and general equipment must be operational and in an adequate state of repair.

E. Standard 5 (Faculty and Other Personnel Qualifications). The education, experience, and other qualifications of directors, administrators, supervisors, and instructors must be such as may reasonably ensure that the students will receive, or will be reliably certified to have received, education of good quality and consistent with the stated objectives of any course or program of study, equivalent experience, or achievement test offered by the institution. [G.S. 116-159(5)]

1. Faculty. The institution must employ competent faculty members to accomplish the mission and goals of the institution and must give them
the central role in curriculum development and delivery. When determining acceptable qualifications of its faculty, an institution must give primary consideration to the highest earned degree in the discipline in accord with the guidelines listed below. The institution shall also consider competence, effectiveness, and capacity, including, as appropriate, undergraduate and graduate degrees, related work experiences in the field, professional licensure and certifications, honors and awards, continuous documented excellence in teaching, or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes. The institution is responsible for justifying and documenting the qualifications of its entire faculty, regardless of method of delivery or location. Electronically delivered courses must provide for meaningful and continuing interaction between faculty and among students.

2. Educational credentials.
   a. Faculty teaching in programs leading to an associate’s degree and non-degree programs offering credit towards a degree. Faculty teaching in an associate degree program or a non-degree program offering credit towards a degree must hold at least a master’s degree or the equivalent in the field of specialization in which they are teaching. Exceptions must be justified by special competence in their field of knowledge. A minimum of 18 graduate semester hours in the master’s degree must be in the discipline in which they are teaching, from a regionally accredited institution of higher education. Teaching disciplines are those considered appropriate for faculty teaching a subject area by discipline experts.
   b. Faculty teaching in a bachelor’s degree program. Faculty teaching in an institution offering a baccalaureate degree must hold at least a master’s degree or equivalent in the field of specialization in which they are teaching. A majority of the faculty must have satisfactorily completed work beyond the master’s degree in an accredited graduate school, and at least 25 percent of the course hours in each major must be taught by faculty who hold the doctorate or other terminal degree in the field of specialization from a regionally accredited institution of higher education.
   c. Faculty teaching in programs granting graduate degrees. Faculty teaching in programs granting graduate degrees must hold the doctorate or other terminal degree in the teaching discipline or related field.
   d. Faculty teaching in first professional degree programs. Faculty teaching in first professional degree programs must meet recognized standards in their fields.
   e. Graduate teaching assistants. For baccalaureate instruction, graduate teaching assistants (applicable to graduate degree or professional degree granting institutions) must hold a masters in the teaching field or 18 graduate semester hours in the teaching discipline. Graduate assistants must be directly supervised by a faculty member experienced in the teaching discipline with regular in-service training and planned and periodic evaluations.
   f. Size. The faculty must be sufficient in number, and the proportion of part-time members and the student-teacher ratio must be such as to assure the effectiveness of the educational program, including counseling and advising of students. The faculty must be representative of the principal areas of instruction offered by the institution and have a composition relevant to the number and nature of the courses taught. Further, the faculty should consist of full-time, paid appointments sufficient to insure continuity and stability of the educational programs and to provide adequate educational association between students and faculty. In no instance may the faculty number fewer than four full-time, paid members.
   g. Definition of responsibilities. Faculty responsibilities must be defined in writing in terms of hours taught, course development and research required, number of students, level of instruction, research expected, administrative duties, student advising, committee assignments, counseling assignments, and other expectations.
   h. Faculty development. The institution must provide evidence of ongoing professional development of faculty. Faculty individually must engage in continuing professional study or research appropriate to their responsibilities. Provision must be made for attendance at professional meetings and periodic study leaves to encourage continued competence, effectiveness, and productivity. Faculty teaching via an electronic system must be provided appropriate training, support services, equipment, software and communications for interaction with students, faculty, and other institutional personnel.
   i. Appointment. Faculty must be appointed by official action of the governing board of the institution upon recommendation by its chief executive officer. Notice of appointment must be in writing and must contain the conditions of employment and personnel policies with regard to academic freedom and economic security.
   j. Evaluation of faculty. The institution must evaluate annually the effectiveness of each faculty member in accord with published criteria, regardless of contractual or tenured status. These data must be available and used for faculty development and appointment decisions.
   k. Academic freedom. The institution must publish policies on academic freedom in a manner accessible to students, prospective students, and the public.
   l. Faculty involvement in decision-making. The institution must publish policies, in a manner accessible to students, prospective students, and the public, clearly defining the role of the faculty in decision making in the hiring of other faculty, curriculum development, evaluation of faculty, and the hiring and evaluation of administrative staff.
   m. Stability. The faculty conducting classes in upper-division courses must be stable. The institution must provide a roster evidencing such stability in its initial application and in each annual report. The institution must induce such stability with adequate salaries, fringe benefits, desirable working conditions, and tenure status as appropriate.

3. Administration. The chief executive and administrative officers should ordinarily hold at least a master’s degree. The chief academic officer and academic officers (e.g., deans, department chairpersons) should ordinarily also hold a minimum of a master’s degree. Exceptions should be justified by special competence or experience in their areas of responsibility and must be documented in personnel files. For baccalaureate or higher-degree granting institutions, a terminal degree will ordinarily be required for academic officers.

F. Standard 6 (Catalog). The institution must provide students and other interested persons with a catalog or brochure containing information describing the substance, objectives, and duration of the study, equivalent experience, and achievement testing offered; a schedule of related tuition, fees, and all other necessary charges and expenses; cancellation and refund policies; and such other material facts concerning the institution and the program or course of study, equivalent experience, and achievement testing as are reasonably likely to affect the decision of the student to enroll therein, together with any other disclosures that may be specified by the Board. Such information is provided to prospective students prior to enrollment. [G.S. 116-15(f)(6)] The catalog shall also include a description of the faculty and their qualifications, a description of the institution’s policies, and the courses, standards in their fields, and the public.

The catalog shall clearly indicate the specific beginning and ending dates defining the time period covered by the catalog. The catalog shall provide a statement in its catalog of the transferability of its courses and degrees to other academic institutions that are regionally accredited. The institution shall update its catalog at least biennially. That catalog may be in electronic or hard copy form. The catalog, if or if the catalog is electronic, notification of where it may be accessed online, must be provided to students and prospective students prior to enrollment. *Prior to enrollment* as used herein shall mean at least five days prior to the institution receiving any money from the student or prospective student that is not fully refundable. The catalog must contain statements with respect to the following: the mission of the institution, ownership and control of the institution, name, title, and office location of officer responsible for receiving students who wish to file complaints and to seek redress, contact information for North Carolina Postsecondary Education Complaints, location and accessibility of Guaranty Bond (for prepaid tuition held) for review by anyone wishing to see it, location, telephone number, electronic mail and web address of the principal office of the corporation directly owning the institution and of the institution offering the degrees. Availability of health care services and degree of responsibility of the institution for providing such services, the institution’s cancellation and refund policy, and a full description of job placement
assistance provided to students and former students. In the case of courses delivered electronically, catalogs or brochures must provide students with clear and complete information on the nature of faculty/student interaction, prerequisite technology competencies and skills, technical equipment requirements, and availability of academic support services.

G. Standard 7 (Program Completion Credentials). Upon satisfactory completion of study, equivalent experience, or achievement test, the student must be given appropriate educational credentials by the institution, indicating that the relevant study, equivalent experience, or achievement testing has been satisfactorily completed by the student. [S. 116-15(f)(7)] The institution must employ sound and acceptable practices for determining the amount and level of credit awarded for courses, regardless of format or mode of delivery. The institution must have a defined and published policy for evaluating, awarding and accepting credit for transfer, experiential learning, advanced placement, and equivalent experiences that is consistent with its mission and ensures that course work and learning outcomes are at the appropriate postsecondary level. The institution assumes responsibility for the academic quality of any course work or credit recorded on the institution’s transcript.

H. Standard 8 (Student Records). The institution must maintain records that are adequate to reflect the application of relevant performance or grading standards to each enrolled student. [G.S. 116-15(f)(8)] The institution must protect the security, confidentiality, and integrity of its student records. The institution shall maintain student records for each student, whether or not the student completes the educational program.

1. Content of records. Records must show attendance, progress, and grades of each enrolled student.
2. Purpose of records. Adequate student records must be maintained by the institution to substantiate student attendance, academic progress, grades earned, and to provide evidence that satisfactory standards are enforced relative to attendance, progress, and performance.
3. Disposition of records. The institution must ensure that student records are provided to the North Carolina State Archives in the event that the institution discontinues operations. In the case of an institution having more than one campus, the institution shall transfer a copy of closing campus’s student records, including without limitation each student’s transcript, regardless of whether the entire institution is closing. Records must be transmitted in a form acceptable to the North Carolina State Archives.

I. Standard 8B (Student Services). The institution must provide adequate services for students in addition to formal instructional experiences of the classroom and laboratory. These services normally include admissions, orientation, counseling and guidance, academic advising, financial assistance, health care, job placement, student records, and extracurricular activities. Student services must support the institution’s mission, and must be evaluated annually. Sufficient qualified personnel must be employed to ensure the quality and effectiveness of all services for students.

Consistent with its mission, the institution must provide student support programs, services, and activities that promote student learning and enhance the development of its students.

1. Admissions. The institution must have a clearly stated admissions policy. High school graduation or an equivalent credential should ordinarily be required to matriculate. A bachelor’s degree or demonstrable equivalent must be required for admission into graduate or professional degree programs. Admission is determined by the readiness and ability of a student to gain knowledge from the instructional offerings.
2. Counseling and guidance. Appropriate counseling and guidance services must be available to students. An advisor must be assigned to assist each student in program planning, course selection, and other academic matters. Special care must be exercised to maintain and protect confidentiality of counseling records.
3. Health care services. Suitable health care services must be readily available in or near the institution. The character of these services and degree of institutional responsibility must be stated in the catalog and other appropriate literature.
4. Outcome data. Institutions shall provide graduation and retention data to students, prospective students, and the University of North Carolina System Office (UNC System Office) upon request, along with the methodology used to calculate that graduation and retention data. If the institution calculates job placement data for any purpose, that data must be provided to students, prospective students, and the UNC System Office upon request. Institutions must maintain records sufficient to verify graduation, retention, and job placement data which is reported to students, prospective students, and the UNC System Office on a student-by-student basis.

J. Standard 9 (Compliance with Ordinances and Laws). The institution must be maintained and operated in compliance with all pertinent ordinances and laws, including rules and regulations adopted pursuant thereto, relative to the safety and health of all persons upon the premises of the institution. [G.S. 116-15(f)(9)]

K. Standard 10 (Finance and Organization). The institution must be financially sound and capable of fulfilling its commitments to students. [G.S. 116-15(f)(10)]

1. Finances. The institution must possess and maintain adequate financial resources to sustain its mission and purpose.

a. Stability. Financial resources should be characterized by stability that indicates the institution is capable of maintaining operational continuity for an extended period of time. The minimum “extended period of time” is one and one-half times the duration of the longest postsecondary degree program offered.

b. Adequacy. Average annual expenditures per student for educational programs; average annual income per student from educational activities; the ratio of net profit, adjusted, to debt service costs (i.e., the formula components are annual net profit plus interest on debt plus expenses not requiring an outlay of funds, such as depreciation, divided by debt service costs, consisting primarily of payments on principal and interest); and all financial policies, procedures, and practices must be in keeping with industry standards and reasonably likely to produce an education of good quality for students.

c. Plan for financial development. A coordinated, comprehensive, flexible financial plan (budget) for long-range management of the institution must be maintained.

d. Financial records and audit report. The institution’s recent financial history must demonstrate financial stability. The institution shall present documents consistent with generally accepted accounting standards reflecting its financial condition during the application process and yearly, thereafter, in the reporting process. The institution must maintain adequate and sufficient financial records, and its financial statements must be audited annually by an independent certified public accountant (CPA) according to generally accepted auditing standards. The independent certified public accountant must render an unqualified opinion as to the fairness of presentation of financial statements and as to their conformity with generally accepted accounting principles.

e. Insurance. Adequate casualty and liability insurance must be maintained to protect the institution’s financial interests.

f. Bonding. A tuition guaranty bond, or equivalent, of not less than $10,000 and at least equal to or higher than the maximum amount of prepaid tuition held (i.e., unaired tuition held) existing at any time during the most recent fiscal year must be maintained. The bond must secure the institution’s compliance with G.S. 116-15 and Section 400.1 of the UNC Policy Manual. The bond must be required to matriculate. A bachelor’s degree or demonstrable equivalent must be required for admission into graduate or professional degree programs. Admission is determined by the readiness and ability of a student to gain knowledge from the instructional offerings.

The institution must maintain student records for each student, whether or not the student completes the educational program.

2. Organization. The institution must be organized to provide efficient and effective administrative, program, and resource support for
attainment of its mission and purpose. The institution should demonstrate that there is an ongoing planning and evaluation process that guides its decision-making and actions. The institution shall demonstrate that it engages in continuous planning, evaluation, and improvement. The institution must be able to demonstrate that it accomplishes its mission by presenting student data, faculty data, employment data, and other evaluative data consistent with an appropriate standard.

a. Mission statement. Institutions must have a mission statement. This statement, comprising the philosophy and objectives of the institution, should include definitions of the educational climate to be maintained, the character of education that students are expected to possess upon graduation, the occupational and other outcomes expected from available programs, and characteristics of attained individual growth. The statement should be operationally effective and should be periodically reviewed for possible improvement and restatement. An interval of five years is suggested as a maximum period between reviews. The statement should describe both the concept and practice of the institution. The institution must be prepared to present evidence that the various elements of its operation (e.g., faculty work, educational program, student life, finances, physical facilities, organization, and administration) are designed to support the stated mission. The mission statement must be published in a manner accessible to students, prospective students, and the public.

b. Governance. The institution should operate under control of a governing board. The board should be responsible for formulation of institutional policy, including policies concerning related and affiliated corporate entities and all auxiliary service(s), selection and evaluation of a chief executive officer, appointment of subordinate staff and professional personnel, fiscal stability of the institution, the institutional mission, development and maintenance of bylaws consistent with the institution’s mission and specifying the number, manner of appointment, and terms of officers and members of the board; frequency of minimum meetings per annum; format of official minutes of board meetings; and all matters related to duties, responsibilities, and procedures of the governing board and its members. If the governing board delegates any of its policymaking or other powers, duties, or responsibilities to other parties, such delegations must be approved by a majority of the membership of the board, be in writing, be recorded in the minutes, and not compromise the institution's present or future financial stability and/or capability of fulfilling commitments to students.

c. Management. The institution shall have a governing board with specific policy-making authority over the institution. There must be a clear and apparent distinction, in writing and practice, between the policy-making functions of the governing board and the responsibility of the administration and faculty to administer and implement policy. The institution shall have a chief executive officer whose primary responsibility is to the institution and who is not the presiding officer of the board. The governing board shall have a policy and a process to monitor conflicts of interest. Business and financial management must be centralized and administered in a sound and cost-controlled manner and supervised by a designated and qualified business officer within the administration. If the board hires a chief financial officer, the chief financial officer shall be accountable to the chief executive officer and responsible only to the chief executive officer.

d. Administration. Administrative responsibilities and concurrent authority must be clearly stated in writing. Organizational charts showing lines of authority and relationships among component units, positions, and personnel must be communicated and continuously update. The role of each group comprising an institution (i.e., governing board, administrators, faculty, students) and the nature and extent of the involvement of each group in resolution of issues and determination of the policies must be available in writing for distribution to all constituent groups. The institution must substantively follow all of its internal policies and procedures.

L. Standard 11 (Business Practices). The institution, through itself or those with whom it may contract, must not engage in promotion, sales, collection, credit, or other practices of any type which are false, deceptive, misleading, or unfair. [G.S. 116-15(f)(11)]

M. Standard 12 (Professional Conduct). The chief executive officer, trustees, directors, owners, administrators, supervisors, staff, instructors, and employees of the institution must not have a record of unprofessional conduct or incompetence that would reasonably call into question the overall quality of the institution. [G.S. 116-15(f)(12)]

N. Standard 13 (Student Housing). Any student housing owned and maintained or approved by the institution, if any, must be appropriate, safe, and adequate. [G.S. 116-15(f)(13)] All federal, state, and local laws and regulations must be complied with respect to the safety and health of occupants and students to student housing.

O. Standard 14 (Cancellation and Refund Policy). The institution must have a fair and equitable cancellation and refund policy. [G.S. 116-15(f)(14)] The institution must have and maintain a fair and equitable cancellation and refund policy which applies equally to all students. Such policy must be published in a manner accessible to students, prospective students, and the public.

P. Standard 15 (Institutional Agent). No person or agency with whom the institution contracts may have a record of unprofessional conduct, or incompetence that would reasonably call into question the overall quality of the institution. [G.S. 116-15(f)(15)] Appropriate information must be readily available for review concerning any person or agency with whom the institution contracts for academic or support services.

V. License and Interim Permit. To be issued a license, the institution shall satisfy the Board that standards enumerated in section I, above, are met. An institution which meets standards for licensure except for having conducted postsecondary degree activity for at least two years immediately prior to submitting an application for licensure may be granted an interim permit to conduct postsecondary degree activity if the institution can demonstrate a quality of stability, experience, reputation, and performance which two years of operation would normally denote. Before the end of the period of the interim permit, the institution will be re-evaluated to determine if it qualifies for a license. Procedural regulations regarding licenses and interim permits, including without limitation rules regarding reviewing, revoking, suspending, and modifying licenses and interim permits, shall be promulgated by the UNC System Office. These procedural regulations may include regulations allowing the president or the president’s designee to grant licenses to be later ratified by the Board. Unless issued a license or interim permit, or declared exempt from licensure, postsecondary degree activity may not be undertaken in North Carolina by nonpublic institutions.

VI. Enforcement. The UNC System Office shall call to the attention of the Attorney General, for such action as the Attorney General may deem appropriate, any institution failing to comply with these requirements for licensure.

VII. Licensure Fees. All institutions applying for or receiving licensure to conduct educational activities in North Carolina must pay licensing fees and annual fees as set by the UNC System Office.

VIII. 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 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 from time to time by the president.

* Supersedes Section 400.4.1, originally entitled, “Policy on Licensing Nonpublic Institutions to Conduct Postsecondary Degree Activity in North Carolina,” adopted February 8, 1974, and last amended May 27, 2016.

400.4.1: Adopted 02/08/74, Amended 02/13/76, Amended 09/13/85, Amended 01/09/98, Amended 11/11/04, Amended 05/27/16, Amended 03/23/18

400.4.1.1[R]
of-State and Nonpublic Institutions

I. Purpose. Pursuant to N.C. Gen. Stat. § 116-15(g) (hereinafter G.S.), and Section 400.4.3[R], VB., subsections 3., and 4., of the UNC Policy Manual, the University of North Carolina System Office (UNC System Office) staff will review the license of an institution when the institution is legally reconstituted and when a preponderance of all of the assets of the institution changes pursuant to a single transaction or a recognizable sequence of transactions or agreements.

II. Definitions

A. "Change in ownership," as used herein, means a change in the ownership of a preponderance of an institution’s or corporate parent’s assets pursuant to a single transaction or a recognizable sequence of transactions or agreements. Change of ownership does not include:
1. A transfer of the entire portion of a natural person’s ownership interest to that person’s parent, stepparent, sibling, stepsibling, spouse, child or stepchild, grandchild or step-grandchild; spouse’s parent or stepparent, spouse’s sibling or step-sibling, spouse’s child or stepchild, spouse’s grandchild or step-grandchild; child’s spouse, and sibling’s spouse; or
2. A transfer of the entire portion of a natural person’s ownership interest, upon the retirement or death of that person, to a natural person with a pre-existing ownership interest in the school who has been involved in management of the school for at least two years preceding the transfer, and who has established and retained the pre-existing ownership interest for at least two years prior to the transfer.

B. "Legal reconstitution" means a change in the corporate form of the institution or its corporate parent, including a change from a for-profit to a nonprofit corporation or from a nonprofit to a for-profit corporation.

C. "Preponderance of the Assets" means:
1. Greater than 50 percent of the ownership interest of an institution or its corporate parent; or
2. Assets worth greater than 50 percent of the institution’s or corporate parent’s fair market value.

III. UNC System Office Staff Response. Upon notification from the institution, UNC System Office staff will timely respond with initial inquiries to determine the size and scope of the required review. Staff will consider, among other factors, the proposed purchaser’s projected changes to the institution in determining the review’s scope. Upon completion of the review of licensure, staff will notify the parties to the transaction.

IV. Relationship of Change in Ownership reviews to Applications for New Licensure. A change in ownership which results in an already authorized institution becoming a branch campus of an unauthorized institution ordinarily requires the unauthorized institution to become authorized to conduct postsecondary degree granting activity in North Carolina. As long as the new branch campus remains otherwise authorized, it may continue to conduct postsecondary degree granting activity pending adjudication of the unauthorized parent institution’s application to become authorized. UNC System Office staff determines whether the change in ownership will cause an already authorized institution will become a branch campus of an unauthorized institution. In making that determination, staff may consider whether the authorized institution will be considered a branch campus for accreditation or Federal Student Aid purposes.

V. 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.

400.4.1.2[R]: Adopted 04/05/18

400.4.1.3[R] Regulation on Procedures for Licensure

I. Purpose. The purpose of this regulation is to set forth the procedures the University of North Carolina System Office (UNC System Office) will implement regarding the application for licensure, review of licensure, and modification and revocation of licensure of institutions conducting postsecondary degree activity in North Carolina pursuant to N.C. Gen. Stat. § 116-15 (hereinafter G.S.).

II. Definitions. This regulation incorporates those definitions found in G.S. 116-15 and in Section 400.4.1 of the UNC Policy Manual.

III. General Provisions

A. Except as provided in subsection B., of this section, before a private institution or its agent undertakes postsecondary degree activity in North Carolina, the institution or its agent must be licensed in accordance with this regulation or declared exempt from licensure in accordance with G.S. 116-15(c), (d), or (e).

B. An institution may advertise postsecondary degree activity that is not yet licensed if all of the following conditions are met:
1. An application for licensure made in accordance with this regulation for the postsecondary degree activity has been received by the UNC System Office, and the UNC System Office has acknowledged receipt of that application.
2. The advertisement contains a disclaimer stating that the institution has an application for licensure of the postsecondary degree activity pending before the University of North Carolina Board of Governors and that licensure is required prior to the start date of the postsecondary degree activity.
3. Such other conditions as the UNC System Office may for good cause require, including the prohibition of advertising prior to licensure.

C. An institution may not receive funds that are not fully refundable from students or prospective students for enrollment in an unlicensed postsecondary degree activity. If the postsecondary degree activity is not licensed by the projected start date, funds received from students or prospective students for enrollment in the postsecondary degree activity must be refunded within ten business days of the projected start date. If the institution withdraws its application for licensure, funds received from students or prospective students for enrollment in the postsecondary degree activity must be refunded within ten business days of that withdrawal.

D. Licensure authorizes an institution to conduct postsecondary degree activity only as specified by the Board of Governors.

IV. Interim Permit. An institution wishing to conduct one or more postsecondary degree activities in North Carolina which meet the standards for licensure set out in Section 400.4.1 of the UNC Policy Manual (except for the requirement regarding the length of time the institution has been in operation), may be granted an interim permit to conduct postsecondary degree activity if the institution can demonstrate a quality of stability, experience, reputation, and performance which two years of operation would normally denote. An interim permit will be issued contingent upon those conditions that the Board imposes. Except as set forth in this subsection, the procedures for issuing, modifying, and revoking an interim permit are the same as those set out in section V., below, of this regulation.

V. Procedures for Licensure. Institutions applying for licensure to conduct a postsecondary degree activity or activities shall follow the following steps:
A. Preliminary Conference. The institution seeking licensure shall contact the UNC System Office and arrange for a preliminary conference to discuss
the standards and procedures for applying for licensure. The preliminary conference shall occur in a time, place, and manner prescribed by the University of North Carolina System.

B. Application for Licensure. Following the preliminary conference, the institution shall submit a formal application that demonstrates the proposed postsecondary degree activity will be in compliance with each standard enumerated in G.S. 116-15(f) and Section 400.4.1. The application must also contain a letter stating the intent of the institution to apply for licensure. This letter must describe the mission of the institution, the proposed postsecondary degree activity submitted for approval, and projected enrollment. The application shall be made in the manner prescribed by the UNC System Office. Fees for applications will be set by the UNC System Office.

C. Site Visit
1. If the application indicates that the proposed postsecondary activity is reasonably likely to meet the standards enumerated in G.S. 116-15(f) and Section 400.4.1 of the UNC Policy Manual, and if appropriate in accordance with this subsection, the UNC System Office may arrange with the institution for a visit by a team of examiners to the campus and, if needed, other sites hosting the proposed postsecondary degree activity. The purpose of the visit is to confirm documentation submitted by the institution evidencing compliance with standards of good quality education and to confirm whether the institution meets the other requirements established by the Board. The team of examiners shall be composed of at least one officer of the UNC System Office, faculty members with the appropriate levels and fields of education, and other persons necessary for a sound examination. The team of examiners shall be appointed by the president of the University of North Carolina, or the president’s designee, and selected based on their expertise in specific fields related to the licensure proposal. One member of the examining committee shall be appointed chair, with responsibility for leading the examination and preparing the team’s report and recommendations.
2. Applications for licensure to conduct postsecondary activity submitted by institutions which have not been previously licensed to conduct postsecondary activity require a site visit. Applications for licensure to conduct postsecondary activity submitted by institutions which have been previously licensed to conduct other postsecondary activity will ordinarily require a site visit when the field of study is a significant departure from previously licensed activity; when the proposed postsecondary activity is a different degree level than was previously licensed; when the proposed postsecondary degree activity relies on labs or other physical facilities which have not been previously reviewed or which will now be used in a substantially different way; and in accordance with 400.1.1(R) of the UNC Policy Manual, governing new sites and campuses in North Carolina. The UNC System Office may for good cause require a site visit for any proposed postsecondary activity. When the UNC System Office does not require a site visit, the proposed postsecondary activity will ordinarily be reviewed by a team of examiners remotely. Costs and honoraria for a site visits and other reviews of proposed postsecondary activity are borne by the institution. Such costs and honoraria will be set by the UNC System Office.

D. Report of Team of Examiners, Staff Report, Institutional Response, and Board Action
1. Following the site visit or other review of the proposed postsecondary activity, the team of examiners shall prepare a report and a statement of recommendations (which may include the team report/documents). The team of examiners shall submit the report and statement of recommendations to the president of the University of North Carolina or the president’s designee within thirty days, or as soon as possible after completion of the examination. All recommendations are advisory to the UNC System Office. The statement of recommendations accompanying the team of examiners’ report should contain one of the following as concluding advice:
   a. That the institution be issued a license;
   b. That the institution be issued a license subject to specified conditions; or
   c. That the institution be denied a license.

   Prior to any action by the Board, the institution shall be provided the report and have the opportunity to respond to it in writing (the institutional response).
2. The UNC System Office shall review the team report and any institutional response and submit a report to the president or the president’s designee (the staff report). After reviewing the team report, the institutional response, and the staff report, and after making any revisions to the staff report, the president or designee shall place the application for licensure on the Board’s agenda and inform the institution of the date on which the application will be considered by the Board. The staff report will be included in the Board’s materials for that meeting.
3. At the request of the institution, the team report and the institutional response shall be provided to the Board for consideration prior to the Board taking action on the application. An institution requesting that the team report and the institutional response be provided to the Board shall make such request to the UNC System Office in writing not less than 30 days prior to the date on which the Board will consider the application.
4. The Board’s action is the final administrative action with respect to an application for licensure.

E. Procedure for Modification and Revocation of Licensure
1. The Board may modify or revoke a license or interim permit as provided herein. Modification of a license or interim permit may include imposing conditions on the license or interim permit or imposing an expiration date on a license or interim permit.
2. Modification or revocation of a license or interim permit may be based on a failure on the institution’s part to maintain one or more of the standards enumerated in G.S. 116-15(f) and Section 400.4.1 of the UNC Policy Manual, or on the institution or any of its agents making a material misrepresentation to the Board, UNC System Office, or to students or prospective students.
3. When the president or designee determines that an institution has failed to maintain one or more of the standards or has made a material misrepresentation as described herein, the president or designee shall prepare a report for the Board detailing the basis for the revocation or modification and recommending the action to be taken (the violation report). The violation report will be served on the institution by United States mail to the address last provided by the institution on its annual report. The institution shall have 33 days from the mailing of the violation report to respond in writing, which time may be extended by the president or designee for good cause shown.
4. The violation report and the institution’s response, if any, shall be provided to the Board for action, if the Board deems action appropriate. Notwithstanding the existence of a violation, the Board may allow an institution to remain licensed if the institution is deemed by the Board to be making substantial and expeditious progress towards remedying its licensure deficiencies.

The Board’s action, if any, is the final administrative action with respect to modifications and revocations of licensure.

VI. Annual Reports and Review of Licensure
A. Licensure of any licensed postsecondary degree activity shall be subject at any time to review by the Board to determine whether the postsecondary degree activity continues to meet standards for licensure. In the discretion of the Board, review of licensure may necessitate use of a team of examiners. Costs and honoraria of teams of examiners conducting reviews is borne by the institution and set by the UNC System Office.

B. Review of licensure of all of an institution’s postsecondary degree activity conducted in North Carolina shall occur when:
1. Two years have elapsed since the Board first licensed the institution to conduct any postsecondary degree activity (the two-year review).
2. Subsequent to the two-year review, six years have elapsed, and again every six years subsequently, if the institution is accredited by an accreditor recognized by the Council for Higher Education Accreditation if the institution is not so accredited, then review of licensure shall occur every two years.
3. The institution is legally reconstituted.
4. Ownership of a preponderance of all the assets of the institution changes pursuant to a single transaction or agreement or a recognizable sequence of transactions or agreements.
5. The institution proposes to open a new campus or site, except that the UNC System Office may in its discretion elect to review only the postsecondary degree activity which the institution proposes to offer at the new campus or site.

C. Institutions offering licensed postsecondary degree activity shall file annual reports with the UNC System Office in a form and manner prescribed by the UNC System Office. Annual reports shall provide evidence of the institution’s continued compliance with the standards set forth in G.S. 116-158f and Policy 400.4.1. Annual fees for postsecondary degree activity shall be set by the UNC System Office.

VII. Notifications from Licensed Institutions. Institutions which are licensed to conduct postsecondary activity shall provide notice to the UNC System Office in the form prescribed by the UNC System Office upon the occurrence of any of the following:

A. If the institution or any of its programs are accredited, any change in status to any such accreditation, including being placed on warning or probation;
B. If the institution or any of its programs are accredited, upon notification that any such accreditation is being reviewed, including regularly scheduled reviews;
C. The filing of any petition or application by the institution to become accredited by an accrediting body;
D. If the institution participates in Federal Student Aid (FSA) funding pursuant to Title IV of the Higher Education Act of 1965, as amended (Title IV), upon:
   1. Notification that FSA is seeking to limit, suspend, terminate, or fine the institution, pursuant to 34 C.F.R. 668 Subpart G;
   2. Notification that FSA is seeking an emergency action against the institution;
   3. Notification that the Department of Education’s Office of the Inspector General is auditing the institution;
   4. Any change in the status or terms of the institution’s Program Participation Agreement (PPA), including the PPA’s expiration or the issuance of a provisional PPA;
   5. The institution applying for recertification of its PPA and the Department of Education’s determination whether the institution will be recertified or not;
   6. If the institution is required to report to the Department of Education the proportion of its revenue which is derived from sources authorized by Title IV, upon a determination made by the institution or by the Department of Education, or any of its offices or components, that the institution has derived more than 90 percent of its revenue from sources authorized by Title IV for any year;
   7. The institution posting a letter of credit or increasing an existing letter of credit, or the Department of Education demanding that the institution does so;
   8. The institution being placed on any heightened cash-monitoring method of payment from FSA; or
   9. A determination made by the institution or by the Department of Education, or any of its offices or components, that the institution’s financial responsibility composite score is 1.5 or below.

E. The institution or its corporate parent learning that a governmental entity has begun a criminal, civil, or administrative investigation of the institution or any person or entity with an ownership interest in the institution;
F. In any audit conducted on the institution or corporate parent, including without limitation a yearly audit conducted to meet FSA requirements, the opinion expressed by the auditor is adverse, qualified, or disclaimed, or the auditor expresses doubt about the continued existence of the institution or corporate parent as a going concern;
G. The filing of any lawsuit, including a counterclaim or cross claim, against the institution, including any petition for bankruptcy of the institution or corporate parent;
H. Any loss of authorization to operate in another state, or a postsecondary education licensor of another state putting the institution on probation, warning, or a similar status;
I. Any substantive change in a licensed program. If the institution is accredited and the institution’s accreditor has a substantive change policy, the term “substantive change” as used herein shall include all circumstances considered by the institution’s accreditor to be a substantive change. “Substantive change” as used herein shall also include a change in the delivery method of more than one-fourth of the courses constituting a licensed program; or
J. The institution undergoes a change in ownership, as described in section 400.4.2(R) of the UNC Policy Manual. Notification of a change in ownership should be made not less than 90 days prior to the projected closing date of the change in ownership.

VIII. Delegation to the President. If the staff report is complete pursuant to section V.D.2., above, an institution which seeks to begin postsecondary degree activity prior to the next regularly scheduled meeting of the Board may be issued a license by the president or designee. The issuance of such a license is committed to the discretion of the president or designee and should ordinarily occur upon a showing of hardship to the institution, students, or prospective students. In order for such a license to remain in effect past the next regularly scheduled meeting of the Board, the Board must ratify the issuance of the license at its next regularly scheduled meeting.

IX. End of License
A. A license issued under this regulation continues in effect except as provided in this subsection.
B. A license or interim permit to conduct postsecondary activity ends when:
   A. It is revoked as provided herein; or
   B. The licensed or permitted postsecondary degree activity ceases to have any students enrolled, except that the license or interim permit may be continued in the discretion of the president or the president’s designee for good cause shown; or
   C. The institution fails to file a complete annual report in the form and manner prescribed by UNC System Office, or pay its assessed annual fee, by December 31st of a given year, except that the license or interim permit may be continued in the discretion of the president or the president’s designee for good cause shown; or
   D. If the institution was issued a license or interim permit subject to specified conditions, or its license was modified pursuant to section V.E., above, to include specified conditions (which conditions may include an expiration date), when the Board determines that the institution has failed to meet those conditions or that expiration date is reached; or
   E. The Board fails to ratify the president’s issuing of a license or interim permit at the next regularly scheduled meeting of the Board occurring after the president issues a license pursuant to section VIII., above, of this regulation.

X. 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, any statutory enactments, regulations, and policies which may govern or relate to the subject matter of this regulation.

400.4.1.3(R): Adopted 04/05/18, Technical Correction 03/08/19

400.4.2 Policy of the Board of Governors of the University of North Carolina with Respect to Exemption from Licensure under N.C. Gen. Stat. § 116-15 of Religious Education

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I. Purpose. The purpose of this policy is to implement N.C. Gen. Stat. § 116-15(d) (hereinafter G.S.).

II. Delegation. It shall be the responsibility of the president to apply the provisions of G.S. 116-15 and relevant policies and procedures of the Board of Governors, including these policies, to any application for exemption pursuant to G.S. 116-15(d) from licensure to undertake postsecondary degree activity with reference to religious education and in each case to determine the propriety of such exemption, and to assess reasonable fees for evaluating initial applications and conducting subsequent reviews regarding such exemption.

III. Definitions
   A. The definitions set forth in G.S. 116-15(a2) are hereby incorporated by reference into these policies.
   B. "Program of study" means each academic program offered by an institution and includes without limitation all majors, minors, concentrations, and degrees.

IV. Standards for Exemption. Exemption from licensure with respect to religious education under G.S. 116-15(d) shall rest upon one of the following:
   A. That the subject education constitutes postsecondary degree activity based upon a program of study, equivalent experience, or achievement testing the institutionally planned objective of which is the attainment of a degree in theology, divinity, or religious education;
   or
   B. That the subject education constitutes a program of study, equivalent experience, or achievement testing, other than that identified in paragraph A., above, that is designed by the offering institution primarily for career preparation in a religious vocation.

V. Extent of exemption. An institution shall be conferred exemption from licensure only with respect to each program of study, equivalent experience, or achievement test for which exemption is sought.

VI. Determination of Eligibility for Exemption. The president shall determine whether to confer exemption with respect to religious education as provided in G.S. 116-15 only upon the president's receipt from staff of a recommendation concerning exemption based upon the following:
   A. Staff summary of a site visit to the petitioning institution (if appropriate).
   B. Documents and information relevant to the qualifying nature of the petitioning institution and the subject curriculum, which shall include:
      1. If the institution is a business entity, the articles of incorporation or articles of organization of the institution, including all current amendments thereto.
      2. The title of each degree program for which exemption is sought.
      3. The educational credential proposed to be given by the institution upon satisfactory completion of each program of study, equivalent experience, or achievement test for which exemption is sought.
      4. The catalog statement and any other institutional statement (such as curriculum outline) for each program of study, equivalent experience, or achievement test for which exemption is sought.
      5. Those other documents that the president may determine are necessary to establish that the institution conforms to the standards for exemption set out in section IV., above.
   C. Assurances from the petitioning institution that it has conformed, or will conform, institutional literature and educational credentials to the conditions of licensure exemption pursuant to these policies, which shall include:
      1. Designating any degree program of study or academic credential for which exemption from licensure is to pertain by a title that clearly indicates its religious nature so that the institutional objective of the program for its use in attainment of a degree in theology, divinity, or religious education, or its institutional design primarily for career preparation in a religious vocation is apparent.
      2. Prominently displaying in relevant institutional publications a statement that the relevant degree program of study has been declared by the appropriate state authority exempt from the requirements for licensure, under provisions of G.S. 116-15(d), for exemption from licensure with respect to religious education.
      3. Prominently displaying in relevant institutional publications a statement that Exemption from licensure is not based upon assessment of program quality under established licensing standards.
   D. Duration of Exemption. At least annually, staff shall make inquiry of institutions conferred exemption with respect to religious education to ascertain the continuation of those bases upon which there was conferred exemption from licensure. An exemption shall continue unless suspended or revoked by the president following the president's consideration of a corresponding recommendation from staff. An exemption shall also end when the institution ceases to have students enrolled in the exempt program, except that in such case staff may continue the exemption for a reasonable period for good cause shown.
   E. Pursuit of Licensure. An institution shall seek licensure to conduct postsecondary activity with respect to any program of study, equivalent experience, or achievement test for which exemption from licensure has been denied for failure of the institution to satisfy these policies but which postsecondary the institution intends to offer.
   F. Violation of Conditions. If the president determines that an institution (1) has failed to seek and obtain licensure or exemption from licensure, as required by these policies; or (2) has failed to fulfill any obligation attendant to exemption from licensure under these policies, the president may suspend or revoke the exemption and shall request that the Attorney General of North Carolina take appropriate action against the offending institution.
   G. 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 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 from time to time by the president.

400.4.2: Adopted 08/11/95, Amended 09/12/97, Amended 03/23/18

400.4.3 Standards for Organized Service and Assistance to the Public Schools

Section 7 of House Bill 2335 adopted by the reconvened session of the General Assembly in 1990 provides that:

The Board of Governors of the University of North Carolina shall adopt standards to create and enhance an organized program of public service and technical assistance to the public schools. This program shall:

1. Provide systematic access for public schools to consultation and advice available from members of the faculties of the constituent institutions;
2. Facilitate and encourage research in the public schools and the application of the results of this research;
3. Link the education faculties of the constituent institutions with public school teachers and administrators through public service requirements for the education faculties; and
4. Create partnerships among all constituent institutions, their schools or departments of education, and the maximum number of public schools that could benefit from these partnerships.
The constituent institutions of the University of North Carolina shall provide service to the public schools in accordance with the mission of the University to address state needs through teaching, service and research. The University's commitment to students requires that teaching be the primary responsibility at all constituent institutions. Although the duties of individual faculty members vary from time to time, all are responsible for performance of service activities at a level which enables the institution to fulfill its teaching and research missions as well as its service mission.

To promote the efforts of the constituent institutions of the University in assisting public schools through appropriate service activities, the Board of Governors calls upon the constituent institutions offering programs for the preparation of school teachers and administrators to establish partnerships with public schools; and further, the board adopts the following standards:

Standard 1
Each constituent institution offering programs for the preparation of teachers and school administrators shall have a committee on public school services. The committee shall be named by the chancellor and it shall include at least two members of the education faculty, at least one member of the arts and sciences faculty, two school superintendents, and such other members as may be appropriate. The committee will advise the dean/chair of education on the fulfillment of service commitments including, but not limited to those described in the standards below.

Standard 2
Each school/department of education shall establish an office of school services to coordinate and encourage service to the public schools. The office will maintain an inventory of campus resources that could be of service to the public schools through technical assistance or research initiatives. The office will also disseminate to school districts information on campus resources; receive requests for assistance from school districts; and direct the requests to the appropriate campus resource.

Standard 3
Each school/department of education shall plan and implement annually a program for service to the public schools that describes the service to be rendered, identifies the faculty members who will be involved, and the sources of support for the program.

Standard 4
The University of North Carolina General Administration shall compile a directory of the offices of school services at the constituent institutions and provide the directory to all public school districts.

Standard 5
The chancellor shall report periodically to the University of North Carolina General Administration on the service and technical assistance provided to the public schools.

400.4.3: Adopted 04/12/91

400.5[R] Regulations on Planning, Establishing, and Reviewing Centers and Institutes in the University of North Carolina

I. Introduction, Purpose, and Definitions

The University of North Carolina (UNC) encourages partnerships within, across, and beyond its constituent institutions that maximize the capacities of the University and the constituent institutions to address complex problems of importance to North Carolina, the nation, and the world. Such partnerships may take the form of centers and institutes. Centers and institutes are particularly effective structures when efforts require cross-disciplinary or cross-unit coordination. Centers and institutes, when formed, should result in strengthened and enriched programs around the core missions of research, service, and instruction; enhanced opportunities for faculty, staff and students; heightened economic impact in the state; and a reduction in duplication within UNC.

A. Purpose. This regulation has three purposes:

1. Provide a framework upon which campuses should build detailed policies and protocols to guide the planning, establishment, management, and discontinuation of institutional centers and institutes (Section II);
2. Define University System Multi-Campus Centers or Institutes and the role of UNC General Administration (UNC-GA) in the management and oversight of them (Section III); and
3. Establish requirements for management oversight and reporting on centers and institutes (Section IV).

B. Definitions

1. "Center or Institute."For purposes of classification, there is no technical distinction between the terms center and institute. In practice, an institute frequently refers to an entity having a broader scope of activity than a center. For example, an institute may create centers as separate units within its administrative structure. Centers and institutes may require new infrastructures to facilitate administration, fiscal management, and on-going activities. Many centers and institutes report to or involve only a single UNC campus. Some involve more than one UNC campus and require significant, sustained, and necessary multi-campus collaboration in one or more aspects including leadership, governance, mission, core activities, funding, and other resources. A center or institute within UNC may, under appropriate circumstances, include the participation of other institutions, agencies, or organizations, such as other colleges and universities, schools, hospitals, industry, foundations, or governmental bodies. Centers and institutes do not have jurisdiction over academic curricula, although they may offer courses in cooperation with academic units.

2. "General Fund sources" means financial resources originating from the State's General Fund, including state appropriations and tuition receipts.

3. "Non-General Fund sources" means financial resources originating from sources other than the State's General Fund, including fee receipts, endowment income, institutional trust funds, and outside grants.

4. "In-Kind sources" means support that one or more constituent institutions provides to a center or institute in the form of space, services (including faculty course buyout), or use of equipment or other materials, and for which it does not receive cash payment.

5. "Political activity" means, as described in Section 300.1 of the UNC Policy Manual, 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.
The following regulations apply to each constituent institution that (1) serves as the administrative campus for a multi-campus center or institute, or (2) administers a center or institute that reports to only one UNC campus.

A. Authority. Campuses will adopt the following authoritative roles in their own policies and procedures.

1. Administrative campus. Each center or institute must designate an administrative campus. For centers and institutes situated on a single campus, this designation is straightforward. Full authority and responsibility for the oversight of institutional centers and institutes rests at the campus level, including establishment, management, and discontinuation. For centers and institutes involving more than one UNC constituent institution, agreement on an administrative campus must be reached. Administrative campuses are responsible for the general and fiscal oversight and management of their institutional centers and institutes, in accordance with this regulation and campus level policies and procedures.

2. Board of trustees. The board of trustees of each administrative campus has the authority to approve campus level policies on centers and institutes and to authorize establishment and discontinuation of institutional centers and institutes consistent with these regulations and the directions of the president or the Board of Governors. The board of trustees may delegate to the chancellor the authority to approve the establishment or discontinuation of institutional centers and institutes.

3. Chancellor. The chancellor of each administrative campus, as the executive and administrative head of the constituent institution, is responsible for the oversight and management of each center or institute situated at the campus. The chancellor is responsible for carrying out the requirements of the applicable policies of the Board of Governors and board of trustees with respect to centers and institutes, and for ensuring that all requirements of this regulation are implemented and followed.

4. Directors. Subject to the approval of the chancellor of the administrative campus, each center or institute must have a director, who shall report to a senior academic officer designated by the chancellor. Center and institute directors are responsible for the day-to-day programmatic, fiscal, and personnel decisions associated with the center and institute mission and core personnel.

5. Center or institute boards or committees. A chancellor of a constituent institution may determine that an advisory or policy board is needed for a particular center or institute. Boards or committees are particularly useful when the center or institute must coordinate efforts across departments, units, or institutions. Such boards do not have the authority to make hiring offers to directors or other staff. While boards may make recommendations regarding the use of center and institute funds, such entities do not have the authority to access, use, or otherwise control funds associated with the centers and institutes.

6. Authority through bylaws, memoranda of understanding, or other governing documents. Centers and institutes, particularly those requiring sustained involvement across multiple constituent institutions, may address certain aspects of their management through bylaws, memoranda of understanding (MOUs), or other governing documents, subject to the oversight and approval of the chancellor or the chancellor’s designee. Examples of decisions that may be localized at the center or institute level include processes for appointing and staggering terms of board members, requirements for adding new partners or partner campuses, or agreements on leadership and logistics for specified collaborative initiatives. Centers and institutes that involve multiple campuses, but without such documents, are considered under the full authority of the administrative campus as defined above, in Sections B.1.A., through B.1.A.2.

B. Planning. A planning period can serve many purposes for a conceptualized center or institute, including time to demonstrate the validity of the concept, define partner relationships and roles, or identify fiscal and other resources required for sustainability. Administrative campuses must have policies that address the following aspects of the planning of institutional centers and institutes:

1. Clear process for requesting authorization to plan a center or institute. Minimum required documentation should include:
   a. Relevance of the proposed center or institute to the mission of the administrative campus and UNC;
   b. Objectives of the proposed center or institute and why the objectives cannot be achieved within existing institutional or University structures, including individual schools, departments, and/or programs;
   c. Discussion of differentiation from similar centers, institutes, or units within the campus, UNC and the State, and proposed relationships with them;
   d. Potential sources and estimated funding to initiate and sustain the proposed center or institute, presented as a five-year projection, including the amounts of (1) General Fund support; (2) non-General Fund support; and (3) in kind support; and
   e. When relevant, statements on the inter-institutional nature of the proposed center or institute, whether it be mission, leadership, activities, funding, or other aspects.

2. Milestones, timelines, and responsible parties associated with center and institute planning periods.

3. Clear process for granting and notification of authorization to plan a center or institute, which shall require approval by the chancellor and a report to the board of trustees and the Office of Research and Graduate Education at UNC General Administration within 30 days of the chancellor’s approval, or by the next regular meeting of the board, whichever is later.

C. Establishment. When a center or institute approved for planning is ready and able to demonstrate its viability, a formal request for authorization to establish is prepared. Administrative campuses must have policies that address the following aspects of the establishment of institutional centers and institutes:

1. Clear process for requesting authorization to establish a center or institute. Minimum required documentation should include the items listed in the authorization to plan documentation (Section B., above) as well as:
   a. Name of the proposed center or institute, which appropriately reflects the center or institute mission and scope;
   b. Identification of the proposed center or institute as either a research, public service, or instructional unit, in accordance with its primary mission and core activities, with the understanding that the center or institute may also conduct complementary activities outside of its primary designated mission;
   c. Organizational structure of the proposed center or institute, including name of a proposed director, description of the membership and function of any proposed advisory or policy boards, and proposed responsibility structure;
   d. Statement on the anticipated effects of the proposed unit on the instructional, research and/or public service programs of the administrative campus; and, when inter-institutional arrangements are involved, a statement on the anticipated effects of the proposed collaboration on the instructional, research and/or public service programs of all participating campuses;
   e. Statement on immediate financial needs, including the amount of General Fund, non-General Fund, and in kind support that will be required;
   f. Statement on immediate operating needs, such as equipment, library resources, and space needs, and five-year projections of discontinuation of institutional centers and institutes;
   g. When relevant, evidence that inter-institutional arrangements regarding leadership, governance, activities, funding, or other aspects have been reached by the cooperating chancellor(s) or designees; and
   h. An accountability plan that complies with policy of the administrative campus, noting specific dates for the initial director and center reviews.

2. Milestones, timelines, and responsible parties associated with establishment; and
3. Clear process for granting and notification of the establishment of a center or institute, which includes approval by the chancellor and board of trustees and notification to the Office of Research and Graduate Education at UNC General Administration prior to establishment.

D. Management. The chancellor of each administrative campus will ensure that each active center and institute associated with the administrative campus undergoes a comprehensive review at least once every five (5) years to evaluate ongoing alignment with departmental, college and/or institutional missions and resources, success in accomplishing stated objectives, and sound fiscal status and practices. Administrative campuses must have policies that include the following aspects of the management of centers and institutes as part of the comprehensive review:

1. Process for director searches, including steps of the process, participants and responsible parties, and appropriate decision-making procedures;
2. Cycle(s) for annual and comprehensive reviews of center and institute activities, including designation of the responsible office or offices;
3. Evaluation criteria to include at a minimum:
   a. Performance against specific objectives and goals;
   b. Quality and quantity of scholarly activity (as appropriate per mission), teaching and other instructional activity (as appropriate per mission), and service (as appropriate per mission);
   c. Sufficient budget to continue operation, including the amount and proportion of funds received from General Fund and non-General Fund sources as well as in-kind support;
   d. Fiscal oversight;
   e. Analysis and assurance that the entity does not duplicate other institutional, UNC, or State entities;
   f. Analysis and consideration as to whether the entity’s work can be effectively accomplished by a single department or program; and
   g. Stakeholder feedback (stakeholder defined as appropriate per the unit’s mission).
4. Listing of other considerations, outside of the above performance review criteria, to be discussed during review periods, including facilities, personnel, or other operational needs;
5. Cycle(s) for reviews of center and institute directors, including designation of the office or offices responsible for conducting the review;
6. Criteria for director review, to include at a minimum:
   a. Performance against individual objectives and goals;
   b. Feedback on leadership and communication from center/institute staff, partners and/or clients; and
   c. Management of fiscal and human resources.
7. Standard practices and procedures for involving other UNC constituent institutions in review processes, when relevant;
8. Articulation of the type of unsatisfactory performance that could merit conditions for discontinuation of a center, institute, director, or others; and
9. Clear plans for occasions when centers, institutes or directors do not meet minimum review expectations, including process, milestones, and responsible parties.

E. Discontinuation

1. A center or institute may be discontinued for a variety of reasons, including but not limited to lack of fiscal resources for sustainability, termination of a supporting grant or award, lack of fit with departmental, college or institutional missions or objectives, or a change in institutional priorities.
   a. Campus level policies must provide a clear process for the discontinuation of centers and institutes, whether on probationary status, performing satisfactorily, or in other circumstances. For those entities that involve only a single campus, the campus-level process should include approval by the board of trustees and notification to the Office of Research and Graduate Education at UNC General Administration, prior to discontinuation. For those centers and institutes that require significant and sustained cooperation among more than one UNC constituent institution, campus level policies must provide for agreement to be reached and documented by the partner chancellors or designees before the discontinuation recommendation goes before the board of trustees at the administrative campus. If such an agreement cannot be reached by partner chancellors or designees, then UNC General Administration, through the Office of Research and Graduate Education, will convene partners and determine an acceptable solution.
   b. If the president or the Board of Governors determines that a center or institute should be considered for discontinuation, the president shall give written notice of that determination to the chancellor and chair of the board of trustees of the constituent institution functioning as the administrative campus, notifying them that they may request a hearing on the matter before the Committee on Educational Planning, Policies, and Programs by transmitting a written request for a hearing to the president within thirty (30) days after receipt of the president’s notice. The chancellor and board of trustees chair may bring to this hearing such administrative staff members and faculty members as they may deem useful in representing the institution. If the chancellor and board of trustees chair request a hearing, they shall, not later than two weeks prior to the hearing, file with the president a written statement of reasons why the center or institute should not be discontinued, together with such supporting data as they may wish to provide. After such hearing, the Committee shall recommend to the Board of Governors action that the Committee deems appropriate.

2. The "phase-out" period for centers and institutes that are to be discontinued shall be sufficient to permit an orderly termination or transfer of contractual obligations and to allow an effort to find alternative employment for full-time staff. Normally, the "phase-out" period shall be no more than one year after the end of the academic year in which final approval is given to discontinue the center or institute.

F. Other Entities. Other coordinating entities, such as partnerships, consortia, collaboratives, or centers that form within existing centers or single departments, may be considered exempt from these regulations. For example, faculty within a department may decide to form a collaborative in order to more intentionally connect their research projects and professional networks. While such a group may prove a valuable resource to external partners or other disciplinary contacts, it would likely require little to no structure, funds, or management to function. A final determination will be left to the discretion of each constituent institution as to whether such entities will be governed under institution level processes. Campuses should make appropriate provisions in their policies and procedures to ensure they remain knowledgeable of the existence and viability of such entities.

III. University System Multi-Campus Centers and Institutes

Some centers and institutes are established either to represent North Carolina in a federally funded and formula-based program, many of which require state matching funds, or through legislative action with requirements of multiple campus engagement. These entities, known as University System Multi-Campus Centers and Institutes, will maintain varying levels of involvement from UNC General Administration throughout their life cycle, as described below.

A. Participants in a Federal Program. Centers and institutes that are established via a federally funded and formula-based program must, with guidance from UNC General Administration, identify an administrative campus in UNC. The administrative campus will retain responsibility for general and fiscal oversight with exception of the budget expansion request process, in which UNC General Administration will assist. A reporting line to UNC General Administration through the UNC Office of Research and Graduate Education will be maintained throughout the existence of these centers and institutes to ensure appropriate system level involvement in the center mission and the federal review processes for these centers, institutes, and their directors. These entities shall reach agreements with their administrative campuses to have any regularly occurring and extensive federal review meet the requirement for periodic comprehensive review. A center or institute participating in a federally-funded
and formula-based matching program may be discontinued if the sponsoring unit of the federal government terminates funding for the program. Otherwise, when it becomes necessary for UNC to discontinue one of these centers or institutes, the chancellor of the administrative campus should, in consultation with the other participating constituent institutions, prepare and forward a written request to the UNC president, with copy to the vice president for research. The president will then make such recommendations as are necessary to the Board of Governors for approval of the discontinuation. The "phase out" period considerations noted in Section I.E., above, also apply to these centers and institutes.

B. Legislatively Sanctioned Multi-Campus Centers and Institutes. Centers and institutes that are established via legislative action of the North Carolina General Assembly and that require multiple campus engagement must, with guidance from UNC General Administration, identify an administrative campus in UNC. At the time of the enactment of the legislation, UNC General Administration will assist these entities and the administrative campus in the creation of planning, establishment, and other governing documentation (e.g., bylaws, memorandum of understanding). After these governing documents are effective, the entity will come fully under the auspices of the administrative campus for general and fiscal oversight. Discontinuation provisions should be noted in the governing documents and should involve the counsel of UNC General Administration in the discontinuation process, through the Office of Research and Graduate Education.

C. Other multi-campus centers and institutes. The provisions of this regulation are intended to enable campuses to effectively manage centers and institutes, whether institutional or involving multiple campuses. Inter-institutional centers and institutes are hence not singled out as exceptions, but their responsibilities and limitations are similar to those for the administrative campus in UNC. At the time of the enactment of the legislation, UNC General Administration will assist these entities and the chancellor of the administrative campus (or the chancellor’s designee(s)) as to all activities undertaken by the center or institute, including with respect to the use of funds, services, supplies, equipment, information technology resources, vehicles or other University property.

University employees assigned to centers and institutes are subject to UNC Policy Manual Section 300.5.1 concerning Political Activities of Employees, which includes prohibitions against engaging in political activity while on duty and the authority of one’s position or University or center or institute funds, services, supplies, equipment, information technology resources, vehicles or other resources for such activities, as described in the policy.

The Internal Revenue Code (IRC) limits the extent to which charitable organizations that are tax-exempt pursuant to Section 501(c)(3) of the IRC may engage in activities directed towards influencing legislation (lobbying), subject to applicable exceptions. The University and its constituent institutions are tax-exempt bodies pursuant to IRC Section 5115, IRC Section 501(c)(3), or both. The University and its constituent institutions are also covered by the Lobbying Disclosure Act of 1995, as amended by the Honest Leadership and Open Government Act, 2 U.S.C. § 1601 et seq. Regardless of the basis for the tax-exempt status of the administrative campus and its reporting requirement under the Lobbying Disclosure Act, each center or institute remains subject to the direction of its administrative campus when engaging in legislative (lobbying) activities, which shall be conducted in compliance with all State and federal laws, including regulations adopted by the U.S. Department of Treasury and the Internal Revenue Service. Each center or institute will be guided by the IRC Section 501(c)(3) limits on lobbying activities that would apply if it were an independent charitable organization described in IRC Section 501(c)(3).

The chancellor (or chancellor’s designee(s)) of each administrative campus is responsible for overseeing and exercising appropriate control over the activities of each center or institute, and for ensuring that the director and professional staff of each center or institute receive comprehensive annual training concerning Internal Revenue Code restrictions on political and legislative activities by section 501(c)(3) organizations covered by the Lobbying Disclosure Act.

400.6 Early College High Schools on UNC Campuses

Constituent institutions of the University of North Carolina may enter into a contract with one or more North Carolina school districts to establish an Early College High School. Such high schools will provide regular high school course work and when college readiness is demonstrated, college-level course work for the Early College High School student. Students enrolling in college-level course work will have a distinct classification as an Early College High School Student (ECHS) and will not be degree seeking students at the constituent institution. Upon completion of high school, such students may be admitted as regular degree seeking students subject to the University’s requirements for admission.

Students participating in an Early College High School will be identified and tracked in the University data system and will be placed in a unique category for Early High School students.

The president is authorized to establish regulations for the implementation of Early College High Schools at constituent institutions.

400.6: Adopted 01/13/06

400.6.1[R] Regulations for the Establishment of an Early College High School on UNC Campuses

This regulation confirms the required conditions and agreements that must be made prior to the establishment of an Early College High School program between constituent institutions of the University of North Carolina and local education agencies. The purpose of these regulations is to protect the interest of the students and ensure they have available to them all the services required of the appropriate education entity.

An agreement may be made between a local school district’s Board of Education and a constituent institution of the university (hereafter the University) only when each of the following elements is included in the agreement:

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400.7 Involvement of Centers and Institutes in Legal Actions

1. Applicability and Purpose. The Board of Governors believes that the establishment of Centers and Institutes, as defined in Section 400.5[R] of the UNC Policy Manual, can strengthen and enrich University programs and activities associated with the University's core missions of research, instruction, and service. This policy seeks to protect the academic focus of such entities by restricting Centers and Institutes from participating in litigation involving the University.

2. Legal Actions. No Center or Institute may do any of the following:
   a. Participate in, serve as legal counsel to, or otherwise act as legal counsel to any third party; or
   b. File a complaint, motion, lawsuit or other legal claim in its own name or on behalf of any individual or entity against any individual, entity, or government or otherwise act as legal counsel to any third party.

3. Applicability and Purpose. The Board of Governors believes that the establishment of Centers and Institutes, as defined in Section 400.5[R] of the UNC Policy Manual, can strengthen and enrich University programs and activities associated with the University's core missions of research, instruction, and service. This policy seeks to protect the academic focus of such entities by restricting Centers and Institutes from participating in litigation involving the University.

4. The Board of Education will ensure that all students enrolled in the Early College are provided with courses that meet the minimum course requirements for admission to the University of North Carolina, provided that upon recommendation of the Board, these requirements may be waived by the Board of Governors of the University of North Carolina.

5. The Early College will enroll at least 100 students such that it is a recognized high school by the Department of Public Instruction; provided that the head count may be modified by the Department upon recommendation of the Board of Education.

6. The Early College will be located on the campus of the University which will provide sufficient classroom and related space for the high school academic programs. Limited and controlled access to the University library will also be provided. There will be no access to residence halls, unmonitored internet access sites, any space where alcohol is available or any other space deemed by the University to be unsuitable for high school students or their programs. Monitoring of the students compliance with access to facilities and internet access will be the responsibility of the school principal. The University shall be responsible for the provision of utilities, and the maintenance thereof.

7. The Board of Education will be responsible for ensuring compliance with restrictions to Internet access as required for public schools in North Carolina.

8. All facilities will remain under the control of the University. All students, faculty and staff of the Early College must abide by University policies and regulations concerning its facilities as well as any restrictions as contemplated by paragraph (6).

9. The University may provide selected university-level courses for the students enrolled in the Early College. These courses will be taught by University faculty. Prior to enrolling in a university-level course, the students must demonstrate readiness to succeed in these courses. Representatives of the University and the Early College will confer and agree on a standard measure of readiness and performance which must be met by the students prior to enrollment in a university-level course.

10. The University host will establish the performance criteria for admission and for transfer of credits for Early College students to the host institutions. Students meeting those criteria will be assured admission to the host institution and transfer of credits to complete the baccalaureate degree.

11. Students participating in an Early College will be identified and tracked in the University data system and will be placed in a unique category for Early College High School (ECHS) students. The students at the Early College will not be classified or counted as regularly enrolled students.

12. Selection of Early College students for the Early College High School must be made by an admissions committee that includes but is not limited to local public school officials, university academic affairs officials, university student affairs officials and college officials. Selection must be based on academic credentials, disciplinary records, potential of successful completion of high school requirements, potential for successful completion of university course requirements and potential for contribution to the intellectual and social strength of the college environment.

13. Applicants to the Early College must complete an application developed by representatives of the university and the college. This application must contain security questions utilized by the University for all enrolled students.

14. The Board of Education and the University will agree on start-up and annual operational costs to be reimbursed to the University by the Board of Education.

15. The Board of Education, through funding from the Department of Public Instruction, must pay to the University the tuition, education and technology fee, book costs and cost of delivering university-level courses for ECHS students. (Note: "Cost of delivery" is the amount derived by running the college level student credit hours (SCHs) through our enrollment change model.)

16. While in University facilities, on University property or in University classes, the students, faculty and staff of the Early College will comply with all state and local laws, applicable University regulations and applicable University policies. Failure to follow these prescriptions will subject the individual to the disciplinary procedures of the University and may result in dismissal from the College. The Board of Education will adopt any rules necessary to its governance of the school provided that those rules will not be inconsistent to those in force at the University.

17. Students may be dismissed by the principal for violation of high school rules or regulations. The University may not veto these disciplinary decisions but the principal may seek advice from University officials prior to making these decisions. Students may also be disciplined or dismissed by the University for violations of federal or state laws or University rules or policies. Neither the principal nor the Board may veto such disciplinary decisions but the University may seek their advice prior to making these decisions.

18. The Board of Education and the University are each responsible for the negligence or intentional harm caused by its employees; however nothing in this section shall be construed to waive any defense of sovereign immunity which might otherwise be available to the Board or the University; provided further that nothing in this section shall be construed to limit the rights of the Attorney General of North Carolina to bring claims for or to defend claims against the University.

19. The agreement between the University and the Board of Education must have a defined period of duration and a provision for termination with appropriate written notice. This agreement may be amended or supplemented by mutual written consent of both the Board of Education and the University.

20. If the agreement is terminated, the University will be reimbursed for uncompensated expenses incurred in the establishment or operation of the Early College.

21. The University and the Board of Education may agree on additional provisions to their agreement as long as those provisions are not in conflict with the above elements.

22. The agreement must be approved by the appropriate entities and signed by the Chair of the Board of Education; superintendent of the collaborating school district; chair of the campus board of trustees; and the chancellor of the institution.

400.6.1[R]: Adopted 08/07/06

400.7 Involvement of Centers and Institutes in Legal Actions

I. Applicability and Purpose. The Board of Governors believes that the establishment of Centers and Institutes, as defined in Section 400.5[R] of the UNC Policy Manual, can strengthen and enrich University programs and activities associated with the University's core missions of research, instruction, and service. This policy seeks to protect the academic focus of such entities by restricting Centers and Institutes from participating in litigation.

II. Legal Actions. No Center or Institute may do any of the following:
   A. File a complaint, motion, lawsuit or other legal claim in its own name or on behalf of any individual or entity against any individual, entity, or government or otherwise act as legal counsel to any third party; or
   B. Employ or engage, directly or indirectly, any individual to serve as legal counsel or representative to any party in any complaint, motion, lawsuit, or
other legal claim against any individual, entity, or government or to act as legal counsel to any third party.

III. No Application of Law Clinics. This policy shall not apply to any "law clinic" described in Standards 303 and 304 of the American Bar Association Standards and Rules of Procedure for Approval of Law Schools, or any successor regulation thereof.

IV. Other Matters.

A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors. The requirements of this policy shall not apply to any pending legal action in which a Center or Institute was participating immediately prior to the effective date of this policy, provided that the Center or Institute notifies the secretary of the Board of Governors, in writing, of its participation in such action within thirty (30) days of the adoption of this policy.

B. Relation to State Laws and University Policy. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not supplant or modify, those statutory enactments and existing University policies which may govern or relate to the matters addressed herein.

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: 400.7, Adopted 09/08/17
Chapter 500 Sponsored Programs, Research, and Intellectual Property

500.1 University Research Relations with Government Agencies and Private Entities

A. Appropriateness of University Research

All activities of the University of North Carolina, including research collaborations with private entities, foundations, and government agencies, must support its teaching, research, and public service missions. The University environment must allow faculty and students to freely pursue learning and research. The University must also maintain its independence and integrity to assure impartiality, and it may not agree to any inappropriate limits on the freedom to publish research findings. Most importantly, the University must retain the public’s trust by engaging in research activities that are consistent in nature, quality, scope, and importance with its mission, and that are conducted under conditions that ensure its academic integrity. The chancellors are the responsible officers for the administration of this policy and they are to take such steps as are necessary to maintain it.

B. Proprietary Information

Faculty and students of the University must have the right to disseminate freely and openly their research findings, and research sponsors may not abridge this basic right. However, in certain exceptional cases, the sponsor may be in possession of proprietary and confidential information that the institution and the research sponsor must share to conduct the research project. A constituent institution, with the approval of its chancellor, may enter into agreements to guard the confidentiality of such proprietary information. Disclosure of information pursuant to an agreement to protect proprietary information must comply with the requirements of the North Carolina Public Records Act and Trade Secrets Act. Information in the public domain, or information that a constituent institution legally obtains from a third party, or information independently developed or possessed by a constituent institution is expressly excluded from the definition of proprietary information. Any agreement that involves the joint use of University facilities for proprietary purposes, or that purports to restrict faculty or students from publishing freely the results of their own work, shall be reported in writing to the President prior to its execution. No agreement, however, may interfere with the publication or oral defense of research theses and dissertations of graduate students.

The University Patent Policy provides that, under specified circumstances, publication may be delayed for not to exceed one year while patent protection is being secured.

C. Classified or Other Confidential Research Projects

Research conducted under any form of sponsorship must maintain the University’s open teaching and research philosophy and must adhere to a policy that prohibits secrecy in research. However, in cases involving United States government classification which impose actual or potential limitations on publication or dissemination of research findings, or in any other case which clearly involves exceptional circumstances, the chancellor is authorized to waive this requirement if it is in the national, state, or institutional interest to do so. All such agreements must be reported in writing to the President prior to their execution.

500.1: Adopted 05/08/87, Amended 02/12/88, Amended 06/12/05

500.2 Patent and Copyright Policies

I. Policy

The University of North Carolina is dedicated to instruction, research, and extending knowledge to the public (public service). It is the policy of the University to carry out its scholarly work in an open and free atmosphere and to publish results obtained there from freely. Research done primarily in anticipation of profit is incompatible with the aims of the University. The University recognizes, however, that patentable inventions sometimes arise in the course of research conducted by its employees and students using University facilities. The Board of Governors of the University of North Carolina has determined that patenting and licensing of inventions resulting from the work of University personnel, including students, is consistent with the purposes and mission of the University.

The aim of the patent policies of the University is to promote the progress of science and the useful arts by utilizing the benefits of the patent system consistent with the purposes for which it was established by Article I, Section 8, of the Constitution of the United States:

The Congress shall have power... To promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

Patents provide a means to encourage the development and utilization of discoveries and inventions. These policies have been established to ensure that those inventions in which the University has an interest will be utilized in a manner consistent with the public good through patents, licenses, or otherwise. The University is also aware of the value of patents in directing attention to individual accomplishment in science and engineering. Where possible, the University should make inventions resulting from its research available to industry and the public on a reasonable and effective basis and at the same time provide adequate recognition to inventors. Patents and their exploitation, however, represent only a small part of the benefits accruing to the public from the research program of the University.

A portion of the research conducted by the University is supported by government and a portion by private industry. Service to the public, including private industry, is an integral part of the University’s mission. In agreements with private industry or other private organizations, the constituent institutions of the University must keep the interests of the general public in view. The rights and privileges set forth in cooperative agreements or contracts, with respect to patents developed as a result of research partly or wholly financed by private parties, must be fair and just to the inventor(s), the sponsor and the public. Research should be undertaken by the University under support from private parties only if it is consistent with and complementary to the University’s goals and responsibilities to the public.

II. Objectives

The principal objectives of the University of North Carolina Patent and Copyright Policies set forth herein are:

1. to provide appropriate incentive to creative intellectual effort by faculty, staff, students, and others associated with the constituent institutions of the University;
2. to establish principles for determining the interests of the constituent institutions, inventors, and sponsors in regards to inventions and/or discoveries;
3. to enable the constituent institutions to develop procedures by which the significance of inventions and/or discoveries may be determined and brought to the point of commercial utilization;
4. to provide the means for placing in the public realm the results of research, while safeguarding the interests of the University, inventor, and sponsor; and
5. to recognize the right of the inventor to financial benefits from the invention or discovery.

III. Coverage

The University of North Carolina Patent and Copyright Policies apply to all University employees at each constituent institution, both full and part time, including faculty, other professionals exempt from the Personnel Act, staff subject to the Personnel Act, and students of each constituent institution. Upon prior written agreement between persons and the constituent institutions, these policies may be applied to persons not associated with the University who make their inventions available to the institutions under circumstances where the further development and refinement of the inventions are compatible with the research programs of the constituent institutions.

IV. Patent Ownership

Condition of Employment and Enrollment

The patent and copyright policies of the University of North Carolina, as amended from time to time, shall be deemed to be a part of the conditions of employment of every employee of each constituent institution, including student employees, and of the conditions of enrollment and attendance by every student at each constituent institution.

Ownership

With the exception of "Inventions made on Own Time," hereinafter defined, every invention or discovery or part thereof that results from research or other activities carried out at a constituent institution, or that is developed with the aid of the institution's facilities, staff, or through funds administered by the constituent institution, shall be the property of the constituent institution and, as a condition of employment or enrollment and attendance, shall be assigned by the University inventor to the constituent institution in a manner determined by the constituent institution in accordance with these policies.

Patent Application

Patents on inventions made by University employees or students, may be applied for in any country by the constituent institution or through an authorized agent(s) or assignee(s). The constituent institution shall exercise its rights of ownership of such patent(s), with or without financial gain, with due regard for the public interest, as well as the interests of inventors and sponsors concerned.

Inventions Made on Own Time

Inventions or discoveries made by University personnel or students entirely on their personal time and not involving the use of University facilities or materials are the property of the inventor except in case of conflict with any applicable agreement between the institution and the federal or state government or agency thereof. For purposes of this provision, an individual's "personal time" shall mean time other than that devoted to normal or assigned functions in teaching, extension, University service, or direction or conduct of research on University premises or utilizing University facilities. The term "University facilities" shall mean any facility, including equipment and material, available to the inventor as a direct result of the inventor's affiliation with the University, and which would not be available to a non-University individual on the same basis.

Personnel or students who claim that inventions are made on personal time have the responsibility to demonstrate that inventions so claimed are invented on personal time. All such inventions shall be disclosed in accordance with the institutions' disclosure procedures applicable to inventions made on University time or with the use of University facilities, materials, or equipment, and shall demonstrate the basis of the inventor's claim that only personal time was utilized. In each instance so demonstrated to conform to the definition of personal time, the institution shall acknowledge in writing that the invention is the sole property of the inventor in accordance with the "waiver" provision, below.

If the inventor so desires, inventions or discoveries made on personal time and utilizing the inventor's own facilities and materials may be assigned to the institution. Under this arrangement, the procedures will be the same as for inventions or discoveries made by University personnel on University time and/or with the use of University facilities and materials.

Waiver and Release of University Rights

Pursuant to these policies and to its patent procedures, a constituent institution, after consultation with the inventor, shall cause its rights to subsequent patents, if any, to be waived to the inventor if the institution is convinced that no University facilities, time, or materials were used in the development of the discovery or invention, that it was made on personal time, and that such waiver would not conflict with any pertinent agreement between the institution and a sponsoring agency or agencies.

Pursuant to these policies and to its patent procedures, a constituent institution, after consultation with the inventor, may in its discretion and upon such terms as it deems appropriate, cause its rights to the discovery or invention, if any, to be released and waived to the inventor if the institution is convinced that the discovery or invention is clearly one that is non-patentable, that it does not warrant further evaluation as to patentability, or if the discovery or invention has been returned to the institution after negative evaluation by the institution's agent(s).

V. Income From Patents

The Inventor

The inventor shall receive not less than fifteen percent (15%) of the gross royalties derived from licensing or income from assignment or sale of each patent resulting from his invention and owned by the constituent institution pursuant to these policies. With this limitation, the exact proportion shall be determined in accordance with the institution's patent procedures as approved by the institution's Board of Trustees and the President.

The Institution

Income earned by each constituent institution from its patent and licensing activity shall be held in a separate trust fund by that institution to support research. The particular unit of the institution employing the inventor or furnishing the research facilities will be given preferential consideration, though not necessarily exclusive consideration, in the allocation of such royalty income by the institution. Allocations from such trust funds shall be made by the
chancellor of each institution after receiving recommendations from the institutional patent committee.

VI. Specific Conditions Governing Sponsored Research

Government Sponsored Research

Patents on inventions arising from research financed by the United States Government may be controlled by the terms of the grants and contracts specified by the government agency pursuant to Federal law. In some cases, the government claims rights to patents resulting from research financed under contracts supported by government agencies. Except as provided by Federal law or by government-supported grants or contracts, or when no patent rights are claimed by the United States Government, or when such rights are waived by the government, patents arising from government sponsored research are controlled by these patent and copyright policies. When a patent arising out of research supported under government grants or contracts is owned by a constituent institution, that institution will, if requested, agree to a non-exclusive royalty-free license for use by the government of such patent. If such a patent is owned by the government, the institution shall be free to use the invention so covered for its own scientific and educational purposes without payment of royalty or other charge, consistent with Federal Law.

University Research Sponsored by Non-Governmental Entities

The University must ensure that its facilities and the results of the work of its employees are applied in a manner which best serves the interests of the public. Likewise, the legitimate interests of a private sponsor who provides financial or other support to research carried out through the constituent institutions must be considered. Constituent institutions should normally reserve the right to ownership of patents on inventions arising out of research supported in whole or in part of grants or contracts with nongovernment organizations or firms. Contracts or agreements which are entered into between institutions and such organizations or agencies should contain clauses setting forth such a reservation unless deviations therefrom are requested by the sponsor and approved by the institution consistent with the public interest. In the interest of fair treatment to the sponsor in consideration for the sponsor's investment and in the interest of discharging the institution's obligation to the public in the application of its facilities and its employees' time and talent, special provisions may be negotiated by the institution in such non-government sponsored contracts, upon request, provided that the institution retains the right to use the invention for its own research, educational, and service purposes without payments of royalty fees, that the institution requires the sponsor to use due diligence in the commercial use of the invention, and that the institution retains the right freely to publish the results of its research after a reasonable period necessary to protect the right of the parties and to allow for the filing of a patent application.

VII. Publication

A major function of the University of North Carolina is the advancement and dissemination of knowledge. Any practice that unnecessarily restricts the publication of results of scientific work is to be avoided. However, it is recognized that the full development of useful inventions or discoveries may be dependent upon the securing of patent protection that will enable the commercial utilization of the discoveries or inventions. Accordingly, under certain circumstances it may be necessary to delay for a minimum period the publication of results of research.

If a sponsor proposes to support a research effort that will involve a limited exclusive license to use of patents resulting therefrom, the agreement with respect to publication shall include the following. First, the sponsor must agree that the results of the research may be published if desired by the investigators or research workers. Second, in order that patent applications not be jeopardized, the constituent institution, the investigators, and research workers may agree that any proposed publication will be submitted to the sponsor with a notice of intent to submit for publication. If within a period of no more than 90 days from the date of such notice the sponsor fails to request a delay, the investigators, research workers and institution shall be free to proceed immediately with the publication. However, if the sponsor notifies the institution that a delay is desired, the submission of the manuscript to the publisher shall be withheld for the period requested, but in no event shall the total period of delay be longer than one year from the date of the notice of intent to submit for publication mentioned above. Such a period will permit the sponsor to have the necessary patent applications prepared and filed but will not unduly restrict the dissemination of scientific knowledge.

VIII. Avoidance of Conflicts

Conflicts involving patentable inventions and discoveries may arise when a constituent institution's personnel, including students enter into personal consulting agreements with outside firms and organizations. The agreements that business firms wish to have executed by those who are to serve as their consultants frequently contain provisions as to the licensing or assignment of the consultant's inventions and patents. Unless such provisions are narrowly worded, they usually will apply to areas in which the individual's University work lies and thus come into conflict with the obligations owed by the individual to the University under these policies, either with respect to the rights of the constituent institution itself in an invention or with respect to the rights of a sponsor of research in the same field or subject matter.

Prior to signing any consulting agreement that deals with patent rights, trade secrets, or the like, where any University time, facilities, materials or other resources are involved, University personnel and students must bring the proposed agreement to the attention of the proper administrators of the constituent institution in accordance with its patent procedures and either obtain a waiver of University rights or otherwise modify the consulting agreement to conform with these policies, as is determined by the institution in its discretion.

The foregoing requirements are in addition to, and do not eliminate the necessity for, any approval which may be required by the University of North Carolina Policy on External Professional Activity of Faculty and Other Professional Staff.

IX. Duty To Disclose Discoveries And Inventions

All individuals whose discoveries and inventions are covered by these policies have a duty to disclose their discoveries and inventions promptly in accordance with the patent procedures adopted by each constituent institution pursuant to these policies. The duty to disclose arises as soon as the individual has reason to believe, based on his or her own knowledge or upon information supplied by others, that the discovery or invention may be patentable. Certainty about patentability is not required before a disclosure is made. Individuals shall execute such declarations, assignments, or other documents as may be necessary in the course of invention evaluation, patent prosecution, or protection of patent rights, to insure that title in such inventions shall be held by the constituent institution, where these policies indicate the institution shall hold title, or by such other parties as may be appropriate under the circumstances.

X. Patent Committees

The chancellor of each constituent institution of the University of North Carolina shall appoint a patent committee, consisting of no less than three members, one of whom shall be designated by the chancellor to serve as chairman. The committee for the institution shall review and recommend to the chancellor or his delegate the procedures for the implementation of these policies; shall resolve questions of invention ownership that may arise between the institution and its faculty, staff, or students or among individuals; shall recommend to the chancellor for the expenditure of the patent royalty...
fund; and shall make such recommendations as are deemed appropriate to encourage disclosure and assure prompt and expeditious handling, evaluation, and prosecution of patent opportunities.

The chairman of the institutional patent committees, or their delegates, shall meet as an All-University Patent Committee. The meetings of the All-University Patent Committee shall be at the call of the President of the University or his delegate who shall serve as its chairman.

X. Patent Management

The chancellor of each constituent institution, or any person designated by him, is authorized to negotiate with reputable agencies or firms to secure for each institution arrangements for patent management, including competent evaluation of invention disclosures, expeditious filing of applications on patents, and licensing and administration of patents.

A constituent institution is authorized to administer its own patent management and licensing program without the use of a patent management agent, if it determines that such arrangement may better serve institutional and public interests. Nothing in this section shall be construed to permit the reduction of the minimum share due an inventor as specified in Section V of these policies.

XII. Copyright Use And Ownership

Preamble

The University of North Carolina, through its constituent institutions, is committed to complying with all applicable laws regarding copyright and patents. The University, as an institution devoted to the creation, discovery, and dissemination of knowledge, supports (1) the responsible, good faith exercise of full fair use rights, as codified in 17 U.S.C. § 107, by faculty, librarians, and staff in furtherance of their teaching, research, and service activities; (2) copyright ownership for creative, non-directed works by faculty, staff, and students and University ownership of directed employment-related works; and (3) protection of ownership rights for creators of works that require a different ownership model.

Copyright Use

To the foregoing stated ends the University shall:

1. Inform and educate the University community about fair use and the application of the four fair use factors as set forth in 17 U.S.C. § 107 and as interpreted in applicable case law. The four fair use factors are:
   a. The character and purpose of the proposed use.
   b. The nature of the work to be used.
   c. The amount and substantiality of the portion to be used.
   d. The effect on the market or potential market for the work

2. Develop and make available resources concerning copyright laws in general and the application of fair use in specific situations.

3. Ensure that faculty, EPA and SPA staff, and students have access to assistance in making fair use determinations.

Copyright Ownership

With respect to determining ownership of copyright, the University's policy addresses works by category of copyrightable work (including traditional or non-directed works, directed work, and sponsored or externally contracted works) and by category of author (i.e., faculty, EPA and SPA staff, or student). Ownership of copyrighted subject matter, including software, hinges on which category of work and which category of author pertain to the work at issue. In this Policy the term "Institution" means a constituent institution or component agency of the multi-campus University of North Carolina at which an author or work's creator is employed or enrolled.

Copyrightable Works

1. Works by Faculty and EPA Non-Faculty Employees
   a. Traditional Works or Non-Directed Works: A "traditional work or non-directed work" is a pedagogical, scholarly, literary, or aesthetic (artistic) work originated by a faculty or other EPA employee resulting from non-directed effort. Such works may include textbooks, manuscripts, scholarly works, fixed lecture notes, distance learning materials not falling into one of the other categories of this policy, works of art or design, musical scores, poems, films, videos, audio recordings, or other works of the kind that have historically been deemed in academic communities to be the property of their creator.

   Ownership: Creator of the work, unless it is a directed work, sponsored work requiring University ownership, or a work for hire described in a written agreement between the work's creator and the Institution. (See section 2., below, for the definition of "work for hire;" under the Copyright Act the Institution is deemed the "Author" of a work for hire.) If the Institution is to be involved in commercializing a traditional work or non-directed work, the work's creator shall assign the work to the Institution under an Assignment Agreement. The Assignment Agreement shall contain provisions outlining the commercialization responsibilities of the Institution and a mechanism for the sharing of commercial proceeds with the Author. In cases of ownership by the creator of a traditional work, the Institution, where practical, shall be granted a non-exclusive, non-transferable, royalty-free license for its own educational or research use (hereinafter referred to as a "Shop Right").

   b. Traditional Works or Non-Directed Works Involving Exceptional Use of Institutional Resources: "Exceptional use of institutional resources" means institutional support of traditional works with resources of a degree or nature not routinely made available to faculty or other EPA employees in a given area.

   Ownership: Institution. However, upon agreement by the appropriate institutional official or body, the Institution may release or transfer its rights to the work's creator, with the Institution retaining (a) a Shop Right, and/or (b) the right to require reimbursement and/or income sharing from the creator to the Institution if the work produces income for the creator. The parties may also negotiate for joint ownership of
such works, with the approval of the appropriate institutional official or body.

c. Directed Works: "Directed works" include works that are specifically funded or created at the direction of the Institution (including, but not limited to, works for hire by faculty or other EPA employees).

Ownership: The work’s creator, where practical, shall be granted a Shop Right. The Institution may release or transfer its authorship rights to the work’s creator under a written agreement negotiated between the creator and the Institution, usually with the Institution retaining (a) a Shop Right, and/or (b) the right to require reimbursement and/or income sharing from the work’s creator to the Institution if the work produces income for the creator. The parties may also negotiate for joint ownership of such works, with the approval of the appropriate institutional official or body.

d. Sponsored or Externally Contracted Works: A “sponsored or externally contracted work” is any type of copyrighted work developed using funds supplied under a contract, grant, or other arrangement between the Institution and third parties, including sponsored research agreements.

Ownership: For a sponsored or externally contracted work created under an agreement that expressly requires copyright ownership by the Institution, the creator of the work must disclose the work to the Institution. Provided there is no conflict with a sponsored agreement, the Institution may release or transfer its rights to the work’s creator under an agreement negotiated between the creator and the Institution, usually with the Institution retaining (a) a Shop Right, and/or (b) the right to require reimbursement and/or income sharing from the work’s creator to the Institution if the work produces income for the creator; or the parties may also negotiate for joint ownership of such works, with the approval of the appropriate institutional official or body.

For a sponsored or externally contracted work created under an agreement that does not expressly require copyright ownership by the Institution or a third party, the creator of the work shall own the work, subject to required disclosure to the Institution where required under institutional policy. In case of ownership by the work’s creator, the Institution, if practical, shall be assigned a Shop Right.

2. Works by SPA Staff.

Most works by SPA staff members are considered to be "Works for Hire." A "work made for hire" is:

a. a work prepared by an employee within the scope of his or her employment; or

b. a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

Ownership: Works for hire made by SPA staff shall be owned by the Institution. In special cases, though, the Institution may enter into an agreement in advance that the SPA employee shall own the copyright. In addition, a designated institutional official may waive institutional ownership.

3. Works by Independent Contractors.

Works by independent contractors are Works for Hire.

Ownership: Works by independent contractors shall be owned in accordance with the contract under which the work was created. The Institution shall insure that there is a written contract for work by an independent contractor specifying institutional ownership.


"Student works" are papers, computer programs, theses, dissertations, artistic and musical works, and other creative works made by students. (For purposes of this policy, the term “students” includes teaching, graduate, and research assistants.)

Ownership: Ownership of the copyright to these works belongs to the student unless the work falls within one of the exceptions described below:

a. Sponsored or Externally Contracted Works: Ownership shall be in accordance with the section of this policy on sponsored or externally contracted works made by faculty or other EPA employees.

b. Works for Hire: Student works created by students in the course of their employment with the University shall be considered to fall within the scope of Work for Hire in accordance with the section of this policy on works for hire made by SPA staff.

c. Directed works: If the work is a part of class, laboratory, and other academic materials generated by students in the instructional process, Students have a limited right to use these materials for personal, educational purposes. Students may not use these materials for commercial gain.

As provided by the institutional policy or as agreed to mutually, rights in student works may be transferred between the student and the Institution. In such cases, a written Assignment Agreement shall specify the respective rights and obligations of the parties. The parties may also negotiate for joint ownership of such works, with the approval of the appropriate institutional official or body.

Works Subject to Protection by Both Copyright and Patent Laws

In cases where an invention or creation is subject to protection under both patent law and copyright law, if the Institution elects to retain title to its patent rights, then the inventor/creator(s) shall assign copyright to the Institution and the Institution shall be compensated in accordance with the royalty provisions of the Institution’s patent policy and procedures.

Administration

The chief executive officer of each Institution shall designate an administrative office, officer, or unit responsible for implementing this policy. The designated institutional administrative entity shall address various matters covered by this policy, including developing policies and procedures designed to supplement and interpret the ownership aspects of this policy, providing advice regarding ownership of specific works, releasing institutional rights, and accepting an assignment of rights to the Institution from an author or creator of a work.

Dispute Resolution

The chief executive officer of each Institution shall designate a dispute resolution mechanism (such as a Copyright Committee or Intellectual Property Committee) for resolving any disputes which may arise among an author, other creator of a work, a third-party sponsor of a work,
XX. Service Marks, Trademarks and Trade Secrets

Service marks and trademarks are the property of the constituent institutions, and without express authorization from the chancellor or his designee, no steps shall be taken for securing trademarks or service marks by usage or registration with respect to products resulting from or arising out of research or other activities carried out at a constituent institution or developed with the aid of its facilities or staff, or produced through funds administered by the constituent institution. The institutions are hereby authorized to register such marks as are deemed by that institution to be appropriate and to license the use of such marks, provided that the income from such licensing shall be used to support the research and educational programs of the institution and not accrue to the personal benefit of University personnel.

The use of trade secret agreements to protect discoveries and inventions developed at the constituent institutions may not be consistent with the aims and purposes of the University of North Carolina. Special provisions may be required to protect the free dissemination of students' degree-related work.

XXI. Procedure

The Board of Trustees of each constituent institution shall adopt patent procedures that are consistent with and implement these policies, taking into account the nature and scope of the institution's programs. The institutional patent procedures shall be reviewed and approved by the President or his representative prior to approval by the Trustees.

XXII. Exceptions

Exceptions to the above policies are authorized if approved by the President following a favorable review and recommendation from the pertinent institutional committee or the All-University Patent Committee. Before approving an exception, the President must determine that, on the basis of the evidence available, such exception is in the public interest and is consistent with the University's responsibilities to the public.

[1] By resolution, the Board of Governors provides the following:

1. The provisions of Section XII are effective at the earlier of the following: the date as of which the institution adopts a new or amended policy to conform to the board's policy; or (2) August 1, 2001. Any copyright dispute over a work created prior to the effective date of an institution's policy shall be resolved under relevant policies and procedures as had existed immediately prior to the effective date, unless the parties to the dispute mutually agree in writing to abide by the new policy.

2. Nothing in this policy is intended to alter the provisions of The Code of the University of North Carolina, Chapter VI: Academic Freedom and Tenure.

3. The President is authorized to establish such supplemental policies or procedures, not inconsistent with the policy, as the President may deem necessary or desirable to implement or administer the policy. This may include provision for review by the Office of the President of policies or procedures intended by University institutions and agencies to implement the policy.

500.2: Adopted 06/10/83, Amended 11/10/00, Amended 02/09/01

500.2.1[R] Regulations for Establishing a Copyright Use and Ownership Policy

During 1999-2000, a University-wide task force, with the active leadership of the Faculty Assembly, worked with the Academic Affairs and Legal Affairs divisions of the Office of the President to develop a policy framework for the administration of copyright within the University of North Carolina. This was a collaborative effort, one that included a University-wide colloquium and extensive review of relevant law and copyright policies now in force at other U.S. colleges and universities. The product of that effort is a copyright policy adopted by the Board of Governors on November 10, 2000. Attached is a checklist to guide each University institution in implementing the policy.

It is expected that in the coming months the Office of the President will provide further resources to the institutions to help administer the copyright policy, notably a statute-based primer on copyright ownership and a statute-based primer on copyright use. For the present, issues of copyright may be addressed either to David Edwards, Senior Associate Counsel, or Betsy Bunting, Associate Vice President for Legal Affairs.

At this time institutions are requested to commence administration of the copyright policy by addressing the attached "Checklist" with proposed institutional responses. The draft of each institution's responses should be forwarded to the Office of the President for review and approval.

[This is a rewrite of Administrative Memorandum #409.]

Checklist to Guide Campuses in Developing Copyright Use and Ownership Policies

1. Designation by the chief executive officer of the institution of an institutional office, body, or officer to interpret and administer the policy

(Administration [1]), specifically, to include:

a. Education of faculty, staff, and students about the law of "fair use."

b. Provision to faculty, staff, and students of resources and guidance in the making of fair use determinations.

c. Establishment of a policy regarding portability of "shop rights" beyond the institution.

d. Definition of "exceptional use of institutional resources" at the institution.

e. Contracting for the terms of transfer, shared ownership, and/or commercialization of copyrighted works at the institution.

f. Determining the applicability of "work for hire" doctrine and the suitability of waiving that doctrine in individual cases.

g. Specifying a policy to identify those instances in which there shall be disclosure to the Institution by the creator of a sponsored or externally contracted work created under an agreement that does not expressly require copyright ownership by the Institution or a third party.

2. Establishment by the chief executive officer of a copyright dispute resolution mechanism at the institution, including the determination whether or not there is to be recourse at the Institution beyond the initial dispute forum, such as to the chief executive officer.

Dispute Resolution

[1] Parenthetical references are to sections of the "Copyright Use and Ownership Policy," embodied in Section XII of 500.2 of this Policy Manual.
500.2.2[G] Guidelines on Photocopying Copyrighted Materials

Purpose and scope.

These guidelines are intended to assist faculty and staff of the University of North Carolina to understand and comply with copyright law that governs the photocopying of printed materials. Not addressed are the respective rights of writers and their employers in works that may have been created within ongoing employment or pursuant to an ad hoc employment agreement. Those rights are addressed by the University of North Carolina Patent and Copyright Policies, embodied in Section 500.2 of this Policy Manual.

Extent of photocopying rights.

The Copyright Act of 1976 (effective January 1, 1978) is the sole statute governing copyright of written materials in the United States. It is a federal law that expressly preempted any state statutes or common law on the subject and that substantially rewrote the predecessor federal law, the 1909 copyright law. Under the present act, the owner of copyright in a work has the exclusive right to reproduce the work in copies or to distribute the copies to the "public by sale or other transfer of ownership, or by rental, lease, or lending," (Section 106) (Note: This and all other statutory references, unless otherwise indicated, are to the Copyright Act of 1976 as it is set forth in the United States Code, Title 17.)

Duration of copyright.

Copyright in most written works created on or after January 1, 1978, lasts from their creation through the life of the author plus 50 years. (Section 302) Creation of a written work occurs when it is first "fixed in copy," that is, when it is first written down or otherwise recorded. (Section 101)

The 1976 Act contains provisions for defining the potential life of copyright in works created before January 1, 1978, but the basic effect is to extend for a total duration of 75 years copyrights existing as of the effective date of the 1976 Act. (Sections 303 and 304) As the maximum life of copyright under the old law was 56 years (a 28-year term plus a 28-year renewal), no copyright issued prior to 1908 is in force in 1983. Copyrights issued since 1908 under the old law and properly renewed may be in force by extension under the 1976 Act; however, the existence of the necessary renewal will likely not be apparent from the work's copyright notice. Consequently, the safe path is either (1) to treat any pre-1978 copyright as valid from its date to the end of its seventy-fifth calendar year or (2) to contact the publisher or the U.S. Copyright Office, to identify the copyright owner so that continued vitality to the copyright can be determined.

Exceptions to copyright.

Ownership in a work prohibits another's copying the work unless one or more of the following conditions exists:

1. The work was never copyrighted.
2. Copyright in the work has expired.
3. The work lies in the public domain.
4. The copying falls within "fair use" privileged under Section 107.
5. The copying falls under certain library or archival copying privileged under Section 108.
6. The copyright owner has given appropriate permission.

No copyright. Copyright is indicated by the letter "C" in a circle, or the word "Copyright," or the abbreviation "Copr.," followed by the year of first publication and the name of the copyright owner. (Section 401) Absence of copyright notice on a work published prior to January 1, 1978, leaves the work unprotected. Absence of copyright notice on a particular copy of a work "publicly distributed by authority of the copyright owner" after January 1, 1978, does not invalidate copyright in a work if certain remedial actions are taken by the copyright owner or certain statutorily specified circumstances surround the omission. However, one who innocently or in good faith is misled by the lack of copyright notice on a particular authorized copy will be protected in any subsequent infringement action for actual or statutory damages down to the date of actual notice to the user of copyright registration. (Section 405) The details of this "innocent" or "good faith" infringer clause are discussed below under "Infringement remedies/defense."

Expired copyright. A work whose copyright has expired lies in the public domain and may be freely copied. Determination that a copyright has expired should be made by reference to provisions discussed above under "Duration of copyright."

Public domain. Works that were never copyrighted or whose copyright has expired lie in the public domain and are available to anyone to copy. Among the works that are public domain from their creation are publications of the U.S. Government, which are not copyrightable. (Section 105) However, the U.S. Government may receive by assignment, gift, or otherwise and then hold the copyright in works privately created. Furthermore, works privately created under federal contract or federal grant support may be copyrighted if such copyright is not prohibited by the federal contract or grant.

While an original work may lie in the public domain, any edition or other derivative of the work may be copyrighted by the author of the derivative work (e.g., the publisher or editor of a particular printing). Therefore, indication of copyright on the particular copy of the work intended for photo copying, not the age of the parent work, is the basis for determining copyright status.

Fair use. The Copyright Act of 1976 gives the status of statutory law to certain uses of copyrighted works that prior to January 1, 1978 were privileged only under various court holdings. This is "fair use" as authorized under Section 107, which reads as follows:

Sec. 107. Limitations on exclusive rights - Fair use.

Notwithstanding the provisions of section 106 (exclusive rights of copyright owner), the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specifically by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for class room use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:

1. The purpose and character of the use, including whether such is of a commercial nature or is for nonprofit educational purposes;
2. The nature of the copyrighted work;
3. The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
4. The effect of the use upon the potential market for or value of the copyrighted work.

Though now a statutory privilege, not merely a judicial doctrine, fair use remains a difficult protection to measure for several reasons, two of them being:
(1) the fair use “factors” set forth as standards in Section 107 are not the sole considerations that could justify photocopying as fair use;
(2) not all of the four specific factors set forth in Section 107 need be present to justify as fair use every incident of unlicensed photocopying. Rather, "the courts must be free to adapt the doctrine to particular situations on a case-by-case basis." (House Report No. 94-1476)

In response to these uncertain boundaries of the fair use privilege representatives of the publishing industry and education negotiated as a minimum "safe harbor" the "Agreement on Guidelines for Classroom Copying in Not-for-Profit Educational Institutions.\" These guidelines (Attachment A) are one means to help gauge whether particular photocopying lies within the fair use privilege.\textsuperscript{a} It should be noted, however, that the purpose of the negotiations, to define a minimum usage, is clearly stated in the guidelines and that the quantitative sections of the guidelines have more apparent utility at a small, elementary or secondary school than at a University or large college. However, some of the qualitative parts of the guidelines, like "Spontaneity," are thoroughly consistent with the standards of Section 107 itself and are also realistic tests for University faculty and staff to apply in judging the propriety of particular copying.

In like manner, "Guidelines for Educational Uses of Music" were negotiated among music publishers, music teachers, and schools of music. These guidelines (Attachment B) are useful minimum criteria for fair use of music by copying.

Library and archival copying. Section 108 of the 1976 Copyright Act establishes some limited privileges for photocopying and distribution by libraries and archives. These privileges are somewhat similar to fair use under Section 107, but there are many significant differences. All the privileges of photocopying under Section 108 require that the copy:

(a) be made without the purpose of direct or indirect commercial advantage;
(b) be made by a library or archives that is open to the public or at least to nonaffiliated researchers "doing research in a specialized field"; and
(c) include a "notice of copyright." (See the discussion, above, of "No copyright" for the elements of the required notice.)

(1) Preservation. Copying that qualifies under the three initial conditions, above, may be used to preserve and keep secure an unpublished work or to deposit an unpublished work for research at another library qualifying under (b), above. This work, however, must be currently in the copyright library's collection and be copied in "facsimile form"; that is, the copy must be a total reproduction, not a partial or edited version.

(2) Replacement. Copying that meets the three initial conditions, above, may also be used to replace a damaged, deteriorating, lost, or stolen copy of a published work if, after reasonable effort, the library has been unable to find a unused replacement available at a fair price. The copy, too, must be made only in facsimile form.

(3) Excerpts. Copying that meets the three initial conditions, above, may be used to reproduce "no more than one article or other contribution to a copyrighted collection or periodical issue, or to . . . a small part of any other copyrighted work" if, in addition:
(a) the copy becomes the property of the user;
(b) the library has had no notice that the copy will be used for any purpose "other than private study, scholarship, or research"; and
(c) the library "displays prominently, at the place where orders are accepted, and includes on its order form a warning of copyright in accordance with requirements that the Register of Copyrights shall prescribe by regulation." (See Attachment C for regulations of the Register of Copyrights prescribing the form and content of the "Display Warning of Copyright" and the "Order Warning of Copy right.")

(4) Whole works. Copying that meets the three initial conditions, above, and the three conditions of (3), above, may be used to reproduce an "entire work or . . . a substantial part of it" if the library also "has first determined, on the basis of a reasonable investigation that a copy . . . of the copyrighted work cannot be obtained at a fair price.

(5) Unsupervised copying machines. If a library has an unsupervised copier on its premises and if an unsupervised user copies materials in a manner infringing their copyright, neither the library nor its employees will be liable for the infringement if at the copying machine there was posted a notice "that the making of a copy may be subject to the copyright law.

(6) Excessive copying. No individual may use a library's unsupervised copier, or request a library to copy excerpts of a work, as contemplated under Section 108, in a manner exceeding the fair use limitations of Section 107 either as to the extent of the copying or as to the later use of the copy.

(7) External standards. No privilege established by Section 108 either extends or diminishes the fair use privileges under Section 107 or the terms under an agreement between the library and the supplier of a work in the library's collections. For instance, either Section 107 or a publisher's subscription agreement might permit a library to make multiple copies of a magazine article for classroom use although Section 108 is limited to the making of single copies.

(8) Repeated copying. The single copies authorized by Section 108 are limited to "isolated and unrelated" production, and exclude copying where the library or its employee "is aware or has substantial reason to believe" that copying on one occasion or series of occasions is causing multiple copies of the same material. Section 108 also does not authorize "systematic" copying except interlibrary arrangements not having the "purpose or effect" of providing the receiving library "such aggregate quantities as to substitute for a subscription to or purchase of such work." (Voluntary guidelines for interlibrary arrangements, developed by the National Commission on New Technological Uses of Copyrighted Works [CONTU], are provided as Attachment D).

(9) Exclusion of nonverbal works. Copying of musical, pictorial, or graphic works is not authorized under Section 108 except in these two circumstances:
(a) Where a musical, pictorial, or graphic work is to be copied under conditions defined under (1) or (2), above ("Preservation, "Replacement").
(b) Where a pictorial or graphic work (but not a musical work) published as an illustration, diagram, or similar adjunct to a work is to be copied as part of the larger work under conditions defined under (3. "excerpts") or (4. "wholeworks"), above.

Permission of copyright owner. Where permission to copy a work has been given by the owner of the copyright, there is no liability for the copying authorized. In most cases, the copyright notice at the front of the work will indicate the owner. The owner should be addressed in the manner indicated in the sample permission letter at Attachment E. Journal articles may be licensed for copying through the Copyright Clearance Center, 310 Madison Avenue, New York, NY 10017. Unknown copyright holders in published works may often be identified through The Literary Marketplace (for books) and Ulrich's International Periodicals (for journals).

Infringement remedies/defense.

Civil action. The owner of a work whose copyright has been infringed may sue the infringer and seek the following remedies: (1) temporary and final injunctions against infringement; (2) impoundment of infringing copies; (3) destruction or other reasonable disposition of the infringing copies and any masters or negatives of the infringing copies; (4) actual damages to the owner; (5) profits of the infringer attributable to the infringement; and (6) court costs and reasonable attorney's fees. In lieu of actual damages and profits a copyright owner may seek with respect to any one work damages of not less than $250 nor more than $10,000, "as the court considers just." This award of statutory damages may be increased to not more than $50,000 where the court is shown to its satisfaction that the infringement was committed "willfully." However, the award of statutory damages may be reduced to not less...
The purpose of the following guidelines is to state the minimum and not the maximum standards of educational fair use under Section 107 of H.R. 2223. The parties agree that the conditions determining the extent of permissible copying for educational purposes may change in the future: that certain types of copying permitted under these guidelines may not be permissible in the future: and conversely that in the future other types of copying not permitted under these guidelines may be permissible under revised guidelines.

Moreover, the following statement of guidelines is not intended to limit the types of copying permitted under the standards of fair use under judicial decision and which are stated in Section 107 of the Copyright Revision Bill. There may be instances in which copying which does not fall within the guidelines stated below may nonetheless be permitted under the criteria of fair use.

GUIDELINES

I. Single Copying For Teachers:

A single copy may be made of any of the following by or for a teacher at his or her individual request for his or her scholarly research or use in teaching or preparation to teach a class:

A. A chapter from a book;
B. An article from a periodical or newspaper;
C. A short story, short essay or short poem, whether or not from a collective work;
D. A chart, graph, diagram, drawing, cartoon or picture from a book, periodical, or newspaper.

II. Multiple Copies For Classroom Use

Multiple copies (not to exceed in any event more than one copy per pupil in a course) may be made by or for the teacher giving the course for classroom use or discussion, provided that:

A. The copying meets the tests of brevity and spontaneity as defined below: and,
B. Meets the cumulative effect test as defined below: and,
C. Each copy includes a notice of copyright.

DEFINITIONS:

(1) the infringer "believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under Section 107"; and
(2) the infringing copying was done by a nonprofit educational institution, library, or archives or by its employee or agent "acting within the course and scope of his or her employment." (Section 504)
(c) the infringer “believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under Section 107”; and
(d) the infringing copying was done by a nonprofit educational institution, library, or archives or by its employee or agent “acting within the course and scope of his or her employment." (Section 504)

Criminal proceedings. A person who infringes a copyright by copying printed materials "willfully and for purposes of commercial advantage or private financial gain shall be fined not more than $10,000 or imprisoned for not more than one year or both. In addition, the infringing copies may be forfeited or otherwise disposed of.

Fraudulent attachment, removal, or alteration of a copyright notice carries a maximum fine of $2,500. (Section 506)

Legal defense. The Attorney General of North Carolina is authorized to defend a State employee or former State employee in both civil and criminal proceedings brought against the employee in his official or individual capacity, or both, on account of an act done or omission made in the scope and course of his employment as a State employee. "Defense of the employee, however, may be refused where the Attorney General or the Attorney General's delegate determines that:

(1) the act or omission was not within the scope and course of employment as a State employee; or
(2) the employee or former employee acted or failed to act because of the employee's actual fraud, corruption, or malice; or
(3) defense of the proceeding by the State would create a conflict of interest between the State and the employee or former employee; or
(4) defense of the proceeding would not be in the best interests of the State. (G.S. Chapter 143, Article 31A)

When the State does stand in defense of a State employee, the State agency that employed the defendant must pay any judgment, settlement, or other established claim, but the State agency may not pay an amount greater than $100,000 "cumulatively to all claimants on account of injury or damage done to any one person." (N.C.G.S. Chapter 143, Articles 31 and 31A)

Because of these considerations it is clear that, while protection to University employees is considerable, it is limited to those instances of alleged copyright infringement where the State can justify its acceptance of potential liability by reference to the particulars of why and how the copying took place. It becomes important, then, that University faculty and staff realize that copying for classroom materials might induce defense by the State but that copying related to private consulting will likely not. It is also important to note that copying done at University libraries and campus copy centers by University staff (whether they be users of the copies or just machine operators) will induce the State to defend only if the State considers what the staff knew or should have known about copyrights in the materials and their probable use.

On June 10, 1983, the Association of American Publishers, Inc. asked the constituent institutions to adopt a "Policy Statement on Photocopying of Copyrighted Materials for Classroom and Research Use." This "policy statement" was based upon a settlement on April 7, 1983 of the National Education Association et al v. New York University, et al. This "policy statement" is administratively unwise and contrary to the Code of The University of North Carolina, and is, therefore, not to be adopted as policy within the University.

[This is a rewrite of Administrative Memorandum #188 and a memorandum to the chancellors dated October 24, 1983, from David N. Edwards, Jr.]
Brevity:

i. Poetry: (a) A complete poem if less than 250 words and if printed on not more than two pages or (b) from a longer poem, an excerpt of not more than 250 words.

ii. Prose: (a) Either a complete article, story or essay of less than 2,500 words, or (b) an excerpt from any prose work of not more than 1,000 words or 10% of the work, whichever is less, but in any event a minimum of 500 words.

[Each of the numerical limits stated in "i" and "ii" above may be expanded to permit the completion of an unfinished line of a poem or of an unfinished prose paragraph.]

iii. Illustration: One chart, graph, diagram, drawing, cartoon or picture per book or per periodical issue.

iv. "Special" works: Certain works in poetry, prose or in "poetic prose" which often combine language with illustrations and which are intended sometimes for children and at other times for a more general audience fall short of 2,500 words in their entirety. Paragraph "ii" above notwithstanding such "special works" may not be reproduced in their entirety; however, an excerpt comprising not more than two of the published pages of such special work and containing not more than 10% of the words found in the text there of, may be reproduced.

D. Poetry: (a) A complete poem if less than 250 words and if printed on not more than two pages or (b) from a longer poem, an excerpt of not more than 250 words.

E. Prose: (a) Either a complete article, story or essay of less than 2,500 words, or (b) an excerpt from any prose work of not more than 1,000 words or 10% of the work, whichever is less, but in any event a minimum of 500 words.

[Each of the numerical limits stated in "i" and "ii" above may be expanded to permit the completion of an unfinished line of a poem or of an unfinished prose paragraph.]

F. Illustration: One chart, graph, diagram, drawing, cartoon or picture per book or per periodical issue.

G. "Special" works: Certain works in poetry, prose or in "poetic prose" which often combine language with illustrations and which are intended sometimes for children and at other times for a more general audience fall short of 2,500 words in their entirety. Paragraph "ii" above notwithstanding such "special works" may not be reproduced in their entirety; however, an excerpt comprising not more than two of the published pages of such special work and containing not more than 10% of the words found in the text there of, may be reproduced.

Spontaneity:

i. The copying is at the instance and inspiration of the individual teacher, and

ii. The inspiration and decision to use the work and the moment of its use for maximum teaching effectiveness are so close in time that it would be unreasonable to expect a timely reply to a request for permission.

H. The copying is at the instance and inspiration of the individual teacher, and

i. The inspiration and decision to use the work and the moment of its use for maximum teaching effectiveness are so close in time that it would be unreasonable to expect a timely reply to a request for permission.

Cumulative Effect:

i. The copying of the material is for only one course in the school in which the copies are made.

ii. Not more than one short poem, article, story or two excerpts may be copied from the same author, nor more than three from the same collective work or periodical volume during one class term.

iii. There shall not be more than nine instances of such multiple copying for one course during one class term.

[The limitations stated in "ii" and "iii" above shall not apply to current news periodicals and newspapers and current news sections of other periodicals.]

III. Prohibitions As To I and II Above:

Notwithstanding any of the above, the following shall be prohibited:

A. Copying shall not be used to create or to replace or substitute for anthologies, compilations or collective works. Such replacement or substitution may occur whether copies of various works or excerpts therefrom are accumulated or are reproduced and used separately.

B. There shall be no copying of or from works intended to be "consumable" in the course of study or of teaching. These include workbooks, exercises, standardized tests and test booklets and answer sheets and like consumable material.

C. Copying shall not:
   a. substitute for the purchase of books, publisher's reprints or periodicals;
   b. be directed by higher authority;
   c. be repeated with respect to the same item by the same teacher from term to term.

D. No charge shall be made to the student beyond the actual cost of the photocopying.

AGREED

March 19, 1976

AD HOC COMMITTEE ON AUTHOR-PUBLISHER

COPYRIGHT LAW REVISION GROUP AUTHORS LEAGUE OF AMERICA

By Sheldon Elliott Steinbach By Irwin Karp, Counsel

ASSOCIATION OF AMERICAN
PUBLISHERS, INC.

By Alexander C. Hoffman,
Chairman

Copyright Committee

Appendix B

Guidelines Under Fair Use for Music

The purpose of the following guidelines is to state the minimum and not the maximum standards of educational fair use under Section 107 of H.R. 2223. The parties agree that the conditions determining the extent of permissible copying for educational purposes may change in the future; that certain types of copying permitted under these guidelines may not be permissible under revised guidelines.

Moreover, the following statement of guidelines is not intended to limit the types of copying permitted under the standards of fair use under judicial decision and which are stated in Section 107 of the Copyright Revision Bill. There may be instances in which copying which does not fall within the guidelines stated below may nonetheless be permitted under the criteria of fair use.

A. Permissible Uses
1. Emergency copying to replace purchased copies which for any reason are not available for an imminent performance provided purchased replacement copies shall be substituted in due course.
2. For academic purposes other than performance, single or multiple copies of excerpts of works may be made, provided that the excerpts do not comprise a part of the whole which would constitute a performable unit such as a section, movement or area, but in no case more than 10% of the whole work. The number of copies shall not exceed one copy per pupil.
3. Printed copies which have been purchased may be edited or simplified provided that the fundamental character of the work is not distorted or the lyrics, if any, altered or lyrics added if none exist.
4. A single copy of recordings of performances by students may be made for evaluation or rehearsal purposes and may be retained by the educational institution or individual teacher.
5. A single copy of a sound recording (such as a tape, disc or cassette) of copyrighted music may be made from sound recordings owned by an educational institution or an individual teacher for the purpose of constructing aural exercises or examinations and may be retained by the educational institution or individual teacher.

B. Prohibitions
1. Copying to create or replace or substitute for anthologies, compilations or collective works.
2. Copying of or from works intended to be "consumable" in the course of study or of teaching such as workbooks, exercises, standardized tests and answer sheets and like material.
3. Copying for the purpose of performance, except as in A(1) above.
4. Copying for the purpose of substituting for the purchase of music, except as in A(1) and A(2) above.
5. Copying without inclusion of the copyright notice which appears on the printed copy.

Appendix C

201.14 Warnings of copyright for use by certain libraries and archives

(a) Definitions.

(1) A "Display Warning of Copyright" is a notice under paragraphs (d)(2) and (e)(2) of section 108 of Title 17 of the United States Code as amended by 94 P.L. 533 (paragraphs (d)(2) and (e)(2) of section 108 of this title). As required by those sections the "Display Warning of Copyright" is to be displayed at the place where orders for copies or phonorecords are accepted by certain libraries and archives.

(2) An "Order Warning of Copyright" is a notice under paragraphs (d) and (e)(2) of section 108 of Title 17 of the United States Code as amended by 94 P.L. 533 (paragraphs (d)(2) and (e)(2) of section 108 of this title). As required by those sections the "Order Warning of Copyright" is to be included on printed forms supplied by certain libraries and archives and used by their patrons for ordering copies or phonorecords.

(b) Contents. A Display Warning of Copyright and an Order Warning of Copyright shall consist of a verbatim reproduction of the following notice, printed in such size and form and displayed in such manner as to comply with paragraph (c) of this section:

NOTICE

WARNING CONCERNING COPYRIGHT RESTRICTIONS

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

This institution reserves the right to refuse to accept a copying order if, in its judgment, fulfillment of the order would involve violation of copyright law.

(c) Form and Manner of Use.

(1) A Display Warning of Copyright shall be printed on heavy paper or other durable material in type at least 18 points in size, and shall be displayed prominently, in such manner and location as to be clearly visible, legible, and comprehensible to a casual observer within the immediate vicinity of the place where orders are accepted.

(2) An Order Warning of Copyright shall be printed within a box located prominently on the order form itself, either on the front side of the form or immediately adjacent to the space calling for the name or signature of the person using the form. The notice shall be printed in type size no smaller than that used predominantly throughout the form, and in no case shall the type size be smaller than 8 points. The notice shall be printed in such manner as to be clearly legible, comprehensible, and readily apparent to a casual reader of the form.

Appendix D

Guidelines for Interlibrary Arrangements

(The following is reprinted from the Conference Report of September 29, 1976.)

Introduction
Subsection 108(g)(2) of the bill deals, among other things, with limits on interlibrary arrangements for photocopying. It prohibits systematic photocopying of copyrighted materials but permits interlibrary arrangements “that do not have, as their purpose or effect, that the library or archives receiving such copies or phone-records for distribution does so in such aggregate quantities as to substitute for a subscription to or purchase of such work.”

The National Commission on New Technological Uses of Copyrighted Works offered its good officers to the House and Senate subcommittees in bringing the interested parties together to see if agreement could be reached on what a realistic definition would be of “such aggregate quantities.” The Commission consulted with the parties and suggested the interpretation which follows, on which there has been substantial agreement by the principal library, publisher, and author organizations. The Commission considers the guidelines which follow to be a workable and fair interpretation of the intent of the proviso portion of subsection 108(g)(2).

These guidelines are intended to provide guidance in the application of Section 108 to the most frequently encountered interlibrary case: a library’s obtaining from another library, in lieu of interlibrary loan, copies of articles from relatively recent issues of periodicals -- those published within 5 years prior to the date of the request. The guidelines do not specify what aggregate quantity of copies of an article or articles published in a periodical, the issue date of which is more than 5 years prior to the date when the request for the copy thereof is made, constitutes a substitute for a subscription to such periodical. The meaning of the proviso to subsection 108(g)(2) in such case is left to future interpretation.

The point has been made that the present practice on interlibrary loans and use of photocopies in lieu of loans may be supplemented or even largely replaced by a system in which one or more agencies or institutions, public or private, exist for the specific purpose of providing a central source for photocopies. Of course these guidelines would not apply to such a situation.

Guidelines for the Provisos of Subsection 108(g)(2)

1. As used in the proviso of subsection 108(g)(2), the words “... such aggregate quantities as to substitute for a subscription to or purchase of such work” shall mean:
   (a) With respect to any given periodical (as opposed to any given issue of a periodical) filled requests of a library or archives (a “requesting entity”) within any calendar year for a total of six or more copies of an article or articles published in such periodical within 5 years prior to the date of the request. These guidelines shall not apply, directly or indirectly, to any request of a requesting entity for a copy or copies of an article or articles published in any issue of a periodical, the publication date of which is more than 5 years prior to the date when the request is made. These guidelines do not define the meaning, with respect to such a request, of “... such aggregate quantities as to substitute for a subscription to [such periodical].”
   (b) With respect to any other material described in subsection 108(d) (including fiction and poetry), filled requests of a requesting entity within any calendar year for a total of six or more copies or phonorecords of or from any given work (including a collective work) during the entire period when such material shall be protected by copyright.

2. In the event that a requesting entity --
   (a) Shall have in force or shall have entered an order for a subscription to a periodical, or
   (b) Has within its collection, or shall have entered an order for, a copy or phonorecord of any other copyrighted work, material from either category of which it desires to obtain by copy from another library or archives (the “supplying entity”), because the material to be copied is not reasonably available for use by the requesting entity it shall then the fulfillment of such request shall be treated as thought the requesting entity made such copy from its own collection. A library or archives may request a copy or phonorecord from a supplying entity only under those circumstances where the requesting entity would have been able, under the provisions of Section 108, to supply such copy from materials in its own collection.

3. No request for a copy or phonorecord of any material to which these guidelines apply may be fulfilled by the supplying entity unless such request is accompanied by a representation by the requesting entity that the request was made in conformity with these guidelines.

4. The requesting entity shall maintain records of all requests made by it for copies or phonorecords of any materials to which these guidelines apply and shall maintain records of the fulfillment of such requests, which records shall be retained until the end of the third complete calendar year after the end of the calendar year in which the respective request shall have been made.

5. As part of the review provided for in subsection 108(b), these guidelines shall be reviewed not later than 5 years from the effective date of this bill.

Appendix E

Sample Letter Requesting Permission To Copy

Date

[Publisher's Address]

Dear Sir or Madam:

I would like permission to copy the following for continued use in my classes in future semesters:

Title:

Copyright:

Author:

Material to be duplicated:[Chapters 10, 11, and 14] (photocopies enclosed)

Number of copies:

Distribution: The material will be distributed to students in my classes and they will pay only the cost of the photocopying.

Type of reprint: photocopy

Use: The chapters will be used as supplementary teaching materials in my classes.

I have enclosed a self-addressed envelope for your convenience in replying to this request.

Sincerely,

Faculty Member
500.3 Policy on Authorizing the President to Execute Grant Applications and Assurances of Compliance with Applicable Law

WHEREAS, the University of North Carolina from time to time may be eligible to receive grants or to enter into contracts or cooperative agreements with the United States, with the State of North Carolina, and with other public and private granting or contracting agencies; and

WHEREAS, such grants or contracts may require certifications or assurances that the University, as grantee or contracting party, will comply with the provisions of specified laws, regulations, policies or conditions:

NOW THEREFORE, BE IT RESOLVED, by the Board of Governors of the University of North Carolina,

With respect to any grant, contract or cooperative agreement to which the University of North Carolina would be a party, the President of the University of North Carolina is authorized to determine whether the University of North Carolina shall make application to become a party to such grant, contract or cooperative agreement and, if so, the President is authorized to execute appropriate applications, to execute documents embodying assurances of compliance with applicable laws, regulations, policies or conditions, and to furnish such additional information as may be required by the granting or contracting agency.

500.3: Adopted 06/14/91

500.4[R] Regulation on Administering Sponsored Programs

I. Purpose. This regulation establishes the general requirements, responsibilities, and relationships, with respect to sponsored programs, of the University of North Carolina System and the 17 constituent institutions (together referred to as the UNC System), and its faculty, staff, and students. "Sponsored programs" refers to scholarly, professional, and creative activities that University System personnel conduct with support from external funding instruments such as grants, contracts, cooperative agreements, or other agreements deemed appropriate by the chancellors of constituent institutions, or the president for agreements issued to the University of North Carolina System Office (UNC System Office). Sponsored programs, therefore, are key instruments through which the University System fulfills its diverse mission. The efficient and effective administration of sponsored programs is imperative.

II. Delegation of Authority. The Board of Governors retains overall policy-making authority with respect to sponsored programs. The Board of Governors has delegated contracting authority with regard to sponsored programs to the president pursuant to Section 500.3 of the UNC Policy Manual. The president may further delegate authority to the chancellors for the conduct of sponsored programs of their respective constituent institutions. The authority not delegated, nor prohibited herein, is reserved to the institutions.

III. Guidelines. Generally, two basic features define sponsored programs: (1) they are separately supported in whole or in part by external sponsors, and (2) they are executed under the terms of agreement between the University and sponsors. While the specific instruments (e.g., grants, contracts, cooperative agreements) authorizing sponsored programs typically are associated with specific individuals or groups, those instruments legally are awarded to the constituent institution or the UNC System. General criteria that must be considered in the development of sponsored programs include:

A. Adequate budgetary support, both direct and indirect, is to be provided by the sponsor or other appropriate sources. No obligations are to be assumed without University System authorization.

B. Sponsored programs must be compatible with the overall mission of the University System.

C. Sponsored programs must be consistent with federal and state laws and University System policies.

IV. The UNC System Office Requirements and Responsibilities. The UNC System Office will:

A. Collect and review sponsored programs data from the constituent institutions and disseminate reports.

B. Advocate for sponsored programs support and communicate the role of research.

C. Provide leadership in the professional development of research administration staff concerning sponsored programs through support of networking, sharing best practices, and technical assistance.

D. Maintain and disseminate guidelines and procedures related to sponsored programs.

E. Interface with federal and state governmental entities on behalf of the constituent institutions on broad topics and themes that impact research administration.

F. Facilitate interinstitutional collaboration on sponsored program activities.

V. Constituent Institution Requirements and Responsibilities. Each constituent institution will:

A. Report sponsored programs data to the UNC System Office consistent with established data definitions and procedures for submission.

B. Ensure that sponsored programs are conducted and funds are used in a manner consistent with federal and state laws and University System policies.

C. Ensure that sponsored programs funds reside in a designated University System account.

D. Ensure that a statement of work and budget exists explaining the purpose and use of each sponsored program's funds.

E. Ensure that only those with delegated authority enter into agreements that commit the University System to provide for the delivery of goods or services.

F. Ensure the constituent institution has granted prior approval for the following:

1. Commitment to continue an activity, retain personnel, provide cash matching/cost sharing funds, or provide capital improvements or equipment beyond the expiration of sponsored support or in excess of institutional resource levels.

2. Creation of a new organizational unit within the Institution or the University System.

3. Creation of a new degree program.

VI. Faculty and Staff Requirements and Responsibilities. Each faculty or staff member involved with sponsored programs will:

A. Submit all requests for support of sponsored programs through the appropriate institutional office for review and approval prior to submission to the sponsor.

B. Adhere to all federal and state laws and University System policies.

C. Disclose all financial interests consistent with federal, state, University System, and constituent institutions policies and procedures.

D. Conduct sponsored program activities in accordance with the highest ethical standards.

VII. 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 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.
500.5 University Research Facilities and Administration Receipts Reporting Policy

Purpose

The University of North Carolina receives reimbursement of Facilities and Administration (F&A) costs related to grants and contracts and is expected to allocate these funds within the appropriate state and federal guidelines. Pursuant to the provisions of Senate Bill 1005, Section 31.14 (2001), the UNC Board of Governors is required to report to the Joint Legislative Education Oversight Committee by March 1, each year, the amount of overhead receipts for the University System and the use of those receipts.

Background

F&A costs (sometimes called indirect or overhead receipts) are calculated for such items as facilities maintenance and renewal, libraries, salaries of technical, compliance and administrative personnel, equipment, scholarly development, and facilities support. F&A rates are set by negotiation between the federal government and each university. Lower rates are often established statutorily or by policy by certain programs and sponsors.

Under federal OMB Circular A-21 indirect costs generally reimburse for costs of the grants and contracts operations of the institution and other overhead expenses of the university in a manner consistent with the formulae under which the funds were recovered. Internal university controls pertaining to the compliance requirements for sponsored project expenditures under OMB Circular A-133 are designed to provide reasonable assurance regarding the achievement of the following objectives:

1. Transactions are properly recorded and accounted for in order to permit preparation of reliable financial statements and reports and maintain accountability over assets.
2. Transactions are executed in compliance with laws, regulations and provisions of federal and state laws and in accordance with sponsored agreement terms.
3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Requirements

1. UNC institutions determine expenditure of F&A receipts. The chancellor of each constituent institution shall expend F&A funds only to support scholarly development of its faculty, staff and students or to ensure that the campus infrastructure is supported to enhance such scholarly activities.
2. In a format to be provided by the Office of the President, each campus will report by December 1, the amount of F&A funds received, amount expended by purpose, and uncommitted balance. A report will be made to the Board of Governors at the February board meeting.
3. Chancellors shall formulate and submit a copy of an administrative procedure for the use and reporting of F&A funds to the President, consistent with Board of Governors’ guidelines for the expenditure of F&A funds.

500.5: Adopted 03/06/02

500.6 University Equity Acquisition Policy

I. Introduction

Constituent Institutions occasionally have the opportunity to acquire equity in companies in relation to inventions. Usually, equity agreements are structured to enhance technology transfer whenever cash reserves for new companies are not available for payment of intellectual property rights as the result of licensing or other transfer of technology.

Acceptance of equity for constituent institution intellectual property rights presents issues considerably different from fee-generating licensing transactions and therefore should be treated differently within the framework of the UNC Patent and Copyright Policies, in regard to distribution of equity and/or earnings on equity to inventors.

This policy has been designed to limit the issues of institutional conflicts of interest and conflicts of interest of inventors, departments, schools and technology transfer offices and officers. Decisions on when to convert equity into earnings should be made at "arms length" from the technology development and licensing offices to limit securities exchange violations.

II. Policy

A. Conditions for Receipt of Equity

Equity in a company may only be received by a constituent institution in the UNC system as partial or full consideration for a technology license or transfer of technology, as negotiated by the technology transfer office or by the Chief Research Officer, Chief Academic Officer, or University Counsel. Constituent institutions should designate the unit responsible for effecting such negotiations and the unit responsible for receiving and managing such equity. Without the approval by a constituent institution’s Chancellor, no other unit of the constituent institution, including affiliated foundations, may acquire equity in a company from which the constituent institution has received or is negotiating to receive equity in conjunction with a licensing or transfer of technology transaction, except as provided in Section II(F) of this Policy. Acceptance of equity will be based upon similar principles of constituent institution fee-generating licensing where transactions occur in an atmosphere of openness, objectivity and fairness, placing education, research and public service before institutional or individual gain. Equity transactions will be conducted in accordance with other University policies such as: the Policy on Conflicts of Interest and Commitment, the Policy on Ethics in Research, the Policy on External Professional Activities for Pay, and other related University policies and guidelines.

B. Negotiations, Founder’s Shares, Voting Representation

1. Negotiations. Except as expressly approved by the constituent institution’s Chief Research Officer, there shall be no negotiation on behalf of a constituent institution independent of the appropriate technology transfer office (or other responsible unit, as designated by constituent institution) by any constituent institution investigator regarding any constituent institution license with or on behalf of a licensee, including a licensee company founded in whole or in part by that inventor. Independent negotiations by an inventor regarding personal consulting contracts with the potential licensee are permissible, provided the inventor complies with the Policy on External Professional Activities for Pay, the Policy on Conflicts of Interest and Commitment, the Patent and Copyright Policies, and other applicable University policies.

2. Founder’s Shares. Any constituent institution investigator who is a Founder of a company shall not be eligible to be a recipient of equity or the
proceeds of equity accepted on behalf of the constituent institution. For the purposes of this Policy, a “Founder” shall be any person who has received, receives or is likely to receive a substantial economic benefit as a result of acting as a founder, originator, or promoter of a company.

3. Voting Representation. No constituent institution or its assigns will seek or accept voting representation on the board of directors of a licensee company that provided equity as consideration for a license from the constituent institution, regardless of the level of its equity received as consideration for a license. Constituent institution employees may accept appointments to boards of directors and scientific advisory boards of licensees in their individual capacities and not as constituent institution representatives, but are still subject to all applicable university policies in doing so.

C. Constituent Institution Employee or Officer Equity Ownership

Other than a founder or inventor, no officer or employee of a constituent institution will be allowed to hold or acquire equity in a company with which the constituent institution has negotiated or is negotiating a license agreement if that license agreement includes the transfer of equity to the constituent institution as either partial or complete consideration for the license agreement and if the officer or employee is engaged in or has access to or knowledge of the negotiation between the company and the constituent institution.

D. Equity Terms and Minority Ownership

1. Equity Terms. The terms of any equity-based technology licensing transaction, with the exception of the form of consideration, shall be consistent with constituent institution licensing transactions for comparable technologies.

2. Minority Ownership. Neither constituent universities nor their assigns will accept more than a minority ownership share in a licensee as consideration for a license.

E. Timing and Nature of Distribution

Where there is a proposal for equity in a company to be accepted by the constituent institution or its assign as consideration for a technology licensing transaction, the constituent institution technology transfer office or other designated responsible unit may elect either:

1. Distribution at Licensing. Arrange for inventor(s) other than Founder(s) to receive in the aggregate a one-time distribution of no less than 15% of the total shares due to the constituent institution or its assign directly from the licensee upon execution of the relevant agreement, including provisions relating to restrictions, if any, on transfer or disposition of inventor(s) equity, in which case the inventor will be responsible for retaining his/her own business advisors, legal counsel and tax counsel and will be responsible for all financial, tax and legal consequences related to the equity he/she receives; or

2. Distribution After Licensing. Arrange for all equity, including shares attributable to the inventor(s) other than Founder(s), to be issued in the name of and held by the constituent institution or its assign. The inventor(s)’ sole right under these circumstances is the receipt of no less than 15% in the aggregate of the total shares, or the pro-rata total shares, or cash equivalent, of equity held by the constituent institution or its assign that become unrestricted and have market value. The inventor will be responsible for retaining his/her own business advisors, legal counsel and tax counsel and will be responsible for all financial, tax and legal consequences related to the equity or cash equivalent he/she receives.

F. Management of Equity

1. Independent Management Decisions. The constituent institution or its assign shall make decisions regarding the management and disposition of equity it receives pursuant to this Policy based upon sound business judgment, which may include a decision that it is in the best interests of the constituent institution to establish a certain date of liquidation of equity, and publicly available information. Such decisions shall be made independent of any undue influence by the inventors, the technology transfer office, or any other campus licensing unit.

2. Limited Additional Investment. Under no circumstances shall the constituent institution or its assign make any direct investment in any licensee in which equity has been accepted by the constituent institution or assign in consideration for a license pursuant to this Policy unless and until the licensee company is publicly traded or until licensee’s equity is priced by unrelated and independent means.

III. Institutional Policies

Each constituent institution may adopt internal policies, procedures, and guidelines consistent with this Policy. The internal policies, procedures, and guidelines may include a provision that recognizes the unique nature of equity acquisition and allows the constituent institution’s Chancellor to approve exceptions to certain provisions of this Policy, in extraordinary individual cases, where those exceptions comply with all University of North Carolina and constituent institution policies, relevant laws, regulations, and ethical requirements.

500.6: Adopted 01/14/05

500.7 The University of North Carolina Policy On Research Conduct

I. Research Defined.

Research means a systematic investigation, including research development, testing, and evaluation, designed to develop or contribute to generalizable knowledge. For the purposes of this Policy, Research includes all basic, applied, and demonstration research in all academic and scholarly fields. Research fields include, but are not limited to, the arts, the sciences, liberal arts, applied sciences, social sciences, the professions, and research involving human subjects or animals.

II. Research Misconduct Defined.

Research misconduct is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting the results.

- a. Fabrication is making up data or results and recording or reporting them.
- b. Falsification is manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record. The research record is the record of data or results that embody the facts resulting from the research inquiry and includes, but is not limited to research proposals, laboratory records, both physical and electronic, progress reports, abstracts, these, oral presentations, internal reports, books, dissertations, and journal articles.
- c. Plagiarism is the appropriation of another person’s ideas, processes, results, or words without giving appropriate credit.
- d. Research misconduct does not include honest error or differences of opinion.

III. Findings of Research Misconduct.

A finding of research misconduct requires that:
IV. Fair and Timely Procedures.

The constituent institutions and affiliated entities of The University of North Carolina shall develop fair and timely procedures for responding to allegations of research misconduct, designed to provide safeguards for subjects of allegations as well as for informants. Fair and timely procedures include the following:

a. Safeguards for Informants. Safeguards for informants give individuals the confidence that they can bring allegations of research misconduct made in good faith or serve as informants to an inquiry or an investigation without suffering retribution. Safeguards include protection against retaliation for informants who make good faith allegations, fair and objective procedures for the examination and resolution of allegations of research misconduct, and diligence in protecting the positions and reputations of those persons who make allegations of research misconduct in good faith.

b. Safeguards for Subjects of Allegations. Safeguards for subjects give individuals the confidence that their rights are protected and that the mere filing of an allegation of research misconduct against them will not bring their research to a halt or be the basis for other disciplinary or adverse action absent other compelling reasons. Other safeguards include timely written notification of subjects regarding substantive allegations made against them; a description of all such allegations; reasonable access to the data and other evidence supporting the allegations; and the opportunity to respond to allegations, the supporting evidence, and the proposed findings of research misconduct, if any.

c. Objectivity and Expertise. The selection of individuals to review allegations and conduct investigations who have appropriate expertise and have no unresolved conflicts of interests help to ensure fairness throughout all phases of the process.

d. Timeliness. Reasonable time limits for the conduct of the inquiry, investigation, adjudication, and appeal phases (if any), with allowances for extensions where appropriate, provide confidence that the process will be well managed.

e. Confidentiality During the Inquiry, Investigation, and Decision-Making Processes. To the extent possible consistent with a fair and thorough investigation and as allowed by law, knowledge about the identity of the subjects, informants, and research subjects is limited to those who need to know.

f. Preservation and Retention of the Research Record. The research record, including all documents, data, and materials relating to an allegation and investigation of research misconduct will become institutional records and will be preserved and maintained by the institutional investigators.

V. Administrative and Disciplinary Actions.

a. Seriousness of the Misconduct. In deciding what administrative or disciplinary actions are appropriate, the institution or entity should consider the seriousness of the misconduct, including, but not limited to, the degree to which the misconduct was knowing, intentional, or reckless; was an isolated event or part of a pattern; or had significant impact on the research record, research subjects, other researchers, institutions, or the public welfare.

b. Possible Administrative and Disciplinary Actions. Administrative and disciplinary actions available include, but are not limited to, appropriate steps to correct the research record; letters of reprimand; the imposition of special certification or assurance requirements to ensure compliance with applicable regulations or terms of an award; suspension or termination of an active award; written warning; demotion; suspension; salary reduction; dismissal; or other serious discipline according to the appropriate policies applicable to students, faculty or staff. With respect to administrative actions or discipline imposed upon employees, the institution or entity must comply with all relevant personnel policies and laws. With respect to administrative actions or discipline imposed upon students, the institution or entity must comply with all relevant student policies and codes.

c. Criminal or Civil Fraud Violations. If the institution or entity believes that criminal or civil fraud violations may have occurred, the institution or entity shall promptly refer the matter to the appropriate investigative body.

VI. Relationship to Other Policies.

The Research Misconduct Policy is meant to complement, not replace, other policies that may apply to conduct occurring during the research process, such as:

a. University of North Carolina or State of North Carolina Policies. University or State personnel policies and procedures, policies relating to financial misconduct, policies relating to human or animal subject research, student codes of conduct, or other applicable policies.

b. Federal Policies and Procedures. Research which is required to comply with separate federal and institutional policies which conform to policies and rules implemented in response to the Office of Science and Technology Policy’s Federal Policy on Research Misconduct; for example, The Health and Human Services Policies codified at 42 CFR Part 93.

c. Questionable Research Practices Policies. Nothing in this Policy is meant to prohibit the adoption of policies and procedures addressing questionable research practices, which do not rise to the level of research misconduct, as defined in this Policy, but which violate the traditional values of research, and are detrimental to the research process.
Chapter 600 Financial Matters, Real Property, Endowment, and Trust Funds

600.1 Real Property

600.1.1 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. 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. 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.

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. 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.

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.

[1] This 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.


600.1.1: Adopted 11/14/97, Amended 06/08/01, Amended 06/14/13, Amended 05/22/19


The “Delegations of Duty and Authority to Boards of Trustees,” adopted by the Board of Governors and set forth in the Appendix to The Code, specified in Section VI that each Board of Trustees would exercise authority (subject to any policies of the Board of Governors or any requirements of State law) with respect to selection of architects, approval of building sites, approval of plans and specifications and final acceptance of completed capital construction projects. The responsibility for execution of construction contracts was not addressed in that delegation, however, and therefore that function is presently a responsibility of the President, within the terms of the budget-execution functions assigned by The Code. As of December 18, 1972, the President has delegated to each chancellor the authority and responsibility for execution of construction contracts, in conjunction with the performance by the Board of Trustees of its enumerated responsibilities.

[This is a rewrite of Administrative Memorandum #8.]

600.1.1.1[G]: Adopted 12/18/72

600.1.2 Selection of Bond Counsel

As a prerequisite to designation as bond counsel, a law firm must either (a) certify that it is not now engaged in the representation of any party who is, or who has given notice of its intention to become, a party to any lawsuit in which the University, or a constituent institution of the University, or an officer of the University named in his or her official capacity is a party defendant or (b) provide a list of instances in which the law firm does represent a party with an adverse interest to the University as described in (a) above. If a law firm does represent a party with an adverse interest, then the President will decide on a case by case basis whether or not to waive the conflict. For the duration of its service as bond counsel to the University, the law firm must agree that it will not represent a party with an adverse interest to the University as described above unless the University, through the President, agrees in writing to waive the conflict.

600.1.2: Adopted 06/14/96, Amended 05/11/01

600.1.3 Policy on Authority for Real Property Transactions

I. Pursuant to its authority under G.S. 116-3, 116-11(13), 116-12, 116-13, 116-31.12, and other North Carolina law, and consistent with Appendix 1 of The Code and Section 200.6 of the UNC Policy Manual, the Board of Governors adopts the following policy regarding authority to acquire and dispose of interests in real property.

II. General Delegations of Authority to the President and Boards of Trustees

A. The Board of Governors delegates to the president the power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors:

   1. Any interest in real property, other than a leasehold, with a value less than $750,000; and
   2. 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.

B. The Board of Governors delegates to the boards of trustees of the constituent institutions the power to authorize acquisition or disposition by the institutions of the following interests in real property without obtaining approval of the Board of Governors:

   1. Any interest in real property, other than a leasehold, with a value less than $500,000; and
   2. A leasehold interest in real property with annual value less than $500,000 and a term of not more than 10 years.

C. The boards of trustees of the constituent institutions are authorized to delegate to the chancellors of their respective institutions the power to authorize for their institutions acquisition or disposition of an interest in real property valued at less than $50,000, without obtaining the approval of the board of trustees of the pertinent institution or of the Board of Governors.

D. All delegations of authority in this section are subject to any necessary approvals from State officials and agencies.

III. Additional Delegations of Authority to the President and Boards of Trustees

A. The Board of Governors may delegate to the president of the University of North Carolina additional authority to acquire and dispose of an interest in real property other than a lease if valued at less than $1,250,000, and/or, consistent with G.S. 116-31.12, to acquire and dispose of real property by lease if the lease is valued annually at less than $1,000,000 and has 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, its affiliates, or the constituent institutions in the president’s discretion.

B. Upon request by the board of trustees of a constituent institution and with the recommendation of the president, the Board of Governors may delegate to the board of trustees of a constituent institution additional authority to acquire and dispose of an interest in real property other than a lease if valued at less than $1,000,000, and/or, consistent with G.S. 116-31.12, to acquire and dispose of real property by lease if the lease is valued annually at less than $750,000 and has a term of not more than 10 years.

C. Should the Board of Governors delegate additional authority to one or more boards of trustees consistent with paragraph B., above, the president shall automatically receive authority at a level equal to the highest level of authority delegated to a board of trustees. 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.

D. 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. 116-31.12 and other relevant 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:

1. 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.

2. 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.

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

4. The constituent institution has an individual on staff with substantial experience in managing commercial real estate transactions and the chancellor has designated that individual as the campus property officer.

5. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the development, evaluation and execution of commercial leasing transactions.

6. An assessment team, assembled and led by the senior vice president for finance and administration, 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.

E. 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. 116-31.12 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 real property transactions for the institution involved shall be completed in accordance with Chapter 146 of the General Statutes of North Carolina and the general delegations provided for in section II of this policy.

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 the acquisition and disposition of real property 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.

1. G.S. 116-31.12 delegates to the Board of Governors of the University of North Carolina the authority to authorize the constituent institutions and the University of North Carolina System Office to acquire and dispose of real property by lease if the lease is for a term of not more than 10 years. The statute directs the Board of Governors to establish a policy by which this leasing authorization may be further delegated to the boards of trustees of the constituent institutions or to the president of the University of North Carolina.

2. 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 University; see Section 200.6 of the UNC Policy Manual.

3. The value of an interest in real property shall, with respect to a leasehold interest, be deemed the annual rental value thereof.

600.1.3: Adopted 05/22/19

600.1.3[R] Regulation on Acquisition and Disposition of Real Property Authority

I. Authority. Pursuant to its authority under G.S. 116–3, 116–11(13), 116–12, 116–13, 116–31.12, and other North Carolina law, the Board of Governors adopted Section 600.1.3 of the UNC Policy Manual regarding the authority of the president and boards of trustees to acquire and dispose of real property. The power by which real property transactions are to be entered into, authorized, and executed can be extensive and complicated. Some authorizations are established by state statute, others by state regulation, and still others by procedures of the Board of Governors. The tables in this regulation summarize the various authorizations and signature authority in a manner intended to make apparent the required process for undertaking each category of real property transaction. This regulation also provides requirements for transactions entered into using additional delegated authority provided for under Section 600.1.3 of the UNC Policy Manual. All delegations of authority in this section are subject to any necessary approvals from state officials and agencies as may be provided for in state law, regulation, or rule.

II. General Requirements for All Real Property Transactions. In addition to the information set forth on the below charts, the following procedures apply:

A. University of North Carolina System Office (UNC System Office) finance staff shall be copied on all requests for approval of real property transactions submitted to officials or agencies external to the University System.

B. All real property transactions that require approval beyond the campus level are to be initiated by submission of the Form PO-1 for acquisitions and the Form PO-2 for dispositions to the State Property Office.

C. Leases not exceeding $12,000 annual rental for terms of three years or less may be executed without the necessity of advertising for the required premises.

D. Institutions may not lease premises from a non-state agency without first determining that there are no state-owned or state-leased premises that would be suitable for the need; institutions may not lease premises to a non-state agency without first determining that no other state agency needs to lease those premises.

E. Copies of all real property instruments must be filed with the Department of Administration. Every six months the institution is to make a report to the Department of Administration on the status of all leases. The procedure for this report is prescribed by the Department of Administration.

F. All instruments involving acquisition or disposition of an interest in real property are entered into on behalf of the state, regardless of whether executed by the governor, president, chancellor, or other official.

G. No permanent improvements on leased premises may be made without the prior approval of the Department of Administration.

H. Dispositions at less than fair market value are subject to the constraints of G.S. 146–29.1.
I. These procedures pertain to real property transactions of the constituent institutions, but they do not govern transactions with non-state agencies by the board of trustees of the endowment fund of the institution, organized pursuant to G.S. 116-36.

III. Required Authorizations for Real Property Transactions

**Required Authorizations for Acquisition or Disposition of an Interest in Real Property Other than a Lease (e.g., fee simple, easement, license, demolition)**

<table>
<thead>
<tr>
<th>Value</th>
<th>Chief Financial Officer</th>
<th>Chancellor</th>
<th>Board of Trustees</th>
<th>President or Designee</th>
<th>Board of Governors</th>
<th>State Property Office</th>
<th>Governor and Council of State</th>
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<td>$0 - 499,999</td>
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<td>$750,000 or more</td>
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</tbody>
</table>

An instrument involving acquisition or disposition of a fee simple interest or easement shall be executed by the governor in accordance with G.S. 146-74, et seq. Instruments granting revocable, non-transferable, time-limited licenses to use real property for specific purposes may be executed by chancellors of constituent institutions, or their designees, pursuant to applicable constituent institution policies.

**Required Authorizations for Acquisition or Disposition of Real Property by Lease**

<table>
<thead>
<tr>
<th>Annual Value</th>
<th>Term (Including Renewals)</th>
<th>Chief Financial Officer</th>
<th>Chancellor or Designee</th>
<th>Board of Trustees</th>
<th>President or Designee</th>
<th>Board of Governors</th>
<th>State Property Office</th>
<th>Governor and Council of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - 499,999</td>
<td>5 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>$500,000 - 749,999</td>
<td>5 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>$750,000 or more</td>
<td>any term</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>$0 or more</td>
<td>&gt; 10 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

An instrument involving acquisition or disposition of real property by lease using general authority shall be executed by the governor. Acquisitions and dispositions of real property by lease by constituent institutions that have been granted additional delegated authority for lease transactions by the Board of Governors are addressed in the below table.

<table>
<thead>
<tr>
<th>Annual Value</th>
<th>Term (Including Renewals)</th>
<th>Chief Financial Officer</th>
<th>Chancellor or Designee</th>
<th>Board of Trustees</th>
<th>President or Designee</th>
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<tbody>
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<td>$0 - 499,999</td>
<td>5 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>$500,000 - 749,999</td>
<td>5 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>$750,000 or more</td>
<td>5 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>$0 or more</td>
<td>&gt; 10 years</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

An instrument involving acquisition or disposition of real property by lease using additional delegated authority authorized by a constituent institution's board of trustees shall be executed by the chancellor or designee. An instrument involving acquisition or disposition of real property by lease using additional delegated authority authorized by the president or the Board of Governors shall be executed by the president or designee.

IV. Requirements for Lease Transactions Using Additional Delegated Authority

The requirements in this section IV apply to acquisitions and dispositions of real property by lease by constituent institutions that have been granted additional delegated authority for lease transactions by the Board of Governors.

A. General
   1. A source of funds must be identified and secured for 100 percent of the required funding for the term of the proposed acquisition by lease. Funds must be used in strict compliance with state statute.
   2. Model lease documents consistent with G.S. 116-31.12 shall be used for delegated transactions. Completed lease documents must be reviewed and approved by the constituent institution’s attorney.
   3. The functional composition of the campus property review committee shall be proposed by the constituent institution, approved by the UNC System Office and appointed by the chancellor. Changes to the approved functional composition shall be approved by the UNC System Office.
   4. The campus property review committee, the vice chancellor for business affairs, the chancellor or designee, the president or designee, and the Board of Governors shall approve all transactions according to the appropriate delegation as described in Section 600.1.3[R].
   5. An acquisition lease shall be classified as routine or as strategic, with the prior approval of the UNC System Office.
   6. All lease agreements shall be in the name of the constituent institution or the University of North Carolina.
   7. The availability of funds clause is required in all acquisition leases. This clause shall not be invoked without the written permission of the president.
   8. A lease produced under this delegation, whether acquisition or disposition, shall be reported by the campus property officer to the Secretary of Administration, with copy to the leasing and space planning manager in the State Property Office, and the UNC System Office within 30 calendar days of the lease being fully executed.

B. The Campus Property Review Committee shall have the following responsibilities:
   1. Approve delegated transactions and set priorities, establish standards, and provide direction for delegated activities.
2. Review the space needs analysis and lease specifications for an additional delegated authority transaction.
3. Review lease proposals submitted to and/or negotiated by the campus property office.
4. Review lease transactions to ensure compliance with established procedures and protocols.
5. Review requests to enter strategic acquisition leases as defined herein. If the committee concurs with the request, the committee chairperson shall provide written rationale and request approval to classify the lease as strategic from the senior vice president for finance and administration at the UNC System Office.
6. Review requests to enter less than fair market value disposition leases as defined herein. If the committee concurs with the request, the committee chair shall provide written rationale and request approval to lease at less than fair market value from the senior vice president for finance and administration at the UNC System Office.

C. The Campus Property Officer and the Campus Property Office shall have the following responsibilities:

1. Establish and enforce procedures that ensure additional delegated authority transactions are approved and executed in accordance with the G.S. 116-312, with Section 600.1.3 of the UNC Policy Manual, and with these regulations.
2. Establish and enforce procedures that ensure transactions shall be approved and executed in accordance with space standards established by the institution and the UNC System Office.
3. Develop a comprehensive set of specifications to be used for additional delegated authority activities.
4. Secure, in accordance with applicable state law and regulation, the technical and professional services needed to assist with the additional delegated authority transaction.
5. Perform a space analysis consistent with the University of North Carolina Space Planning Standards, which were prepared in October 1998 and using an updated organizational chart for those to be housed in the space.
6. Develop a detailed set of specifications that addresses all lease requirements including detailed lessor and lessee responsibilities and report the specifications to the campus property review committee prior to obtaining proposals.
7. Negotiate leases.
8. Conduct an internal review of acquisition and disposition by lease practices to ensure compliance with these regulations and to incorporate best practices.
9. Schedule and coordinate a building code/occupancy inspection by the Department of Insurance or other code enforcement official certified by the North Carolina Code Officials Qualification Board to ensure that the proposed lease shall provide space that is in compliance with applicable local, state, and federal codes.
10. Coordinate with North Carolina Department of Insurance to ensure that property acquired or disposed of under the constituent institution’s delegated authority is properly insured.
11. Coordinate with the campus attorney’s office to ensure complete legal review of all agreements, leases or contracts related to the delegated transaction.
12. Review the space needs analysis and lease specifications for an additional delegated authority transaction.

D. The Acquisition by Lease Process

1. Routine Lease. The constituent institution shall acquire space by lease for routine administrative, office, laboratory and/or storage space utilizing a formal, advertised, sealed proposal process if the annual cost of the lease is greater than $50,000. An informal proposal process may be used if the annual cost of the lease is $50,000 or less.
   a. For leases that have an annual cost of no more than $50,000 per year, informal, written proposals may be obtained using a process that details the terms and conditions of the proposed lease.
      1. Once the proposal is selected, approved by the property review committee, and approved by the chancellor or designee, a lease shall be prepared.
      2. The prepared lease shall be reviewed and approved by the campus attorney.
      3. The chancellor or designee shall execute the lease, and the original fully executed lease shall be retained by the campus property office.
      4. The transaction shall be reported to the UNC System Office and the Secretary of Administration within 30 calendar days of the lease being fully executed.
   b. For leases that have an annual cost of more than $50,000 per year, formal, advertised, written proposals shall be obtained.
      1. The campus property office shall place a public advertisement in the legal notice section of a newspaper of general circulation in the county where the lease shall be located and in other public electronic media available to the campus or the UNC System Office.
      2. The advertisement shall run for at least five (5) consecutive days and shall provide that proposals shall be received in the campus property office at a specified time and on a date that is no less than five (5) days beyond the last day the lease is publicly advertised.
      3. In the event that no acceptable proposals are received, the campus property office may negotiate in the open market for the needed lease. Once negotiated, the proposal and detailed justification is submitted to the campus property review committee and the UNC System Office property office for approval.
      4. Once approved, a lease shall be prepared.
      5. The prepared lease shall be reviewed and approved by the campus or a UNC System Office attorney.
      6. The campus property office shall seek the approval of the chancellor or designee.
      7. If the lease cost and term are not within the delegation set by the board of trustees of the constituent institution, the campus property office shall seek approval of the proposed lease by the board of trustees via a request by the vice chancellor for finance and administration.
      8. The chancellor or designee shall execute the lease and the fully executed lease shall be retained by the campus property office.
      9. The transaction shall be reported to the UNC System Office and the Secretary of Administration within 30 calendar days of the lease being fully executed.

2. Strategic Lease. The constituent institution may acquire space by lease for strategic, unique or site-specific space that is necessary and appropriate to take full advantage of opportunities of strategic importance to the constituent institution or the university. The strategic lease process may commence only with the prior approval of the campus property review committee and the UNC System Office.
   a. The requesting entity shall provide a detailed written justification that shall include the specific reasons for seeking to acquire by lease strategic, unique or site-specific space. The justification shall be submitted to and approval shall be obtained from the campus property review committee, the chancellor, and the senior vice president for finance and administration, and the UNC System Office.
   b. The campus property office shall obtain written proposals that detail the terms and conditions of the proposed lease.
      1. Once the proposal is selected, approved by the campus property review committee, the chancellor and the board of trustees, a
An instrument involving acquisition or disposition of real property by lease for a term of greater than 10 years shall be executed by the governor.

Acquisitions and dispositions of real property by lease with annual value less than $50,000 and a term of not more than 10 years may be authorized by the chancellor, if so authorized by the board of trustees, without further approval by the Board of Governors or the president.

Preapproval by the UNC System Office’s senior vice president for finance and administration or designee.

Preapproval by the chancellor or designee; and

Preapproval by the board of trustees of the constituent institution.

Any disposition of real property by lease shall be at or above fair market values (FMV) supported by a comparable market analysis of lease rates. Any disposition of real property by lease at less than FMV shall require at a minimum:

1. Written justification that contains a description of the methodology used and the analysis performed to determine that disposition of the specific space or property by lease at less than FMV is in the best interest of the university;
2. It is permissible to lease campus real property to a public entity for less than FMV;
3. It is not permissible to lease campus real property to a private not-for-profit entity for less than FMV.

2. A description of any improvements or alterations (if any) to be made to the leased space at the request of the potential lessee.

3. Preapproval by the chancellor or designee; and
4. Preapproval by the UNC System Office’s senior vice president for finance and administration or designee.

D. Once required approvals and authorizations have been obtained from the campus property review committee, the chancellor, the board of trustees, the president, and the Board of Governors, as appropriate, a lease shall be prepared.

E. The prepared lease shall be reviewed and approved by the campus or a UNC System Office attorney.

The chancellor or designee shall execute the lease, and the original fully executed lease shall be retained by the campus property office.

4. The transaction shall be reported to the UNC System Office and the Secretary of Administration within 30 calendar days of the lease being fully executed.

E. The Disposition by Lease Process

1. General. The constituent institution may dispose of real property by lease contingent upon full compliance with applicable procedures and required approvals described herein as well as other relevant processes not inconsistent with these regulations.

2. Procedures

V. Other

a. Any proposed disposition of real property by lease shall be identified by the campus property officer and reviewed by the campus property review committee. At a minimum, any proposal for disposition by lease shall contain the following:

1. A written justification that details the reason(s) for leasing the space to an external lessee.
2. A description of any improvements or alterations (if any) to be made to the leased space at the request of the potential lessee.

b. The proposed disposition of real property by lease must be endorsed by the chancellor or designee and the board of trustees of the constituent institution.

c. Any disposition of real property by lease shall be at or above fair market values (FMV) supported by a comparable market analysis of lease rates. Any disposition of real property by lease at less than FMV shall require at a minimum:

1. Written justification that contains a description of the methodology used and the analysis performed to determine that disposition of the specific space or property by lease at less than FMV is in the best interest of the university;
2. It is permissible to lease campus real property to a public entity for less than FMV.
3. It is not permissible to lease campus real property to a private not-for-profit entity for less than FMV.
4. Preapproval by the chancellor or designee; and

3. Preapproval by the campus or a UNC System Office attorney.

f. The transaction shall be reported to the UNC System Office and the Secretary of Administration, with copy to the leasing and space planning manager in the State Property Office, within 30 calendar days of the lease being fully executed.

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

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.

G.S. 116-31.12 delegates to the Board of Governors of the University of North Carolina the authority to authorize the constituent institutions and the UNC System Office to acquire and dispose of real property by lease if the lease is for a term of not more than 10 years. Further, the statute directs the Board of Governors to establish a policy by which this leasing authorization may be further delegated to the boards of trustees of the constituent institutions or to the president of the University of North Carolina.

Acquisitions and dispossession of real property with value less than $50,000 may be authorized by a chancellor, if so authorized by the board of trustees, without further approval by the Board of Governors or the president.

The president may authorize transactions valued below this range on behalf of a constituent institution, affiliated entity, or the UNC System Office in the president’s discretion.

Acquisitions and dispossession of real property with value less than $50,000 may be authorized by a chancellor, if so authorized by the board of trustees, without further approval by the Board of Governors or the president.

The president may authorize transactions valued below this range on behalf of a constituent institution, affiliated entity, or the UNC System Office in the president’s discretion.

Acquisitions and dispossession of real property by lease with annual value less than $50,000 and a term of less than 10 years may be authorized by a chancellor, if so authorized by the board of trustees, without further approval by the Board of Governors or the president.

The president may authorize transactions valued below this range on behalf of a constituent institution, affiliated entity, or the UNC System Office in the president’s discretion.

Acquisitions and dispossession of real property by lease using additional delegated authority with an annual value less than or equal to $150,000 and a term of not more than 10 years may be authorized by the chancellor or the chancellor’s designee.

The president may authorize instruments for transactions valued below this range on behalf of a constituent institution, affiliated entity, or the UNC System Office in the president’s discretion.

An instrument involving acquisition or disposition of real property by lease for a term of greater than 10 years shall be executed by the governor.
600.1.5 Equal Access In Construction Contracting

It is the policy of The University of North Carolina to provide businesses owned by minority persons equal access and opportunity to participate fully in all aspects of the University’s construction program; to prohibit discrimination against businesses on the basis of race, color, national origin, or gender; to promote and encourage full and open competition; and to promote equal access to contracting opportunities among the various contractors and vendors that do business with the University. Minority persons are defined in North Carolina General Statutes 143-128.

600.2 Endowments and Other Funds

600.2.1 Endowment Funds

A. Regulations for Endowment Property Exclusively for the Benefit of One Constituent Institution.

1. Under the provisions of N.C.G.S. § 116-36, as amended by Chapter 506, 1977 Session Laws, and pursuant to these regulations, uniformly applicable to all constituent institutions, the Board of Trustees of each constituent institution shall establish and maintain an endowment fund for the constituent institution.

2. It is not the statutory intent underlying these regulations that the proceeds from any endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying these regulations that those proceeds shall supplement the state appropriations so as to allow the recipient institution to provide a program of education or assistance to students.

3. Pursuant to these regulations, each Board of Trustees shall appoint an investment board to be known as “The Board of Trustees of the Endowment Fund of __________” (here shall be inserted the name of the constituent institution).

4. The Board of Trustees of the endowment fund shall consist of no fewer than six members and no more than nine members, as determined by the Board of Trustees of the constituent institution. One member of the Board of Trustees of the endowment fund shall be the chairman of the Board of Trustees of the constituent institution, one member shall be the chancellor of the constituent institution, and a third ex officio member shall be designated by the Board of Trustees of the constituent institution from among the officers of that board or of the committees of that board. The remainder of the members may be (but need not be) members of the Board of Trustees of the constituent institution and shall be elected by the Board of Trustees of the constituent institution for overlapping terms of three years each. The terms of the three elected members of the Board of Trustees shall be initially for one, two, and three years each. All elections thereafter shall be for a regular term of three years, except that any person elected by the Board of Trustees to fill a vacancy created otherwise than by the expiration of a term shall be elected to serve the remainder of the term of the person whom he or she succeeds. The chairman of the Board of Trustees of the constituent institution shall be ex officio the chairman of the Board of Trustees of the endowment fund of that institution.

5. The trustees of the endowment fund may receive and administer as part of the endowment fund gifts, devises, and bequests and any other property of any kind that may come to them from the Board of Governors of the University of North Carolina or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the institution.

6. Any gift, devise, or bequest of real or personal property to the constituent institution shall be presumed, nothing to the contrary appearing, a gift, devise, or bequest, as the case may be. Under no circumstances shall the moneys of the endowment fund be invested in the institution prior to June 8, 1977.

7. Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the chancellor of the institution through written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the constituent institution for its endowment fund shall be presented by the chancellor to the trustees of the endowment fund as provided in this paragraph unless the chancellor finds that the property (1) though presumptively made available to the institution for its endowment fund, was in fact made available to the institution for some other purpose; (2) has been made available to the institution under conditions which make its acceptance or use illegal; or (3) is unsuitable for use as property of the endowment fund.

8. The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested.

9. The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or acquire (except by pledging their credit or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143 and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the Advisory Budget Commission by the Board of Trustees of the endowment fund through successive endorsements by the Board of Trustees of the institution and the Board of Governors; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the Board of Trustees of the institution upon recommendation of the chancellor.

10. The Board of Trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph A.9. to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the Advisory Budget Commission as otherwise provided in paragraph A.9. The Board of Trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

11. In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying these endowment regulations, the Board of Trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph A.10 may expend or use interest and principal of gifts, devises, and bequests; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph A.9.

12. To realize the statutory intent underlying these endowment regulations, the Board of Trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the constituent institution; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer; and provided further that, such transfer be executed only by direction of the Board of Trustees of the institution and for the purpose identified by the Board of Trustees of the
13. Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the constituent institution or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor, as the case may be, is the Board of Trustees of the endowment fund.

14. The Board of Trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund through the Board of Trustees of the institution to the Board of Governors.

15. The Board of Trustees of each constituent institution shall within a reasonable time establish an endowment fund as provided in these regulations.

16. After a constituent institution has established an endowment fund as provided in these regulations, the Board of Trustees of the institution shall direct that the chancellor inventory, consider, and present for placement in the endowment fund, as provided in paragraph A.7., all property that reposes in any institutional endowment fund, trust, or account as endowment property. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. § 116-3.

17. When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph A.16., the provisions of the "Policy on Endowments" of April 11, 1974, of the Board of Governors and any resolution of the Board of Governors made in consequence of the "Policy on Endowments" shall be deemed inoperative with respect to the pertinent constituent institution; provided that, the transfer of title to any property by the Board of Governors to the endowment fund of the constituent institution shall be deemed to have continued in effect. These regulations shall be effective upon their enactment by the Board of Governors.

B. Regulations for Endowment Property for the Benefit of the University of North Carolina as a Whole or for the Benefit of Two or More Constituent Institutions

1. Under the provisions of N.C.G.S. § 116-36, as amended by Chapter 506, 1977 Session Laws, and pursuant to these regulations, uniformly applicable to all constituent institutions, the Board of Governors of the University of North Carolina hereby establishes an endowment fund for all endowment funds now held or hereafter acquired by the University of North Carolina for the benefit of the University as a whole, or for the joint benefit of any two or more constituent institutions of the University.

2. It is not the statutory intent underlying these regulations that the proceeds from the endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying these regulations that the proceeds shall supplement the state appropriations to the University and its constituent institutions may improve and increase their functions, may enlarge their areas of service, and may become more useful to a greater number of people.

3. The Committee on Budget and Finance of the Board of Governors of the University of North Carolina shall constitute the Board of Trustees of all endowment funds now held or hereafter acquired by the University of North Carolina for the benefit of the University as a whole or for the joint benefit of any two or more constituent institutions of the University, to be known as "The Board of Trustees of the Endowment Fund of the University of North Carolina." The chairman of the Committee on Budget and Finance shall be ex officio the chairman of the Board of Trustees of the endowment fund. Procedure for the conduct of business by the Board of Trustees of the endowment fund shall be consistent with Section 302C of The Code of The University of North Carolina.

4. The trustees of the endowment fund may receive and administer as part of the endowment fund gifts, devises, and bequests and any other property of any kind that may come to them from the Board of Governors of the University of North Carolina or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the institution.

5. Any gift, devise, or bequest of real or personal property to the University of North Carolina shall be presumed, nothing to the contrary appearing, a gift, devise, or bequest, as the case may be, to the endowment fund. This presumption shall not apply to property made available to the University of North Carolina prior to June 8, 1977.

6. Any gift, devise, or bequest of real or personal property to the University of North Carolina for the benefit of the University as a whole or for the joint benefit of any two or more constituent institutions that reposes in any endowment, trust, or account as endowment property shall be inventoried, considered, and presented by the president for placement in the endowment fund as provided in paragraph B.8. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. § 116-3.

7. Any gift, devise, or bequest of real or personal property jointly to two or more constituent institutions shall be presented through written description of the property by the chancellor of the beneficiary institutions to the president for his consideration and action as provided in paragraph B.8. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. § 116-3.

8. Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the president through written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the endowment fund shall be presented by the president to the trustees of the endowment fund as provided in this paragraph unless the president finds that the property:

   1. though presumptively made available to the University of North Carolina for its endowment fund, was in fact made available to the University for some other purpose;

   2. has been made available under conditions which make its acceptance or use illegal; or

   3. is unsuitable for use as property of the endowment fund.

9. The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of its sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested.

10. The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging their credit or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143 and 146 of the General Statutes, provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the Advisory Budget Commission by the Board of Trustees of the endowment fund upon the endorsement of the Board of Governors; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the Board of Governors of the University of North Carolina upon recommendation of the president.

11. The Board of Trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph B.10., relative to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the Advisory Budget Commission as otherwise provided in paragraph B.10. The Board of Trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

12. In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying these endowment regulations, the Board of Trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph B.11. may expend or use interest and principal of gifts, devises, and bequests; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph B.10.
13. To realize the statutory intent underlying these endowment regulations, the Board of Trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the University of North Carolina or to constituent institutions provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer, and provided further that, such transfer be executed only by direction of the Board of Governors of the University of North Carolina and for the purpose identified by the Board of Governors, upon recommendation of the president.

14. Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the University of North Carolina, to a constituent institution, or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor, as the case may be, is the Board of Trustees of the endowment fund.

15. The trustees of the endowment fund shall maintain discrete accounts for property received into the endowment fund identified as to those interests of the trustees in the various properties; and, upon disposition of the various properties, the income, and other proceeds from the various properties shall be provided only to those beneficiary institutions intended by the donor and in the proportion intended by the donor.

16. The Board of Trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund to the Board of Governors.

17. The president shall inventory, consider, and present for placement in the endowment fund, as provided in paragraph B.8., all property that presently reposes in any endowment, trust, or account as endowment property for the benefit of the University of North Carolina as a whole or for the benefit of two or more constituent institutions. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. § 116-3.

18. When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph B.17, the provisions of the "Policies on Endowments" of April 11, 1974, of the Board of Governors concerning endowment funds for the benefit of the University as a whole or for the benefit of any two or more constituent institutions shall be deemed inoperative.

19. These regulations shall be effective upon their enactment by the Board of Governors.

C. Regulations for Endowment Property for the Benefit of The University of North Carolina Press.

1. Under the provisions of N.C.G.S. § 116-36, as amended by Chapter 506, 1977 Session Laws, and pursuant to these regulations, uniformly applicable to all constituent institutions, the Board of Governors of the University of North Carolina hereby establishes an endowment fund for all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Press.

2. It is not the statutory intent underlying these regulations that the proceeds from the endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying these regulations that those proceeds shall supplement the state appropriations to the end that the University of North Carolina Press may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

3. The Board of Governors of the University of North Carolina Press shall constitute the Board of Trustees of all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Press, to be known as "The Board of Trustees of the Endowment Fund of the University of North Carolina Press." The chairman of the Board of Governors of the University of North Carolina Press shall be ex officio the chairman of the Board of Trustees of the endowment fund. Procedures for the conduct of business by the Board of Trustees of the endowment fund shall be consistent with procedures for the conduct of business by the Board of Governors of the University of North Carolina Press, Incorporated.

4. The trustees of the endowment fund may receive and administer as part of the endowment fund gifts, devises, and bequests and any other property of any kind that may come to them from the Board of Governors of the University of North Carolina or that may come to the trustees of the endowment fund from any other source, excepting always the moneys received from state appropriations and from tuition and fees collected from students and used for the general operation of the University.

5. Any gift, devise, or bequest of real or personal property to the University of North Carolina Press shall be presumed, nothing to the contrary appearing, a gift, devise, or bequest, as the case may be, to the endowment fund of the University of North Carolina Press. This presumption shall not apply to property made available to the University of North Carolina Press prior to June 8, 1977.

6. Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the president of the University of North Carolina Press in written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the University of North Carolina Press for its endowment fund shall be presented by the president of the University of North Carolina to the trustees of the endowment fund as provided in this paragraph unless the president, in consultation with the Director of the University of North Carolina Press, finds that the property: (1) though previously made available to the University of North Carolina Press for its endowment fund, was in fact made available to the Press for some other purpose; (2) has been made available under conditions which make its acceptance or use illegal; or (3) is unsuitable for use as property of the endowment fund.

7. The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested.

8. The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging the credit of the State of North Carolina or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143 and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the Advisory Budget Commission by the Board of Trustees of the endowment fund upon the endorsement of the Board of Governors of the University of North Carolina; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the Board of Governors of the University of North Carolina Press upon recommendation of the president.

9. The Board of Trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph B.8., relative to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the Advisory Budget Commission as otherwise provided in paragraph C.8. The Board of Trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

10. In the event of a trust for the purposes of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent underlying these endowment regulations, the Board of Trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph C.9. may expend or use interest and principal of gifts, devises, and bequests; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph C.8.

11. To realize the statutory intent underlying these regulations, the Board of Trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the University of North Carolina Press; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer; and provided further that, such transfer be executed only by direction of the Board of Governors of the University of North Carolina Press and for the purpose identified by the Board of Governors of the University of North Carolina Press, upon recommendation of the president.

12. Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the University of North Carolina Press or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor or, as the
13. The Board of Trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund to the Board of Governors of the University of North Carolina, through the president.

14. The president shall inventory, consider, and present for placement in the endowment fund, as provided in paragraph C.6., all property that presently reposes in any endowment, trust, or account as endowment property for the benefit of the University of North Carolina Press. The provisions of this paragraph shall not apply to property reposing in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. § 116-3 or the University of North Carolina Press, Incorporated.

15. When the trustees of the endowment fund acknowledge in writing receipt of property pursuant to paragraph C.14., the provisions of the “Policies on Endowments” of April 11, 1974, of the Board of Governors of the University of North Carolina concerning endowment funds for the benefit of the University of North Carolina Press shall be deemed inoperative; provided that, the transfer of title to property under Section 1 of the resolution of May 10, 1974, to the Board of Governors of the University of North Carolina Press shall be deemed to have continued in effect.

16. These regulations shall be effective upon their enactment by the Board of Governors of the University of North Carolina.

600.2.1: Adopted 10/14/77, Amended 02/13/81, Amended 10/08/99

600.2.1.1[G] Guidelines on Expanding Membership of Boards of Trustees of Institutional Endowment Funds

In response to expressions of interest by constituent institutions in augmenting representation on the boards of trustees of institutional endowment funds, to engage additional expertise and support, the Board of Governors on October 8, 1999, approved amendments to its policy (first adopted in 1977 and last revised in 1981) implementing the provisions of N.C.G.S. § 116-36 as amended by Chapter 506 of the 1977 Session Laws (see 600.2.1 of this Policy Manual). The changes appear in Section A.4. of the Board of Governors policy.

The regulations formerly required that the board of trustees of the endowment fund of a constituent institution consist of no fewer than five and no more than seven members, two of whom were to be ex officio, viz., the chair of the board of trustees and the chancellor of the constituent institution. The revised policy expands the membership of the endowment board to consist of no less than six and no more than nine members, including a third ex officio member to be designated by the board of trustees of the constituent institution from among the officers of that board or of the committees of that board.

In accordance with those policy revisions, the board of trustees of each constituent institution must be informed of their responsibility to add one additional ex officio member to the existing endowment board and of their opportunity to add one or more additional at-large members, if they choose to do so, subject to a maximum permissible membership of nine.

[This is a rewrite of Administrative Memorandum #399.]

600.2.1.1[G]: Adopted 10/15/99

600.2.1.2[G] Guidelines on Creating and Operating Endowment Funds

North Carolina General Statutes § 116-36 provides a convenient and serviceable basis for the creation and maintenance of endowment funds of the constituent institutions. The law requires each constituent institution to create an endowment fund.

On October 14, 1977, the Board of Governors established the foregoing regulations to assist the creation and operation of endowment funds under N.C.G.S. § 116-36. The board amended these requirements on February 13, 1981. The following is a procedural guide for establishing the endowment fund as required under N.C.G.S. § 116-36(a).

1. The Board of Trustees of the constituent institution should convene and determine the elective members of the endowment board as provided in paragraph A.4. of the regulations. The institutional board should then name for the record all the members, ex officio and elective, of the endowment board and declare the endowment board established as required by paragraph A.15.

2. The endowment board should then convene to establish procedures for the execution of business, to include at least specifying a quorum, establishing the necessary vote for transaction of business, and requiring the keeping of minutes, as set forth in paragraph A.4.

3. The institutional board should then direct the chancellor to inventory endowment property of the institution as required under paragraph A.16.

4. All personal property (1) reposing in an endowment fund established pursuant to Section 2 of the Board of Governors resolution of April 11, 1974, entitled “Policies on Endowments,” (superseded by the attached resolution) reposing as endowment property in any endowment, trust, or account having no corporate identity other than under N.C.G.S. § 116-3 and (2) not deemed by the chancellor improper for placement in the endowment fund under paragraph A.7., should be presented by the chancellor to the new endowment board as provided in paragraph A.16.

5. All real property (1) reposing in an endowment fund established pursuant to Section 2 of the Board of Governors resolution of April 11, 1974, entitled “Policies on Endowments,” (superseded by the attached resolution) reposing as endowment property in any endowment, trust, or account having no corporate identity other than under N.C.G.S. § 116-3 and (2) not deemed by the chancellor improper for placement in the endowment fund under paragraph A.7., should be presented by the chancellor to the institutional Board of Trustees to initiate transfer of the real property to the endowment board according to policies of the Board of Governors, policies of the Council of State, and provisions of N.C.G.S. Chapter 146 concerning disposition of real property otherwise than by lease or rental. Pursuant to N.C.G.S. § 146-75 the actual transfer must be effected by a deed from "the State of North Carolina" signed by the Governor and attested by the Secretary of State. The grantee should be named "the Board of Trustees of the Endowment Fund of [the constituent institution]." Deeds from the State are normally prepared by the State Property Office in the Department of Administration, Raleigh.

6. Any real property coming expressly to the new endowment board or pursuant to paragraph A. coming by prescription on or after June 8, 1977 to the endowment fund may be placed in or transferred into the new endowment fund without reference to N.C.G.S. Chapter 146.

7. As property is presented to the endowment board through the procedures of steps 4 through 6, the endowment board should receive the written inventories and instruments of title of the property, accept by motion the property offered, and make the inventories and motions a part of the minutes of the endowment board.

8. The grantor or transferor of any property from the new endowment fund should be designated "the Board of Trustees of the Endowment Fund of [the constituent institution]." Although conveyances and transfers from the new endowment fund may be executed by the endowment board without reference to N.C.G.S. Chapter 146, the form of pertinent documents should be consistent with requirements of the State Property Office.
9. Conveyances of title or transfers of the useful possession of real property valued at $50,000 or more among the endowment fund, the institution, and the State of North Carolina would require prior approval of the Board of Governors; but conveyances or transfers of real property valued at $50,000 or more pursuant to accepting gifts and devises of benefactors at large into the endowment fund or in managing the corpus of the endowment would not require prior approval of the Board of Governors.

[This is a rewrite of Administrative Memoranda #93 and #150.]

600.2.12(G): Adopted 10/28/77, Amended 02/27/81

### 600.2.2 Endowment Fund of The University of North Carolina Center for Public Television

1. Under the provisions of N.C.G.S. § 116-36, as amended by Chapter 506, 1977 Session Laws and by Chapter 649, 1979 Session Laws, and pursuant to these regulations, uniformly applicable to all constituent institutions, the Board of Governors of the University of North Carolina hereby establishes an endowment fund for all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Center for Public Television.

2. It is not the statutory intent underlying these regulations that the proceeds from the endowment fund shall take the place of state appropriations or any part thereof, but it is the statutory intent underlying these regulations that those proceeds shall supplement the state appropriations to the end that the University of North Carolina Center for Public Television may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

3. The Board of Trustees of the University of North Carolina Center for Public Television shall constitute the board of trustees of all endowment funds now held or hereafter acquired for the benefit of the University of North Carolina Center for Public Television, to be known as "The Board of Trustees of the Endowment Fund of The University of North Carolina Center for Public Television." The chairman of the Board of Trustees of the University of North Carolina Center for Public Television shall be ex officio the chairman of the Board of Trustees of the endowment fund. Procedures for the conduct of business by the Board of Trustees of the endowment fund shall be consistent with procedures for the conduct of business by the Board of Trustees of the University of North Carolina Center for Public Television.

4. The trustees of the endowment fund may receive and administer as part of the endowment fund gifts, devises, and bequests and any other property of any kind that may come to them from the Board of Governors of the University of North Carolina or that may come to the trustees of the endowment fund from any other source, excepting always the money received from state appropriations and from tuition and fees collected from students and used for the general operation of the University.

5. Any gift, devise, or bequest of real or personal property to the University of North Carolina Center for Public Television shall be presumed, nothing to the contrary appearing, a gift, devise, or bequest, as the case may be, to the endowment fund of the University of North Carolina Center for Public Television. This presumption shall not apply to property made available to the University of North Carolina Center for Public Television or its functional predecessor prior to May 28, 1979.

6. Property shall not be deemed a part of the corpus of the endowment fund until it has been presented by the President of the University of North Carolina through written description of the property to the trustees of the endowment fund and has been acknowledged in writing as received by the trustees of the endowment fund. Property expressly or presumptively made available to the University of North Carolina Center for Public Television for its endowment fund shall be presented by the President of the University of North Carolina to the trustees of the endowment fund as provided in this paragraph unless the President, in consultation with the director of the University of North Carolina Center for Public Television finds that the property: (1) though presumptively made available to the University of North Carolina Center for Public Television for its endowment fund, was in fact made available to the center for some other purpose; (2) has been made available under conditions which make its acceptance or use illegal; or (3) is unsuitable for use as property of the endowment fund.

7. The trustees of the endowment fund shall be responsible for the prudent investment of the fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the endowment fund to be invested.

8. The trustees of the endowment fund shall have the power to buy, sell, lend, exchange, lease, transfer, or otherwise dispose of or to acquire (except by pledging the credit of the State of North Carolina or violating a lawful condition of receipt of the corpus into the endowment fund) any property, real or personal, with respect to the fund, in either public or private transaction, and in doing so they shall not be subject to the provisions of Chapters 143 and 146 of the General Statutes; provided that, any expense or financial obligation of the State of North Carolina created by any acquisition or disposition, by whatever means, of any real or personal property of the endowment fund shall be borne by the endowment fund unless authorization to satisfy the expense or financial obligation from some other source shall first have been obtained from the Advisory Budget Commission by the Board of Trustees of the endowment fund upon the endorsement of the Board of Governors of the University of North Carolina; and provided further that, any gratuitous transfer of property or funds from the endowment fund shall be only upon direction of the Board of Trustees of the University of North Carolina Center for Public Television upon recommendation of the President.

9. The Board of Trustees of the endowment fund may appoint a fiscal agent or agents having all the privileges, powers, and immunities set forth in paragraph 8 relative to the trustees of the endowment fund except that no fiscal agent shall have authority to approach the Advisory Budget Commission as otherwise provided in paragraph 8. The Board of Trustees of the endowment fund may from time to time change its appointed fiscal agent or agents.

10. In the process of prudent investment of the fund (including the acquisition and maintenance of property for the fund) or to realize the intent under lying these endowment regulations, the Board of Trustees of the endowment fund or a fiscal agent appointed pursuant to paragraph 9 may expend or use interest and principal of gifts, devises, and bequests; provided that, the expense or use would not violate any condition or restriction imposed by the original donor of the property which is to be expended or used nor violate the provisions of paragraph 8.

11. To realize the statutory intent underlying these endowment regulations, the Board of Trustees of the endowment fund may transfer interest or principal of the endowment fund to the useful possession of the University of North Carolina Center for Public Television; provided that, the transfer would not violate any condition or restriction imposed by the original donor of the property which is the subject of the proposed transfer; and provided further that, such transfer be executed only by direction of the Board of Trustees of the University of North Carolina Center for Public Television and for the purpose identified by the Board of Trustees of the University of North Carolina Center for Public Television upon recommendation of the President.

12. Whenever any property of the endowment fund is disposed of or otherwise transferred from the endowment fund to the University of North Carolina Center for Public Television or to any other recipient, any instrument of transfer shall indicate that the donor, grantor, seller, lessor, lender, or transferor, as the case may be, is the Board of Trustees of the endowment fund.

13. The Board of Trustees of the endowment fund shall annually submit a comprehensive report on the endowment fund to the Board of Governors of the University of North Carolina, through the President.

14. The President shall inventory, consider, and present for placement in the endowment fund, as provided in paragraph 6, all property that presently reposes in any endowment, trust, or foundation that has corporate identity other than under N.C.G.S. § 116-3.
600.2.3 Distinguished Professors Endowment Trust Fund

The Distinguished Professors Endowment Trust Fund was established in 1985 by the North Carolina General Assembly to enable each constituent institution of the University of North Carolina to receive and match challenge grants to create endowed chairs for selected distinguished professors (Chapter 757 of the Session Laws of 1985, Sec. 202; N.C.G.S. §§116-41.13-41.19).

In 1995, the General Assembly amended the statute that authorized the trust fund, to make clear that distinguished professorships could be awarded to either current faculty or newly hired faculty (Chapter 507 of the Session Laws of 1995, Sec. 15.12; N.C.G.S. §§116-41.13.1 et seq.)

The original legislation provided for matching grants on the basis of one dollar in State money to be allocated from the trust fund for every two dollars in private funds. In 2003, the General Assembly amended the statute to change that ratio to a one-to-one basis for constituent institutions designated as "focused growth institutions" or as "special needs institutions." (Chapter 293 of the Session Laws of 2003; N.C.G.S. §§116-41.13.1 et seq.)

The statutory amendment identified seven constituent institutions, i.e., Elizabeth City State University, Fayetteville State University, North Carolina Agriculture and Technical State University, North Carolina Central University, the University of North Carolina at Pembroke, Western Carolina University, and Winston-Salem State University, as focused growth institutions. Two others, the University of North Carolina at Asheville the University of North Carolina School of the Arts[1], were identified as special needs institutions.

In 2005, the General Assembly amended the legislation to increase the possible amounts of challenge grants that could be received under the legislation by allowing a challenge grant of up to $667,000 to be paid on a two-to-one basis for non-focused-growth and special needs institutions and of up to $1,000,000 to be paid on a one-to-one basis for focused growth and special needs institutions for a maximum total award of $2,000,000. (Chapter 276 of the Session Laws of 2005, Sec. 9.21a(c); N.C.G.S. §§116-41.15; 116-41.16; and N.C.G.S. §§116-41.17)

Consistent with the terms and conditions set out in the legislation, the Board of Governors of the University of North Carolina hereby adopts the following policy for administering the Board of Governors’ Distinguished Professors Endowment Trust Fund (hereafter "the Trust Fund").

I. General

1. All funds appropriated for the Trust Fund shall be held by the Board of Governors in accordance with N.C.G.S. §§116-36.

2. Matching funds shall be allocated by the President to the constituent institutions from appropriated funds and interest earnings in the Trust Fund in accordance with the schedule set out in Section II below, and subject to all requirements and conditions in these regulations being met by the institutions that apply for allocations.

II. Requirements for Private Contributions

1. An institutional board of trustees, to be eligible for an allocation from the President under the schedule set forth herein, shall establish a Distinguished Professors Endowment Fund (hereafter "Endowment Fund") to be administered in accordance with N.C.G.S. §§116-36 and private contributions received for this purpose shall be deposited to that Endowment Fund, together with the challenge grant from the Trust Fund.

Federal grant funds do not meet the definition of "private gift" or "private contribution."

2. Private contributions to this Endowment Fund must be given or pledged specifically for the purposes of the Trust Fund, and only contributions received after July 1, 1985, may be credited to the special Endowment Fund of the institution.

3. For a constituent institution other than a focused growth or special needs institution, the institution must have $1,333,000 in donations and interest in its Endowment Fund to qualify for $667,000 in State matching funds to establish a $2,000,000 endowment, must have $1,000,000 in donations and interest to qualify for $500,000 in State matching funds to establish a $1,500,000 endowment, must have $666,000 in donations and interest to qualify for $334,000 in State matching funds to establish a $1,000,000 endowment, and must have $333,000 in donations and interest for $167,000 in State matching funds to establish a $500,000 endowment.

4. For constituent institutions other than focused growth and special needs institutions, the appropriate challenge grant amount ($667,000, $500,000, $334,000, or $167,000) may be placed in escrow in the Trust Fund for an institution that has in its Endowment Fund $222,000, $166,600, $111,000, or $55,500, respectively, and written pledges of additional private contributions in the amount of $1,111,000, $833,400, $555,000, or $277,500, as appropriate; provided that each payment or aggregate payments on this balance shall be no less than the amount of the initial payment or payments and shall be made on or before the anniversary date of the initial payment or payments and the full amount shall be paid within five years of the initial payment or payments. When the full requisite amount ($1,333,000, $1,000,000, $666,000, or $333,000) is in the Endowment Fund, the challenge grant shall be paid from the Trust Fund.

5. For focused growth and special needs institutions, the institution must have $1,000,000 in donations and interest in its Endowment Fund to qualify for $1,000,000 in State matching funds to establish a $2,000,000 endowment, must have $750,000 in donations and interest to qualify for $750,000 in State matching funds to establish a $1,500,000 endowment, must have $500,000 in donations and interest to qualify for $500,000 in State matching funds to establish a $1,000,000 endowment, and must have $250,000 in donations and interest to qualify for $250,000 in State matching funds to establish a $500,000 endowment.

6. For focused growth and special needs institutions, the appropriate challenge grant amount ($1,000,000, $750,000, $500,000, or $250,000) may be placed in escrow in the Trust Fund for an institution that has in its Endowment Fund $166,600, $125,000, $83,300, or $41,600, respectively, and written pledges of additional private contributions in the amount of $833,400, $625,000, $416,700, or $208,400, as appropriate; provided that each payment or aggregate payments on this balance shall be no less than the amount of the initial payment or payments and shall be made on or before the anniversary date of the initial payment or payments and the full amount shall be paid within five years of the initial payment or payments. When the full requisite amount ($1,000,000, $750,000, $500,000, or $250,000) is in the Endowment Fund, the challenge grant shall be paid from the Trust Fund.

III. Procedures for Establishing Endowed Chairs

1. At the time an institutional board of trustees establishes the Endowment Fund required in Section II, the chancellor shall prepare a plan for the establishment of the endowed chair or chairs contemplated. This plan shall be submitted to the President for review and approval. No challenge grant shall be made in the absence of an approved plan. The plan shall describe:

a. the number of chairs contemplated;

b. the general level of salary and other benefits and perquisites, and the anticipated amounts to be supported annually from the Endowment Fund;

c. the academic department or other unit to which it is anticipated that the chair or chairs will be assigned;

d. whether the chair will be filled by an external or internal appointment or by either. Institutions are encouraged to consider plans for external appointments who will constitute distinguished additions to the faculty; whether the chair will be filled by an external or internal appointment or by either. Institutions are encouraged to consider plans for external appointments who will constitute distinguished

[1]
additions to the faculty; and

e. the expected benefits to the institution.

2. The Board of Trustees may name the endowed chair or chairs in honor of a donor, benefactor, or other person or organization.

N.C.G.S. §116-41.18 allows Distinguished Professorships for the duration of the full-time service of the distinguished professor as a faculty member, and it also allows time limited appointments when authorized by the Board of Governors and the board of trustees at the institution when a Distinguished Professorship is originally established or when it is vacated. For a full professor, the recipient of a Distinguished Professorship shall be called "Distinguished Professor;" for an associate professor, the recipient shall be called "Distinguished Scholar;" and for an assistant professor, the recipient shall be called "Distinguished Fellow. The Distinguished Scholars and Distinguished Fellows shall be for a time limited, renewable term during a faculty member's full-time service at the respective rank of associate or assistant professor. The Board of Governors delegates the authority to designate a Distinguished Professorship, including Distinguished Scholar, and Distinguished Fellow, as time limited to the boards of trustees of those constituent institutions designated as Special Responsibility Constituent Institutions with Management Flexibility to Appoint and Fix Compensation.

4. The selection of each distinguished professor to hold an endowed chair shall be made in the following way:

a. The selection and appointment procedures followed shall be fully consistent with the institution's tenure policies and regulations and other applicable personnel policies;

b. The Distinguished Professor shall be appointed at the rank of full professor, the Distinguished Scholar at the rank of associate professor, and the Distinguished Fellow at the rank of assistant professor, and the appointment shall be subject to approval by the Board of Governors at those institutions not designated as Special Responsibility Constituent Institutions with Management Flexibility to Appoint and Fix Compensation.

c. The academic discipline to which the person is appointed shall be one of major importance to the educational program of the institution; and

d. The person appointed shall have a record of outstanding accomplishment in that discipline or field as a teacher and scholar or practitioner.

5. When a vacancy occurs in an endowed chair established with the Endowment Fund, the chancellor shall consult with the institutional board of trustees. The chancellor shall thereafter recommend to the President any amendments to the approved plan or shall recommend continuation of the plan without amendment. Upon approval of the plan by the President, selection and appointment of the new distinguished professor, including distinguished scholar and distinguished fellow, shall then proceed in accordance with these regulations.

*At the University of North Carolina School of the Arts other appropriate rank shall be conferred.

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600.2.4 Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions

WHEREAS the 1977 General Assembly (2nd Session, 1978) by enactment of N.C.G.S. § 116-36.1 charged the Board of Governors of the University of North Carolina with the custody and management of the institutional trust funds of the University of North Carolina and of each constituent institution, and instructed the board to adopt uniform policies and procedures applicable to the administration of these funds; and

WHEREAS the 1977 General Assembly (2nd Session, 1978) by enactment of N.C.G.S. § 116-36.2 charged the chancellor of each constituent institution of the University of North Carolina with the custody and management of special funds of that institution and instructed the Board of Governors to adopt uniform policies and procedures for the administration of these funds; and

WHEREAS the 1977 General Assembly (2nd Session, 1978) by enactment of N.C.G.S. § 116-36.3 charged the chancellor of each constituent institution of the University of North Carolina with the custody and management of institutional student auxiliary enterprise funds of that institution, subject to uniform policies and procedures adopted by the Board of Governors; and

WHEREAS, after due consideration, the board concluded that moneys received by an institution in respect to fees and other payments rendered by medical, dental or other health care professionals under organized practice plans or under contractual agreements between the institution and a hospital or other health care provider should be deposited in the institution's official depository rather than with the State Treasurer;

WHEREAS the 1990 Reenacted Session of the 1989 General Assembly enacted legislation, Chapter 936 of the 1989 Session Laws, which provide: management incentives and budgetary flexibility for constituent institutions of the University of North Carolina and an expanded definition of "institutional trust funds" to include institutional student auxiliary enterprise funds and funds received from the operation and maintenance of institutional forest and forest farmlands, thereby necessitating revision of the Board of Governors resolution dated January 12, 1979, concerning custody and management of institutional trust funds and special funds of individual institutions;

WHEREAS, the 2011 General Assembly enacted legislation, Session Law 2011-145 section 9.6E which provides that the Board of Governors adopt uniform policies applicable to the deposit, investment, and administration of institutional trust funds and that through the President, the Board of Governors may delegate authority to the chancellors.

NOW, THEREFORE, BE IT RESOLVED: That the following policies and procedures are hereby established for the administration of: institutional trust funds, as now defined in N.C.G.S. § 116-36.1 and special funds of individual institutions, as defined in N.C.G.S. § 116-36.2.

I. General Provisions

A. Funds not to substitute for state appropriations. Neither the funds covered by these policies and procedures nor the investment income therefrom shall take the place of state appropriations or any part thereof, but any portion of these funds available for general institutional purposes shall be used to supplement state appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

B. Presumption that receipts belong to the General Fund unless shown otherwise. Except as otherwise provided by or pursuant to law, all moneys received by or accruing to an institution shall be deemed institutional receipts within the meaning of the Executive Budget Act and shall be deposited with the State Treasurer to the credit of the General Fund unless the chancellor can show that the moneys fall within one or more of the following general categories: (1) institutional trust funds, as defined in N.C.G.S. § 116-36.1. (2) special funds of the institution, as defined in
II. Institutional Trust Funds

A. Applicability. This Section II applies to moneys within the following categories:

1. moneys, or the proceeds of other forms of property, received by the institution as gifts, devises, or bequests that are neither presumed nor designated to be gifts, devises, or bequests to the endowment funds of the institution.
2. moneys received by the institution pursuant to grants from, or contracts with, the United States government or any agency or instrumentality thereof.
3. moneys received by the institution pursuant to grants from, or contracts with, any state agencies, any political subdivisions of the state, any other states or political subdivisions thereof, or any private entities whereby the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct research, training or public service programs.
4. moneys collected by the institution to support extracurricular activities of students of the institution.
5. moneys received from or for the operation by the institution of activities established for the benefit of scholarship funds or student activity programs.
6. moneys received from or for the operation by the institution of any of its self-supporting auxiliary enterprises, including institutional student auxiliary enterprise funds for the operation of housing, food, health, and laundry services.
7. moneys received by an institution in respect to fees and other payments for services rendered by medical, dental or other healthcare professionals under an organized practice plan approved by the institution or under a contractual agreement between the institution and a hospital or other health care provider.
8. moneys received by the disposition effected pursuant to Chapter 146, Article 7, of any interest in real property owned by or under the supervision and control of an institution if the interest in real property had first been acquired by gift, devise, or bequest or through expenditure of moneys defined in Section II.A as ‘trust funds’, except the net proceeds from disposition of an interest in real property first acquired by the institution through expenditure of moneys received as a grant from a state agency. (Chapter 529 of the 1981 Session Laws)
9. moneys received from or for the operation and maintenance of institutional forests and forest farmlands, provided that such moneys shall be used, when used, by the institution for support of forest-related research, teaching, and public service programs.
10. moneys received from an activity authorized by G.S. 55-58(b)(8)(m), (n), and (o).
11. moneys deposited to the State Education Assistance Authority Fund pursuant to G.S. 116-209.3 and
12. any other moneys collected by an institution as student fees previously approved by the Board of Governors.

B. Delegation of authority. The chancellor or each institution, under the supervision of the President, is charged with the custody and management of all moneys within the categories described in Section II.A. now held by or hereafter accruing to that institution in accordance with applicable laws of the State of North Carolina and these policies and procedures.

C. Agency Fund Authorities. The President is authorized to approve and transmit to the State Treasurer an agency fund authority for each institution receiving any of the moneys identified in Section II.A. This document shall contain the following information:

1. The name of the institution.
2. The categories of moneys as described in Section II.D. to be deposited in the fund.
3. The position or individual authorized to approve disbursements from the fund.

The fund authority shall constitute authorization for the State Treasurer to establish and administer such a fund in the name of the institution.

D. Institutional trust fund authorities. The President is authorized to approve for each institution for which an Agency Fund is established pursuant to Section II.C. one or more Institutional Trust Fund Authorities for each of the following categories as may be appropriate to that institution’s operations:

E. Federal contracts, grants and agreements. This category comprises receipts described in Section II.A.(2), including receipts derived from the sale of surplus federal property originally purchased through a federal institutional trust fund.

F. Non-federal contracts and grants. This category comprises receipts described in Section II.A.(3) not properly includable in another category.

G. Student extracurricular activities. This category comprises receipts described in Section II.A.(4), including receipts from student activity fees established by the Board of Governors for the support of student organizations, student athletic and recreational activities (other than intercollegiate athletics), student entertainment, student publications and similar activities.

H. Institutional auxiliary enterprises and activities supporting scholarship funds and student activity programs. This category comprises receipts described in Section II.A.(5) and Section II.A.(6) from the operation of self-supporting service enterprises which exist primarily to furnish goods or services to students, faculty, or staffs and institutional programs and for which charges or fees are related to the cost of the goods or services. By way of illustration but not limitation, these enterprises include the operation of housing, food, health, and laundry services, central stores, printing and duplicating services, student stores, student centers, athletic facilities, rental property, utilities systems, and similar operations, specifically including all operations whose profits are dedicated to scholarship support or specific student activity programs.

I. Fees for services of health care professionals. This category comprises receipts described in Section II.A.(7).

J. Dispositions of real property. This category includes receipts described in Section II.A.(8) of net proceeds from the disposal of any interest in real property belonging to an institution and acquired as described in Section II.A.(8).

K. Institutional forests and forest farmlands. This category includes receipts described in Section II.A.(9) of moneys received from operation and maintenance of institutional forests and forest farmlands and used, when used, in support of forest-related research, teaching, and public service programs.

L. Moneys received from an activity authorized by G.S. 66-58(b)(8)(m), (n), and (o). This category includes receipts described in Section II.A.(10) of moneys derived from certain activities authorized by the referenced subsections of the Umstead Act.

M. Moneys deposited to the State Education Assistance Authority Fund pursuant to G.S. 166-209.3. This category includes receipts described in Section II.A.(11) of moneys from the operation of certain programs of the State Education Assistance Authority; and

N. any other moneys collected by an institution as student fees previously approved by the Board of Governors.
Each Institutional Trust Fund Authority shall contain the following information:

1. The name of the institution.
2. The source(s) of the moneys to be credited thereunto.
3. The purpose(s) for which the moneys credited thereunto may be used.
4. The position or individual authorized to receive moneys to be credited thereto and to disburse them.

Upon the approval of the President, the Institutional Trust Fund Authority shall be transmitted to the chancellor of the institution and a copy shall be filed among the permanent records of the President's office. When established as provided herein, the Institutional Trust Fund Authority shall constitute authorization for the institution to receive and disburse the moneys described therein in accordance with the purposes stated, subject to the provisions of G.S. 143-18.1 with respect to capital improvements projects.

1. Gifts, devises and bequests. This category comprises all receipts described in Section II.A.(1), including income derived from the investment of surplus federal property.
2. Federal contracts, grants and agreements. This category comprises receipts described in Section II.A.(2), including receipts derived from the sale of surplus federal property originally purchased through a federal institutional trust fund.
3. Non-federal contracts and grants. This category comprises receipts described in Section II.A.(3) not properly includable in another category.
4. Student extracurricular activities. This category comprises receipts described in Section II.A.(4), including receipts from student activities fees established by the Board of Governors for the support of student organizations, student athletic and recreational activities (other than intercollegiate athletics), student entertainment, student publications and similar activities.
5. Institutional auxiliary enterprises and activities supporting scholarship funds and student activity programs. This category comprises receipts described in Section II.A.(5) and Section II.A.(6) from the operation of self-supporting service enterprises which exist primarily to furnish goods or services to students, faculty, or staffs and institutional programs and for which charges or fees are related to the cost of the goods or services. By way of illustration but not limitation, these enterprises include the operation of housing, food, health, and laundry services, central stores, printing and duplicating services, student stores, student centers, athletic facilities, rental property, utilities systems, and similar operations, specifically including all operations whose profits are dedicated to scholarship support or specific student activity programs.
6. Fees for services of health care professionals. This category comprises receipts described in Section II.A.(7).
7. Dispositions of real property. This category includes receipts described in Section II.A.(8) of net proceeds from the disposal of any interest in real property belonging to an institution and acquired as described in Section II.A.(8).
8. Institutional forests and forest farmlands. This category includes receipts described in Section II.A.(9) of moneys received from operation and maintenance of institutional forests and forest farmlands and used, when used, in support of forest-related research, teaching, and public service programs.
9. Moneys received from an activity authorized by G.S. 66-58(b)(8) from and o. This category includes receipts described in Section II.A.(10) of moneys derived from certain activities authorized by the referenced subsections of the Umstead Act.
10. Moneys deposited to the State Education Assistance Fund pursuant to G.S. 166-209.3. This category includes receipts described in Section II.A.(11) of moneys from the operation of certain programs of the State Education Assistance Authority; and
11. Any other moneys collected by an institution as student fees previously approved by the Board of Governors.

O. Subsidiary Account Authorities. For each subsidiary account within one of the categories described in Section II.D., the chancellor is authorized to approve an account authority containing the following information:

1. The Institutional Trust Fund Authority within which the account is established.
2. The name of the account and its accounting designation.
3. The source of the moneys to be credited thereto.
4. The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
5. The position or individual authorized to accept receipts and initiate disbursements from the account. Each account authority for institutional trust funds authorized by the chancellor shall be filed among the permanent records of his office and it shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

P. Deposit and disbursement from institutional trust fund accounts. Except as provided in Section II.L., all moneys within the categories described in Section II.A. that are received by an institution shall be deposited with the State Treasurer in that institution's Agency Fund and credited to the appropriate Institutional Trust Fund and subsidiary account on the institution's books. Disbursement of such moneys shall be accomplished by warrant on the State Treasurer issued by the person designated in the Agency Fund Authority upon voucher or requisition of the person designated in the Institutional Trust Fund Authority or the subsidiary account authority as appropriate. No disbursement shall be made for a purpose not specified in the appropriate fund or account authority or contrary to any specific restrictions, terms or conditions on the use of the funds.

Q. Allocation of investment income. Subject to any restrictions thereon, investment income credited to an institution's Agency Fund by the State Treasurer as provided in Section II.D., or earned through institutional investment and management may be used for institutional support purposes in such manner as the President, or chancellor, as applicable, shall approve.

R. Financial reports. If an institution has delegated authority pursuant to Policy 600.2.4.1, the institution shall report only as provided in section II.K.

S. Institutional Trust Funds under delegated authority. Any of the foregoing provisions of this Section to the contrary notwithstanding, funds, indenitified in Policy 600.2.4.1 shall be deposited in an official depository of the institution.

T. Investment of cash balances. Available cash balances shall be invested in interest bearing deposits and investments so that the rate of return equals that realized from the investment of state funds generally and shall otherwise be managed in the manner provided for in Section II.D., E, F, G, and H. Income earned on investment of funds shall be used, subject to any restrictions thereon, in such manner as may be prescribed further in the Institutional Trust Fund Authority.

U. Reports. If an institution has delegated authority pursuant to Policy 600.2.4.1, the chancellor shall report annual by September 30 to the President as of June 30 of each year, (i) the total balance of institutional trust and special funds invested outside of the Office of the State Treasurer; (ii) the balance broken down into sub-total by investment asset classes; and (iii) names of commercial cash management bank, investment custodian, and all investment managers including dollars under management and the type of investment asset classes handled by the manager. Beginning with the third annual report submitted to the President, the constituent institution shall include a rolling three-year average annual rate of return on institutional trust and special funds invested outside of the Office of the State Treasurer. Beginning with the fifth annual report, the constituent institution shall also include a rolling five-year average annual rate of return on the same funds, in addition to continuing to provide the rolling three-year average annual rate of return.

III. Special Funds of Individual Institutions

A. Applicability. This Section III applies to moneys within the following categories:
1. moneys received from or for the operation by the institution of its program of intercollegiate athletics.
2. moneys held by the institution as fiscal agent for individual students, faculty, staff members, and organizations.

B. Account Authority. Effective January 15, 1979, a chancellor shall not authorize the creation or continuation of an account for special funds falling...
within any of the categories described in Section III.A. until he has established an account authority for that account. Upon approving an account authority for special funds, the chancellor shall file it among the permanent records of his office and it shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein. C. Allocation of investment income. Income earned on investment of funds covered by this Section III shall be used, subject to any restrictions thereon, in such manner as may be prescribed in the account authority.

D. Fidelity bonding. Each officer, employee, or agent of an institution who handles or has in his custody any of the funds described in Section III.A., or who has access to physical inventories constituting assets of accounts established under this Section III, shall be covered by an individual or blanket fidelity bond with sufficient sureties payable to the institution.

E. Investment of idle funds.

1. An institution may deposit at interest or invest all or part of the cash balance of any account established under this Section III.
2. Moneys may be deposited at interest in any bank or trust company in this state in the form of certificates of deposit, savings accounts, or similar interest-bearing time deposits. Such deposits shall be secured as provided in Section II.G., provided, however; that deposits of an institution with delegated authority pursuant to Policy 600.4.1. shall not be required to be secured.
3. Moneys may be invested in any form of investment allowed by law to the State Treasurer any of the securities authorized by A RESOLUTION CONCERNING THE INVESTMENT OF UNIVERSITY FUNDS NOT REQUIRED FOR CURRENT USE adopted by the Executive Committee of the Board of Trustees of the University of North Carolina on March 14, 1969; or as proposed by the institution pursuant to Policy 600.2.4.1.
4. The institution may employ one or more fiscal agents for the purposes of this section.

F. Selection of depositories. The chancellor of each institution shall designate as the official depository of the institution one or more banks or trust companies in this state. No funds subject to this Section III shall be deposited in any place, bank or trust company other than an official depository, except as otherwise required by the terms of any debt instrument containing special provisions with respect to deposits.

G. Deposits to be secured. The amount of money on deposit in an official depository or deposited at interest pursuant to Section III.E. shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner as is prescribed by the State Treasurer for the security of state funds generally, provided, however; that deposits of an institution with delegated authority pursuant to Policy 600.2.4.1. shall not be required to be secured.

H. Daily deposits. All receipts subject to this Section III shall be deposited daily. If the chancellor gives his approval, deposits shall be required only when the moneys on hand amount to as much as two hundred and fifty dollars ($250.00), but in any event a deposit shall be made on the last business day of the week.

600.2.4: Adopted 02/08/91, Amended 08/10/12, Amended 10/11/12

600.2.4.1 Delegated Authority for Managing Institutional Trust Funds

I. Authority

N.C. Gen. Stat. § 116-36.1 (G.S. 116-36.1) authorizes the Board of Governors of the University of North Carolina to adopt uniform policies and procedures applicable to the deposit, investment and administration of institutional trust funds and to delegate such authority through the President to the constituent institutions.

II. Delegation to the President and Chancellor

A. The Board of Governors delegates authority to the President of the University of North Carolina, to deposit, invest and administer institutional trust funds consistent with G.S. 116-36.1.

B. Upon request by the Chancellor of a constituent institution, the President may delegate authority to the Chancellor of a constituent institution, to deposit, invest and administer institutional trust funds consistent with G.S. 116-36.1.

III. Constituent Institution Eligibility for Delegated Authority

The Vice President for Finance, in consultation with General Counsel, shall establish the process by which a constituent institution may request delegated authority consistent with G.S. 116-36.1. The minimum criteria a constituent institution must meet to receive authorization from the President shall be:

1. The constituent institution has performed a written, comprehensive self-assessment that demonstrates it has the administrative, technical, financial and support resources necessary to properly carry out the delegated authority.
2. The chancellor has certified in writing that the constituent institution has the administrative, technical, financial and support resources necessary to properly carry out the delegated authority.
3. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the development, evaluation and execution of cash management and investment operations and an associated understanding of the risk and return attributes of its investment strategies and underlying investments
4. An assessment team, assembled and led by the Vice President for Finance, in consultation with the General Counsel, has reviewed the constituent institution's self-assessment, has, if necessary, performed an on-site capabilities appraisal that confirms the institution’s self-assessment, and has recommended delegation to the President.

IV. Revocation of Delegation to the Constituent Institution

For good cause and consistent with G.S. 116-36.1, the President may revoke or suspend the authority of a constituent institution or take other remedial action as the President deems necessary and appropriate, pending a review of any reported noncompliance with this policy and the associated regulations. The Vice President for Finance, in consultation with the General Counsel, shall establish the process by which such reports shall be investigated and for the implementation of any revocation or suspension. Once authority has been revoked pursuant to this policy, all institutional trust funds shall be deposited with the North Carolina State Treasurer.

600.2.4.1: Adopted 08/10/12

600.2.5 Annual Financial Audits and Oversight of University-Related Private Foundations

Privately chartered foundations, associations, and clubs from time to time have been established by interested citizens for the purpose of providing resources to enrich various programs of the constituent institutions of the University of North Carolina with which they are identified. Both the academic and athletic programs of the affected constituent institutions have benefited substantially from the generous contributions made by such private organizations. On August 25, 1989, President Spangler, proposed the timely public disclosure of appropriate financial information concerning the operation of such private organizations, as a means of allaying possible public concern about the purposes of such organizations and the nature and extent of benefactions realized by...
the constituent institutions. The Board of Governors thereafter resolved that the President shall direct the chancellor of each constituent institution to request annually of the appropriate officer of any such private foundation, association, or club, organized for the primary purpose of providing financial support to the constituent institution, a copy of the organization's annual independent financial audit, with the understanding that such audit would not be required to include identification of persons or entities that have made contributions to the organization; that copies of said audits shall in turn be supplied by the chancellor to the Board of Trustees of the institution and to the President; and that such audits thereafter shall be deemed to be public records.

In November 1997, the Board of Governors found it appropriate to require that there be means, in addition to the annual financial report, by which the University and the constituent institutions could maintain fiscal familiarity and comfort with those independent organizations serving the University or any of its constituent institutions. To accomplish this, the Board of Governors directed the President, through the chancellors or other appropriate University officials, to require that any private foundation, private association, or private club created for the primary purpose of financial support to the University of North Carolina or to a constituent institution of the University meet organizational, governance, and fiscal guidelines of the President, as a condition for the use, or continued use, of the supported institution's name or other resources.

[This is a rewrite of resolutions adopted by the Board of Governors on February 9, 1990, and November 14, 1997, respectively.]

600.2.5: Adopted 02/09/90, Amended 11/14/97

600.2.5.1[G] Guidelines on Annual Financial Audits of University-Related Private Foundations

The resolution of the Board of Governors adopted February 9, 1990, instructs each chancellor to securcopies of the annual independent financial audit of any privately chartered foundation, association or club that has been established for the primary purpose of accumulating and dispersing resources to support the programs of a constituent institution of the University of North Carolina. The audit to be obtained and disclosed need not include identification of persons or entities that have made contributions to the private organization.

Each chancellor should inform the Vice President for Finance whether an organization identified with the chancellor's institution is audited on a calendar-year or fiscal-year basis (with date of fiscal year-end). Annually, the chancellor should supply a copy of each such audit to the President, via the vice president. Simultaneously, the chancellor should supply a copy of the audit to the chair of the institution's Board of Trustees.

[This is a rewrite of Administrative Memorandum #284.]

600.2.5.1[G]: Adopted 02/12/90

600.2.5.2[R] Required Elements of University-Associated Entity Relationship

The University of North Carolina 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 collaboration with organizations outside the University 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.

Each Associated Entity becomes affiliated with either a constituent institution or General Administration pursuant to the written approval of the chancellor (in the case of an entity associated with a constituent institution) or the president (in the case of an entity associated with General Administration). 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.

These regulations establish a framework of cooperation and coordination within which the chancellor or the president of the Approving Institution are 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 recognize 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 regulations articulate 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 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.

A. Definitions. As used in these regulations:

1. An "Associated Entity" means any foundation, association, corporation, limited liability company (LLC), partnership, or other nonprofit entity that was: (a) established by officers of the University; or (b) that is controlled by the University; or (c) that raises funds in the name of the University; or (d) 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 (e) that has a tax-exempt status that is based on being a support organization for the University.

2. 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.

3. "Approving Institution" means (a) a constituent institution of the University of North Carolina that approves an Associated Entity, or (b) the General Administration for an Associated Entity approved by the president.

4. "General Administration" means the Office of the President and the affiliated programs of the University associated with General Administration that are not centers or institutes of a constituent institution.

5. "Major Associated Entity" means an Associated Entity which has annual expenditures of $100,000 or more.

6. "Minor Associated Entity" means an Associated Entity which has annual expenditures of less than $100,000.

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


9. "University" means the University of North Carolina, including its constituent institutions.

10. 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.

B. Creation and Approved Status of Associated Entities

1. Associated Entity Must Be Approved. An Associated Entity (including any subsidiary or affiliate of an existing Associated Entity) must be approved in writing by the 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.

2. Abide by Relevant University Policies: Alignment with Mission and Goals. In order to obtain approved status, the Associated Entity must agree, pursuant to a written agreement also described in subpart F.1., to abide by the policies or regulations established by the University and by the Approving Institution, including the requirements of 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.

3. 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: (a) these regulations; (b) the applicable policies of the University and the Approving Institution; or (c) the written agreement required by sections B.2., or F.1. The advance written notice period, if any, required by a written agreement or policy shall not exceed sixty (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 remove the approved status of an Associated Entity of that Approving Institution.

4. 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 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.

C. Organizational Requirements of an Associated Entity

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

2. 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.

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

4. 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 (a) the Associated Entity’s Approving Institution, (b) 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 (c) some combination of the above.

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

a. 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.

b. 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.

6. Audit Committee Required

a. 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.

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

c. 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.

d. 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.

e. 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.

D. Financial and Accounting Controls

1. 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.

2. Annual CPA Audit. A Major Associated Entity and its single member subsidiaries (LLC 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.

a. 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.

b. An Associated Entity of the General Administration must provide copies of the audit report, management letters, and responses to management letters to the chancellor of the Approving Institution, and through the chancellor to the Board of Governors.

3. 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.

4. 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 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 of the Associated Entity and each employee of the University associated with the Associated Entity and each employee of the University associated with the Associated Entity for the prior year.

5. 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.

6. 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.

7. Whistleblower Protection. An Associated Entity must have a confidential and anonymous mechanism to encourage individuals to report any improper or unprofessional conduct within the entity’s financial management and must prohibit punishment or retaliation against any employee for reporting problems.

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

9. 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.

10. 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.

E. Insurance and Bonding

1. 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.

2. 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.

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

1. 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.

2. 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.

3. 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.

G. Acceptance of Gifts by Associated Entity

1. 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.

2. 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.

3. 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.

H. Conflict of Interest and Ethics Policies

1. 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.

2. Transactions Between Associated Entity and its Employees. All transactions (other than reimbursements as provided in section D.4.) 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.

3. 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.

4. 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.
I. Reports Required to be Submitted by Associated Entity to University

1. The Associated Entity must file annual reports with the president or chancellor of Approving Institution covering the following items:
   a. A list of all members of the Associated Entity's governing body;
   b. 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
   c. A copy of the Associated Entity's CPA audit report and related management letters and responses to management letters.

2. 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.

J. Miscellaneous Requirements

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

2. 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.

3. 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.

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

K. Waiver

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.

L. Effective Date

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

The UNC Policy Manual: 600.2.5.2[R], Adopted 11/16/05, Amended 06/25/14, Amended 06/08/15

600.3 Special Responsibilities Constituent Institutions

600.3.1 Policy on Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions

I. Achieving and Retaining Status as a Special Responsibility Constituent Institution. Management staffing standards and internal controls and safeguards.

A. Responsibilities of Special Responsibility Constituent Institutions. The following standards and safeguards must be met and maintained in order to receive and retain the designation as a special responsibility constituent institution:

1. The chancellor/executive director must assume personal responsibility and also establish the appropriate administrative and internal control procedures for carrying out the special delegations of authority. In this regard, the chancellor/executive director must certify that the administrative capability on campus in the areas of budgeting and accounting, personnel, and purchasing, as noted in 2., 3., and 4., below, are sufficient to carry out the increased flexibility being granted.

2. The capability of the staff and the system of budgeting, accounting and internal controls must be sufficient to administer the increased budget flexibility given to the designated institutions.

3. The personnel capacity, which must be exercised under the direction of appropriate administrative officials, must be available on campus to evaluate jobs, classify positions appropriately, set compensation properly, and carry out the related functions of position management at the level of authority provided by the delegation.

4. The on-campus expertise must be available to purchase properly the equipment, supplies, and other goods and services for the institution up to the benchmark level established by the Board of Governors for the institution pursuant to N.C. Gen. Stat. § 116-31.10 (hereinafter G.S.).

5. The institution must maintain its financial records in such a manner that there are no significant findings in the annual financial audit reports, special reports, electronic data the State Auditor's Office.

6. Chancellors/executive directors may delegate the authority for approving departmental plans for expenditures authorized under budget flexibility, but may not delegate the authority below the level of the appropriate vice chancellor.

7. The chancellors/executive directors shall review an annual internal audit report on expenditures authorized under budget flexibility, if that audit is deemed necessary based on the annual risk assessment performed by the internal auditor.

8. The chancellor shall ensure that procedures and support systems are in place to provide for the effective operation and maintenance of all existing campus buildings and infrastructure. Procedures shall also be in place to ensure proper accountability and safeguarding of all fixed assets and other items purchased by the University.

B. Responsibilities of the President and the Board of Governors. The president is directed to establish the administrative procedures necessary to carry out the following rules:

1. The president and the president's staff shall review the annual financial audit reports, special reports, electronic data processing reports, performance reports, management letters, or any other report issued by the State Auditor's Office for each special responsibility constituent institution.

2. The president shall take immediate action regarding reported weaknesses in the internal control structure, deficiencies in the accounting records, and noncompliance with rules and regulations. In any instance where significant findings are identified, the president shall notify the chancellor/executive director of the particular special responsibility constituent institution that the institution must make satisfactory progress in resolving the findings, as determined by the president of the University, after consultation with the State Auditor, within a three-month period commencing with the date of receipt of the published financial audit report, any other audit report, or management letter.

3. If satisfactory progress is not made within a three-month period, the president shall recommend to the Board of Governors at its next meeting that the designation of the particular institution as a special responsibility constituent institution be terminated until such time as the exceptions are resolved to the satisfaction of the president of the University of North Carolina, after consultation with the State Auditor. However, once the designation as a special responsibility constituent institution has been withdrawn by the Board of Governors,
reinstatement may not be effective until the beginning of the following fiscal year at the earliest.
4. Any actions taken by the Board of Governors with respect to withdrawal or reinstatement of an institution’s status as a special responsibility constituent institution shall be reported immediately to the Joint Legislative Education Oversight Committee.
5. The president and the president’s staff, after consultation with the State Auditor, shall review and consult with the director of the Office of State Personnel and the director of the Division of State Purchasing and Contracts in ascertaining whether or not a constituent institution has the management staff and internal financial controls to administer the additional authorities authorized under G.S. 116-30.2, 116-30.4, and 116-31.10. Such review and consultation must take place no less frequently than once each biennium.

II. Budget Administration
A. Appropriations to Special Responsibility Constituent Institutions
1. All General Fund appropriations made by the General Assembly for continuing operations of a special responsibility constituent institution of the University of North Carolina System shall be made in the form of a single sum to each budget code of the institution for each year of the fiscal period for which the appropriations are being made.
2. Notwithstanding G.S. 143C-6-4, each special responsibility constituent institution may expend the General Fund monies so appropriated to it in the manner deemed by the chancellor/executive director to be calculated to maintain and advance the programs and services of the institutions, consistent with the directives and policies of the Board of Governors including but not limited to the following:
   a. A current institutional expenditure plan for each budget code must be established and maintained under the direction of the chancellor/executive director.
   b. No action shall be taken that would materially change the capability of the institution to carry out its educational mission as defined by the Board of Governors. The Board of Governors will retain program responsibility. No actions taken should have the effect of either establishing a new academic, research, or public service program or closing such a program without the specific approval by the Board. Reallocation of academic program resources should not be made to the extent that a particular existing program is seriously weakened or effectively discontinued, or a new activity not expressly authorized by the Board of Governors is initiated.
   c. Reallocations of interinstitutional program resources should not be made to the extent that campus participation in a particular program is materially weakened without specific approval by the Board.
   d. No action should be taken which would have the effect of establishing a new community service or student financial aid program without specific approval by the Board of Governors.
   e. Appropriations providing support for distance education/extension degree credit instruction at off-campus locations cannot be reallocated for other purposes without specific approval by the Board of Governors.
3. The quarterly allotment procedure established pursuant to G.S. 143C-6-3 shall apply to the General Fund appropriations made for the current operations of each special responsibility constituent institution.
4. All General Fund monies so appropriated to each special responsibility constituent institution shall be recorded, reported, and audited in the same manner as are General Fund appropriations to other constituent institutions.
5. The preparation, presentation, and review of General Fund budget requests of special responsibility constituent institutions shall be conducted in the same manner as are requests of other constituent institutions.
B. Reversions and Carry-Forward of Appropriations. Of the General Fund current operations appropriations credit balance remaining in each budget code of a special responsibility constituent institution, at the close of a fiscal year, any amount of the General Fund appropriations for that budget code, may be carried forward by the institution to the next fiscal year and may be used for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this section shall not exceed two and one-half percent (2½%) of the General Fund appropriation. The director of the budget, under the authority set forth in G.S. 143-25, shall establish the General Fund current operations credit balance remaining in each budget code of each institution.

III. Personnel Administration. The chancellor of a special responsibility constituent institution, when the chancellor finds that to do so would help to maintain and advance the programs and services of the institution, may establish and abolish positions, acting in accordance with:
A. State personnel policies and procedures if these positions are subject to the and if the institution is operating under the terms of a Performance Agreement or a Decentralization Agreement authorized under Chapter 126 of the General Statutes; or
B. Policies and procedures of the Board of Governors if these positions are exempt from the State Human Resources Act.
C. The results achieved by establishing and abolishing positions pursuant to the conditions set forth in subsection A., of this section, shall be subject to postauditing by the Office of State Human Resources.
D. With respect to personnel actions taken under subsection B., of this section, no action should have the effect of either establishing a new academic program or administrative unit or closing an existing academic or inter-institutional program or administrative unit. No action should be taken which permanently reduces the number or amount of Regular Term budgeted teaching positions supported by General Fund appropriations thereby changing the student-faculty ratio or the budgeted average teaching salary established by the Board of Governors.
E. Implementation of personnel actions shall be subject to the availability of funds within the institution’s current budget to fund the full annualized costs of these actions.
IV. Purchasing
A. Notwithstanding G.S. 143-53.1 or G.S. 143-53(a)(2), the expenditure benchmark for a special responsibility constituent institution with regard to competitive bid procedures and the bid value benchmark shall be an amount not greater than $500,000. The Board shall set the benchmark for each institution from time to time. In setting an institution’s benchmark, the Board shall consider the institution’s overall capabilities including staff resources, purchasing compliance reviews, and audit reports. The Board shall also consult with the director of the Division of Purchase and Contract and the director of the Budget prior to setting the benchmark.
B. Institutions with an expenditure benchmark greater than $250,000 but not greater than $500,000 shall submit to the Division of Purchase and Contract for that Division’s approval, or other action deemed necessary by the Division, a copy of all offers received and the institution’s recommendation of award or other action. Notice of the Division’s decision shall be sent to that institution. The institution shall then proceed with the award of contract or other action recommended by the Division.
C. The power and authority granted to the Board of Governors with regard to the acquisition, operation, maintenance and disposition of real and personal property and services shall be subject to, and exercised in accordance with, the provisions of Chapters 143 and 146 of the North Carolina General Statutes and related sections of the North Carolina Administrative Code, except when a purchase is being made that is not covered by a State term contract and either:
   1. The funds used to procure personal property or services are not moneys appropriated from the General Fund or received as tuition or, in the case of multiple fund sources, moneys appropriated from the General Fund or received as tuition do not exceed 30 percent of the total funds; or
   2. The funds used to procure personal property or services are contract and grant funds or, in the case of multiple fund sources, the contract and grant funds exceed 50 percent of the total funds.
D. When a special responsibility constituent institution procures personal property or services under condition A, or B, above, the special responsibility constituent institution is delegated the authority to procure the property or services without approval by the Board of Governors, and the requirements of Chapter 143, Article 3 shall apply, except the approval or oversight of the Secretary of Administration, the State purchasing officer, or the Board of Awards shall not be required, regardless of dollar value.
E. Special responsibility constituent institutions shall have the authority to purchase equipment, materials, supplies, and services from sources other
than those certified by the Secretary of Administration on term contracts, subject to the following conditions:
1. The purchase price, including the cost of delivery, is less than the cost under the State term contract;
2. The items are the same or substantially similar in quality, service, and performance as items available under State term contracts;
3. The cost of the purchase shall not exceed the benchmark established under G. S. 116–31.10; and
4. The special responsibility constituent institution notifies the Department of Administration of purchases consistently being made under this provision so that State term contracts may be improved.

F. All special responsibility constituent institutions are authorized to contract with service providers under arrangements that provide for the receipt of funds electronically pursuant to the provisions in G.S. 116-40.22(e).

V. Impact on Education. Each special responsibility constituent institution shall include in its institutional effectiveness plan those assessment measures that are determined by the Board to be measures that will assure some standard measure of student learning and development in general undergraduate education. The intent of this requirement is to measure the impact of G.S. 116–30.1 through G.S. 116–30.5, establishing and administering special responsibility constituent institutions, and their implementation on undergraduate student learning and development. The measures shall be taken from accountability reports to the Board and any other performance measures developed for this purpose by the Board.

VI. Reporting Requirements; Monthly Report. Each designated institution must prepare a monthly operating report for each budget code in the format of the current BD–701 report. The "Authorized Budget" included in this report, which may be changed under the direction of the chancellor/executive director, will show the institution's current expenditure plan. The current Chart of Accounts will be used for reporting purposes.

VII. Other Matters
A. Effective Date. The requirements of this policy shall be effective on the date of its adoption the Board of Governors.
B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

600.3.1: Adopted 09/13/91, Amended 09/09/94, Amended 09/08/95, Amended 09/13/96, Amended 05/22/97, Amended 11/13/98, Amended 08/13/99, Amended 02/13/04, Amended 11/12/04, Amended 05/11/07, Amended 10/12/07, Amended 09/09/11, Amended 06/14/13, Amended 05/22/19

600.3.2 Designation of Special Responsibility Constituent Institutions
The Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions approved by the board on September 13, 1991, were forwarded to the campuses and each chancellor was given the opportunity to request designation as a special responsibility constituent institution. Ten chancellors requested that their institution be designated at the October meeting of the board. The ten institutions were:

East Carolina University
Elizabeth City State University
Fayetteville State University
North Carolina School of the Arts
North Carolina State University at Raleigh
The University of North Carolina at Chapel Hill
The University of North Carolina at Charlotte
The University of North Carolina at Greensboro
The University of North Carolina at Pembroke
The University of North Carolina at Wilmington

In each instance the chancellor indicated his acceptance of the responsibility to carry out the additional authority on behalf of the institution, certified that the selection criteria had been met, and committed to operate under the guidelines approved by the board.

Each request for special designation was reviewed by the senior staff of General Administration, who recommended approval. As required by the legislation, the President consulted with the State Auditor regarding the designation of these ten institutions. Formal designation by the board was the only remaining action required to be taken.

On October 11, 1991, the ten institutions named above were designated special responsibility constituent institutions by the Board of Governors.

• A resolution designating Western Carolina University as a special responsibility constituent institution was adopted 03/06/92.
• A resolution designating Appalachian State University as a special responsibility constituent institution was adopted 03/06/92.
• A resolution designating North Carolina A&T State University as a special responsibility constituent institution was adopted 03/06/92.
• A resolution designating The University of North Carolina at Asheville as a special responsibility constituent institution was adopted 03/06/92.
• A resolution designating North Carolina Central University and Winston-Salem State University as special responsibility constituent institutions was adopted 09/10/93.
• In 1999, the General Assembly awarded the Office of General Administration of The University of North Carolina, special responsibility status. See N.C.G.S. §§ 116–14 and 116–30.3(e).)
• A resolution awarding special responsibility status to the North Carolina School of Science and Mathematics was adopted 2/8/02.

600.3.2: Adopted 10/11/91, Amended 07/01/07

600.3.3 Expenditure of Funds Generated Through Lapsed Salaries

UNC Policy Manual 205
I. Purpose
A. Pursuant to N.C.G.S. § 116-11(13), 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 non-faculty (those employees exempt from Chapter §126 of the North Carolina General Statutes). (Section 200.6 of the UNC Policy Manual.)
B. In accordance with this authority, the president may further delegate authority for approving human resources matters within the UNC General Administration.
C. Also in accordance with this authority, the president hereby further delegates the authority to administer certain human resources actions as described in Section II of this policy to the boards of trustees for all constituent institutions.
D. Also in accordance with this authority, the president hereby further delegates additional authority to administer certain human resources actions as described in Section III of this policy to the boards of trustees for institutions with management flexibility (Special Responsibility Constituent Institutions).
E. The authority granted by the Board of Governors through the president is subject to the Code of the University of North Carolina, policies of the Board of Governors, and all applicable federal and state laws, policies, regulations, and rules. (See Section 200.6 of the UNC Policy Manual for limitations on the president’s delegated authority.) 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 General Assembly.

II. Authority Delegated to All Constituent Institutions
A. The president delegates to the board of trustees for each constituent institution the authority to execute the following personnel actions for faculty and EHRA non-faculty instructional, research, and public service (RPSS) employees:
   1. Permanent and temporary appointments and salaries
   2. Promotion, including faculty rank changes but excluding tenure
   3. Permanent and temporary salary increases or stipends
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.
C. Notwithstanding the delegations above, the president may establish regulations and guidelines that limit delegation for certain actions (for example, salary adjustments) within these categories.

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 personnel actions, which it shall not delegate further unless the president or the Board of Governors shall allow:
   1. Upon recommendation of the chancellor, appoint and fix the salary and non-salary compensation for all vice chancellors and other Tier 1 senior academic and administrative officers (as defined in Section I.A., of Policy 300.1) with the exclusion of the chancellor.
   2. Approve appointments and salary changes for SAAO Tier 1 appointments, with the exclusion of the chancellor.
   3. Upon recommendation of the chancellor, establish salary ranges for SAAO Tier 2 positions, consistent with both the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.
   4. Approve appointments and salary changes for SAAO Tier 2 positions, consistent with the approved tenure policies and regulations of each institution, confer permanent tenure.
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 on a limited basis:
   1. Establish faculty salary ranges within different academic disciplines, based on relevant data.
   2. Appoint and fix the compensation for faculty awarded the designation of Distinguished Professors.
   3. Establish RPSS positions and salary ranges.
C. Salaries and salary ranges shall be consistent with salary ranges established or authorized by the UNC General Administration and consistent with guidelines established by the president. Notwithstanding the delegations above and the provisions of any existing approved management flexibility plan, the Board of Governors and/or the president may establish policies, regulations, or guidelines that limit delegation for certain actions (such as establishing mandatory salary ranges or salary adjustments) within the delegations listed in IIA., and IIIB.

IV. Responsibility of the Board of Governors and the President
A. The Board of Governors shall:
   1. Issue a resolution each year that (a) interprets legislative action regarding salaries and (b) sets annually 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 data.
   2. Authorize the president’s salary and, based on recommendations from the president, the chancellors’ salaries.
   3. Authorize appointments and employment contracts for the chancellor, the president, the general manager of UNC-TV, 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 § 1100.
B. The president shall:
   1. Establish SAAO Tier 1 and SAAO Tier 2 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 Personnel and Tenure for appointments and compensation for senior officers who report directly to the president.
   2. The president 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. Review annually the 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. Provide at least annually to the constituent institutions guidelines regarding EHRA appointments and salary actions.
5. Provide periodic faculty salary studies based on peer data.
6. Withhold 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.

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 the policy on Selection Criteria and Operating Guidelines for Special Responsibility Constituent Institutions[5]

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[6] 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[7] that complies with The Code of the University of North Carolina, 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 senior academic and administrative officers (SAAO) and EHRA non-faculty,
1. Policies and procedures for establishing salary ranges for SAAO Tier 2 and for instructional, research, and public service (IRPS) EHRA non-faculty positions, consistent with the salary ranges and the policies established by the Board of Governors and the regulations and guidelines established by the president. The institution may otherwise elect to adopt salary ranges established by the UNC General Administration for these positions.
2. Policies and procedures for the recruitment and selection of senior academic and administrative officers and other EHRA non-faculty positions.
C. Policies and procedures for compensation policies for faculty and EHRA non-faculty,
1. An institutional policy on non-salary compensation of faculty and EHRA non-faculty, 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 data and for EHRA non-faculty, including methodology and relevant data[8]
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 in the event that 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.

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[1] 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 to The Code of the University of North Carolina.

[2] For the purpose of this policy, the term "appoint" means the initial appointment reappointment, or an appointment that constitutes a promotion or a significant change in position responsibilities.

[3] 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.

[4] 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.

[5] See Section 600.3.1 of the UNC Policy Manual and in particular Section 600.3.1.A.2.

[6] 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.

[7] 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.

[8] 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.

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

600.4 Debt Collection

600.4.1 Hearings under the Setoff Debt Collection Act

N.C.G.S. § 105A-8(a) provides that hearings under the Setoff Debt Collection Act, when undertaken by institutions or agencies of the University of North Carolina, “shall be conducted according to administrative procedures deemed lawful by the Attorney General.” The Attorney General intends such hearings to constitute final agency decisions for purposes of judicial review. In order to establish such finality, it is hereby RESOLVED by the Board of Governors of the...
600.4.1[G] Guidelines on Implementing Setoff Debt Collection Act

The Setoff Debt Collection Act (N.C.G.S. Chapter 105A) is designed to facilitate collection of debts owed by an individual to an agency of the State. The act establishes a procedure for setting off any such debt against any refund that is due the debtor under North Carolina income tax law. An outline of the required steps is attached. The North Carolina Department of Revenue has established procedures (attached) for institutions to follow to comply with the requirements of the act.

1. The act defines the constituent institutions, the State Education Assistance Authority, the University of North Carolina Hospitals at Chapel Hill and the Board of Governors in performance of its duties in administering the Scholarship Loan Fund for Prospective College Teachers as "claimant agencies" subject to the act.

2. Compliance with the act by claimant agencies is mandatory but it does not preclude the use of other available remedies to collect debts. Therefore, agencies must annually file with the Department of Revenue a complete list of debtors whose debts are subject to set-off; but, the Attorney General, in the regular process of list review, may decide that the debt can be collected by other means.

3. For a debt to be eligible for set-off, (a) the debt must be at least $50 (b) the debt must be at least 90 days in arrears or already reduced to judgment, and (c) the tax refund due the debtor must be at least $50. Since agencies will not know whether a tax refund is due, every individual debtor whose debt is at least $50 and 90 days or more in arrears or reduced to judgment should be listed on the annual list sent to the Department of Revenue.

4. To obtain the necessary match between the debtor and individuals eligible for a tax refund, the act requires claimant agencies, "whenever possible," to obtain information, including the social security number, "from any person for whom the agencies provide any service or transact any business and who the claimant agencies foresee may become a debtor" under the act. The federal Privacy Act of 1974 prohibits, in effect, the involuntary disclosure to a state agency of an individual's social security number except in some contexts, such as the "administration of any tax." The Attorney General has taken the position that the federal statutory exemptions are broad enough to include the provisions of the Setoff Debt Collection Act as an "administration of any tax" and, therefore, permit the state agency to require the disclosure by any debtor or potential debtor of that person's social security number in contemplation of possible debt set-off against tax refund. Institutional personnel are advised to review the University's guidelines in this policy manual for use of social security numbers.

5. The act gives the alleged debtor the right to a hearing to contest the validity of the debt. The act also provides that the University claimant agencies "shall conduct hearings according to administrative procedures deemed lawful by the Attorney General." The Attorney General has approved the following procedures to be followed whenever a debtor who receives notice of a debt requests a hearing:

a. The debtor shall be provided written notice of the date, time, and place set by the institution for the hearing, and of the identity of the hearing officer. The notice shall be sent certified mail, return receipt requested; a model notice is attached to this policy. Any notice used in lieu of the model notice shall address at least paragraphs b., e., f., g., and h. of these instructions.

b. The notice shall state that any further review of the debt will be limited to evidence presented at the hearing, and that if the debtor fails to appear at the hearing (either personally or through an authorized representative pursuant to paragraph h., below), the institution in the debtor's absence shall proceed to determine the validity and amount of the debt as a final agency decision pursuant to paragraph k., below.

c. The chancellor or chancellor's designee shall appoint a hearing officer to hear the evidence and make a final determination, on behalf of the institution, on the validity and amount of the debt owed. The hearing officer shall have no prior involvement in the claim which would constitute a conflict of interest, and the hearing officer shall not be able to offer testimony or evidence on behalf of the institution.

d. The institution shall have the burden of establishing the validity and amount of the debt upon the evidence presented at the hearing.

e. The debtor shall be able to appear and to present evidence, including the testimony of witnesses. Although the debtor cannot compel the attendance of witnesses, the hearing officer shall have the authority to direct the attendance of any witnesses employed by the institution whose possible testimony the hearing officer believes relevant.

f. The debtor shall be able to cross-examine the institution or agency's witnesses.

g. The debtor shall be able to review, prior to the hearing, the documents the institution or agency intends to introduce in support of its claim and to obtain copies of the documents at the debtor's expense.

h. The debtor may be advised or represented by another person, including legal counsel, at the debtor's own expense.

i. The hearing shall provide an opportunity for introduction of credible and relevant evidence, but judicial rules of evidence need not be followed. The hearing officer shall have the authority to exclude irrelevant, immaterial, or unduly repetitious evidence and to limit unnecessary examination of witnesses.

j. To assure compliance with the judicial review provisions of N.C.G.S. § 150A-47, the hearing officer shall record the proceedings in a manner which can be reduced to a verbatim transcript in the event of an appeal. The hearing record shall include this recording or transcript and all documents offered or received into evidence at the hearing.

k. The hearing officer shall issue a written determination on the validity and amount of the debt owed, if any, which by resolution of the Board of Governors dated April 13, 1984 (attached), shall be the final institutional or agency decision pursuant to N.C.G.S. § 150A-43. The determination shall state the hearing officer's decision and summarize the facts relied on in making that decision.

l. The determination shall be sent to the debtor by certified mail, return receipt requested. If the determination is against the debtor in any respect, there shall be included with it a notice of right to appeal to Superior Court within 30 days of receipt of the written determination, pursuant to N.C.G.S. § 150A-43.

m. Within 20 days of the issuance of a written determination pursuant to paragraph k., above, the institution or agency shall notify the Department of Revenue of the determination and of the amount of any debt determined therein to be due and owed.

Please note the following consideration. In the context of a student debt, a hearing under the act likely will involve presentation of "education records" as defined under the Family Educational Rights and Privacy Act of 1974 (the "Buckley Amendment"). Such documents are protected under the Buckley Amendment from disclosure, other than to the student, unless particular conditions specified in the Buckley Amendment are present. Thus, a hearing on a student's contested debt should not be a public hearing unless one of these Buckley provisions pertains:

- The student has waived the right to privacy (if the records to be used include financial records of the student's parents, their waiver also is needed);
- The contested debt is based upon records generated "in connection with a student's application for, or receipt of, financial aid";
- The records are produced at the hearing "pursuant to any lawfully issued subpoena" (the procedures approved by the Attorney General do not provide for agency subpoenas).

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6. The act provides that a hearing outcome adverse to the debtor may be taken to court by the debtor "except that the place of initial review shall be the superior court for the county in which the debtor resides." The Attorney General has ruled that "residence" be defined as one's "domicile or place of business." The Attorney General has also ruled that "superior court" as used in the act refers only to superior courts of North Carolina. Therefore, a debtor contesting a debt who is neither a domiciliary of North Carolina nor established in business in this State must still look to the superior courts of North Carolina for debt review, logically either the county in which the institution is located or Wake County (the usual situs for judicial review under the Administrative Procedures Act).

Compliance

Each constituent institution should cooperate fully with the Department of Revenue in establishing the debt set-off machinery required of it by N.C.G.S. Chapter 105A and, in supplying the annual list of debtors. For each institution this machinery should include a designated agent or office to receive notice from a debtor of the debtor's intent to contest an asserted debt.

(This is a rewrite of Administrative Memoranda #127 and #195.)

Steps in Set-Off Procedure North Carolina Department of Revenue

1. Claimant agencies annually submit lists of debtors by December 1 showing name, social security number and address and the award of the obligation for each debtor.
2. Department runs lists against refunds.
3. When match occurs, department notifies claimant agency giving the amount of refund and the debtor's address listed on the tax return.
4. The claimant agency must notify the debtor within 10 days of receipt of the department's notice of its intent to claim the refund and send a copy of such notice to the department so as to be received within 15 days from the date the department mailed its notice that a match had occurred.
5. Debtor may contest agency's claim by giving written notice to agency within 30 days from the date of the mailing of the agency notice to the debtor.
6. If claim is not contested within the required 30 days, within 20 days thereafter, the claimant agency must certify the debt to the department.
7. If claim is contested, the period for certification is 20 days following completion of the hearing process.
8. The department shall transfer by check the net proceeds collected (gross minus 15% collection assistance fee) to the appropriate claimant agency together with the following information:
   - Full name of the debtors
   - Social Security number of debtors
   - Gross Proceeds per set-off
   - Net Proceeds per set-off
   - Collection fee per set-off
9. Claimant agency will credit the debtor with gross proceeds.
10. Department notifies taxpayer of action taken and refund any remaining balance.

Set-Off Debt Collection Program Proposed Rules and Procedures

The function of the Department of Revenue under the Set-Off Debt Collection Program is to assist claimant agencies, upon request, in the collection of qualifying delinquent accounts. From lists of qualifying debtors furnished by the various claimant agencies, the department will identify those entitled to individual income tax refunds of at least $50 and, upon receipt of a final certification of the debt from the respective claimant agency, set-off the applicable amount. Periodically, the department will remit the respective claimant agencies the net proceeds collected which shall be the gross proceeds collected less than 15% collection assistance fee. A transmittal statement will be included reconciling the amount of the remittance with the gross proceeds collected per individual set-off so that the claimant agency can credit the debtor's obligation with gross proceeds collected as required by N.C.G.S. § 105A-14B.

Claims for set-off must be filed with the Department of Revenue in accordance with the provisions of Article 1 of Chapter 105A and the rules and procedures set forth below and authorized under N.C.G.S. § 105A-16.

Each claimant agency must submit its complete list of debtors for which set-off is sought to the department annually by December 1 of the year preceding the calendar year during which refunds would have been paid. For example, a list of debtors submitted by December 1, 1979, will be matched against taxpayers entitled to refunds in the calendar year 1980. The list must include the full name, social security number, address and the amount of the obligation for each debtor. The amount of the obligation is required to facilitate the processing of multiple claims. A new list must be submitted each year. Magnetic tape specifications and record layouts are available upon request. Claimant agencies that have the capability and volume to justify it are urged to send debtor information on magnetic tape. [N.C.G.S. § 105A-6(a).]

To participate in the set-off procedure, each claimant agency must register with the Department of Revenue. A registration form is available for this purpose.

Claims for obligations of less than $50 should not be submitted (N.C.G.S. § 105A-4).

No debt should be certified for set-off that is less than 90 days in arrears unless there is an outstanding judgment for the debt. In the case of debts that are less than 90 days in arrears, it shall be presumed that an alternative means of collection is pending and believed to be adequate.

"Debtor" means any individual owing money to or having a delinquent account with any claimant agency which obligation has not been adjudicated satisfied by court order, set aside by court order, or discharged in bankruptcy. [N.C.G.S. § 105A-2(2).]

"Debt" means liquidate sum due and owing any claimant agency which has accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum. [N.C.G.S. § 105A-2(3).]

The claimant agency, upon receipt of notification from the Department of Revenue that a debtor is entitled to a refund, shall within 10 days send a written notification to the debtor and a copy of the same to the department of its assertion of rights to the refund or any part thereof. SUCH NOTICE SHOULD CLEARLY INDICATE TO THE DEBTOR THAT ANY OBJECTIONS TO THE CLAIM SHOULD BE DIRECTED TO THE CLAIMANT AGENCY, NOT THE DEPARTMENT OF REVENUE. In this connection the Department of Revenue prefers that the notice also give the name and telephone number of the appropriate contact person within the claimant agency. [N.C.G.S. § 105A-7(a).]

If a claim is contested, the claimant agency should notify the Department of Revenue and indicate a date by which final determination of this claim might
If a claim is paid or otherwise settled, the claimant agency should notify the Department of Revenue immediately so that the tax refund can be promptly released.

Dear (Debtor):

You are hereby notified that a hearing to determine the validity and amount of the debt described in our notice to you of (date) will be held before (hearing officer name) at (time) on (date) at (location). Any time prior to that day and time you may appear at (location) during regular business hours to inspect (and copy, at your expense) the documents the university intends to present in support of its claim. If you desire to review the university’s documents but cannot come to the campus, you should contact the hearing officer to make alternative arrangements (telephone ...)

During the hearing you will be allowed to cross-examine the university’s witnesses and present relevant evidence in your own behalf, including the testimony of any witnesses you may bring with you. If you believe an employee of the university has information helpful to your case, you should notify the hearing officer of the employee’s name and the nature of the information; if the hearing officer determines that the information may be relevant, the employee can be directed to attend the hearing. You may, if you choose, have the advice and representation of another person at your own expense, including legal counsel.

You will have the right to appeal to Superior Court any adverse decision made at the conclusion of the hearing, but judicial review will be limited to the evidence presented during this hearing. If you fail to appear at this hearing, the university shall in your absence proceed to determine the validity and amount of the debt. Any further correspondence in this matter should be directed to (hearing officer’s name, campus address and telephone number).

600.4.1.1(G): Adopted 10/30/79, Amended 03/04/83, Amended 04/27/84

600.4.1.2[G] Guidelines on Collecting Debts Owed the State by State Employees, Officials, and Legislators

In 1989 the General Assembly passed the State Employee Debt Collect Act (N.C.G.S. Chapter 143, Article 60). This act promotes payment of a debt owed the State by an employee, official, or legislator of the State through the threat of sanctions (e.g., discharge of employment) if the debt is not paid.

This act was written to assist in the collection of debts owed the State by employees, public officials, and legislators of the State. The definition of “public official” includes those members of State boards, commissions, councils, committees, and other State agencies “created by law” whose personnel positions are not salaried by the State. “Public officials,” therefore, would include members of the Board of Governors, the Boards of Trustees of the constituent institutions, the Boards of Trustees of the institutional endowment funds, the Board of Directors The University North Carolina Hospitals at Chapel Hill, the Board of Directors of the State Education Assistance Authority, and the Board of Trustees of the University of North Carolina Center for Public Television. Where an individual is both a salaried State employee and a nonsalaried member of a State agency, the individual should be treated procedurally as a State employee, not as a “public official” (e.g., the President of the University, who is both a State employee and ex officio a trustee of The University of North Carolina Center for Public Television).

Debts collectible under the act.

Any “delinquent” debt owed the State by a State employee, public official, or legislator may be pursued under the act.

Method of debt collection.

The means of inducing debt payment by State employees is the threat of termination of employment. Similarly, public officials are faced with termination of appointment for nonpayment. Nonpaying legislators, however, are to be dealt with by the Legislative Ethics Commission.

Responsibilities of State agencies.

In basic outline, the act requires (1) identification of employees, officials, or legislators of the State who are indebted to the State, (2) transmission of notice of the identity of the debtor and the fact of indebtedness to the entity that employs the debtor (or that appointed the official or that is responsible for superintending the conduct of legislators), and (3) actions by the debtor’s employer relative to the debtor and the indebtedness, including ultimately the possibility of terminating the State employment of the debtor.

Reporting debtors.

The various components of State government are responsible for identifying delinquent debtors to the State who also are employees, officials, or legislators of the State.

In recognition of the difficulty likely to be encountered by a State governmental entity in identifying debtors to it who also are employees of another State entity, the State Department of Budget and Management has prescribed a system for addressing the basic reporting responsibility. Using the University context for purposes of illustration, the system requires a constituent institution to report to the Office of State Budget and Management all “past due accounts” for which “satisfactory provisions for repayment” have not already been made. That agency in turn will compare the list supplied with the comprehensive list of State employees and identify those debtors who are State employees. The constituent institution then will be given the name of any debtor to the institution who also is an employee of the State; and the constituent institution then is responsible for notifying the employer that one of the entity’s employees is indebted to the institution.

The “representative” of the entity responsible for reporting debtors to the employer of the debtor is not defined by the legislation. The term reasonably appears to suggest that a designated official of the State entity (e.g., vice chancellor for finance) should be identified and authorized to perform the reporting requirement.

The act establishes no timetable for periodic reportings of debtors to the entities responsible for acting on such reports. However, the State Budget Office has directed that it be sent the names and social security numbers of “Individuals with past due accounts” for which no satisfactory provisions for repayment have been made. In short, each constituent institution should send to the State Budget Office a list of delinquent debts for which the constituent institution has not been able to induce the debtor to repay or to begin to repay.
The State Budget Office has called for providing to it the debtor's social security number. The act, however, contains no statutory authorization for such a disclosure and use. In fact, the act expressly states: "Nothing in this Article is intended to conflict with any provision of federal law. . . . If the exchange among employing entities of information necessary to effectuate the provisions of this Article would conflict with this intention, the exchange of information shall not be made." In light of these circumstances, the State Budget Office has agreed that an agency need not transmit to the State Budget Office the social security number of an individual debtor if that number was received by the entity under conditions that would cause the federal Privacy Act of 1974 to prohibit its disclosure. For purposes of applying this policy, the following guidelines seem required by the Privacy Act of 1974:

1. The transfer from a constituent institution to the State Budget Office of an individual's social security number in the process of debtor/State employee identification is a "disclosure" of that number within the meaning of the Privacy Act of 1974 and is conditioned by that act.
2. Any individual who is asked to make initial disclosure to an institution of a social security number in the context of this act must be told that (a) such disclosure is voluntary, (b) such request for disclosure is incident to State administrative procedures for debt collection, and (c) the number, upon disclosure, would be available to effect debt collection.
3. Any individual whose social security number has been disclosed to an institution in a manner other than according to condition (2), above, without informing the individual of possible use of the number for debt collection, must be informed of such possible use before transfer of the number to the State Budget Office. (The time lapse between informing the individual of the intended or potential use and the transfer of the number is not stated by the Attorney General to be important so long as the individual is, in fact, informed before the transfer.)

The Attorney General's opinion of November 21, 1980, establishes two principles of which special note should be made.

1. (a) It is not significant whether an institution obtained a social security number before December 31, 1974 (the effective date of the Privacy Act of 1974). The Privacy Act conditions use of any social security number.
2. (a) It is important whether an institution obtained the social security number for use under the act (a) by initial disclosure from the individual (see condition (2), above) or from pre-existing institutional records or from a third party (see condition (3), above).

In light of the foregoing, an agency may delete from the requested debtor list a social security number whose disclosure is, in effect, prohibited by the Privacy Act of 1974 but should indicate which deletions are made with reference to the Privacy Act, as opposed to mere lack of information.

Informing the employing entity.

When an agency to whom a State debt is owed learns that the debtor is a State employee, public official, or legislator, the agency must inform the employer of the debtor or the appointing authority of a public official or the Legislative Ethics Commission, as the case may be.

Because a debtor to the State may be both a State employee, public official, or legislator and also a taxpayer due a refund of at least $50 from the Department of Revenue, some debts of an individual will prove collectible under both this act and the Setoff Debt Collection Act. When an agency to whom the debt is owed learns that both acts may pertain to collection of the debt, that agency should inform the employer of the debtor. This will help minimize the possibility that sanctions will be imposed under this act for a debt collected or in the process of being collected under the Setoff Debt Collection Act.

Debt resolution.

State employees have an "employing entity" and public officials have an "appointing authority" to whom notice of the debt must be made. Once notice is received, the statutory duties shift from the agency owed the debt to the employing entity (or appointing authority) of the debtor. The employer, upon receiving notice of the debt, must initiate debt resolution.

Depending upon the nature of the employee or public official's position with the State, the act prescribes the procedure for resolution of the debt to the State by the employer:

1. Public officials - "Upon receipt of notification, the appointing authority shall investigate the circumstances of the claim of money owed to the State for purposes of determining if a debt is owed and its amount." The act then provides for notice of termination of duties unless a repayment plan is fulfilled or undertaken.
2. State employees - The act calls for termination of employment if payment is not effected within a "reasonable period." However, passage of a reasonable time without payment is not cause for termination if there is (a) a "genuine dispute" over the existence or amount of the debt, (b) "an unresolved issue concerning insurance coverage," or (c) pursuit by the employee of administrative or judicial remedies in the matter. And, as with public officials, a State employee is saved from sanctions if the employee is undertaking repayment as permitted by the act. With respect to employees, one acceptable plan is to agree to have periodically withheld for repayments "not less than ten percent (10%) of . . . net disposable earnings." Net disposable earnings are defined to constitute salary less statutory deductions such as taxes and State retirement, which appear to leave subject to dunning that part of an employee's salary otherwise to be voluntarily paid over to such as retirement funds other than TSERS and the Optional Retirement Plan. Unlike public officials, however, State employees, even after termination, have a right of termination review as provided by N.C.G.S. Chapter 126 if they are subject to the State Personnel Act. The act, reads into its provisions the usual array of remedies available to an aggrieved member of the University community. Essentially, it requires a constituent institution to sit down with its employees who are debtors to the State to work out repayment; but if the employee contests the debt, the constituent institution should treat the process of debt collection as a serious, contested personnel action.

Statutes of limitations and bankruptcy.

The act provides that where collection of the debt is barred by an applicable statute of limitations, the act "shall not be construed to revive" the debt or any part of the debt or to "extend" the statute of limitations. The act contemplates the pursuit by the debtor of judicial remedies, which could include discharge of the debt in bankruptcy. Consequently, no employee or public official of the University should be terminated for nonpayment of debt whose collection is barred by bankruptcy decree or a statute of limitations.

[This is a rewrite of Administrative Memoranda #132 and #144.]

Magnetic Tape Past Due Accounts Format Office of State Budget and Management

The data can be on tape or cards. If tape, the record length should be 80 characters and blocksize 6400 characters. The tape should be either IBM standard labeled or non-labeled and should be 1600 or 6450 BPI.
The 1979 General Assembly enacted House Bill 561 (Chapter 864 of the 1979 Session Laws) relating to the collection of money owed to the State by certain public employees. The purpose of this memorandum is to indicate what procedures to follow in collecting past due accounts owed to the State by State employees, certain local governmental employees and public officials.

1. Send a list to this office of the names and Social Security numbers of individuals with past due accounts owed to the State. Do not include names of individuals with past due accounts when satisfactory provisions have already been made for repayment.

2. This office will arrange to compare your lists with lists of employees who are members of the Teachers and State Employees Retirement System or who are on a central payroll.

3. You will be notified if any of the individuals on your lists are employed by a State department, agency or institution, Community College system or by a city or county Board of Education.

4. You should then write the agency employing the individual who has a past due account with your department and State: (a) individual's name, amount of money owed and for what reason; (b) that a written notice be sent to the employee stating that full restitution of the amount owed is a condition of continued employment (Chapter 143, Article 59 of the North Carolina General Statutes); (c) that the employee obtain and provide written evidence from the department owed that a satisfactory arrangement for payment has been agreed upon; (d) that the employee be given a reasonable time period to accomplish (c) above. If the employee does not provide this evidence, steps must be taken to terminate employment unless the employee is pursuing administrative or judicial remedies.

600.4.1.2[G]: Adopted 01/22/80, Amended 12/04/80

600.5 Other Financial and Real Property Matters

600.5.1 Institutional Vending Facilities

1. Vending Facilities Definition. The term "vending facilities" includes both the following: (1) any mechanical or electronic device dispensing items or something of value or entertainment or services for a fee, regardless of the method of activation, and regardless of the means of payment, whether by coin, currency, tokens, or other means; and (2) a snack bar, cafeteria, restaurant, cafe, concession stand, vending stand, cart services, or other facilities at which food, drinks, novelties, newspapers, periodicals, confections, souvenirs, tobacco products or related items are regularly sold.

2. State Funds. The receipts from vending facilities operated by a constituent institution of the University of North Carolina are State funds. The payments received by a constituent institution of the University of North Carolina under which another party operates vending facilities and pays a sum to the State, whether computed as a percentage of gross or net receipts or gross or net profits, or as a fixed or variable fee, are State funds.

3. Deposits. Those receipts or payments deemed State funds pursuant to paragraph 2, above, shall be deposited as provided by law in the appropriate fund to be determined by the Office of State Budget and Management.

4. Authorized Uses. The following uses of net proceeds from the operations of vending facilities are authorized:
   a. Scholarships and other direct student financial aid programs;
   b. Debt service on self-liquidating facilities;
   c. Any of the following student activities if specifically authorized by the chancellor:
      i. Social and recreational activities for students residing in self-supporting University housing. However, expenditures for these purposes shall not exceed the amount of total net proceeds derived from vending facilities located in such housing facilities.
      ii. Special orientation programs for targeted groups of students (e.g., peer mentor programs).
      iii. Operating expenses of scholarships and other student awards and honors programs.
      iv. Supplementary student center operating support. However, expenditures for this purpose shall not exceed the total net proceeds derived from vending facilities located in such student center facilities.
   d. Specified use of net proceeds as a condition of certain gifts, grants, or bequests. (For example, Carolina Inn proceeds, as specified in the gift of the Inn to the University of North Carolina at Chapel Hill, are used, in part, to support the University libraries, especially the North Carolina Collection.)
   e. Retention to provide for working capital, replacement of facilities and equipment, and other purposes to support the continuing, orderly

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5. Account Applicability. Only those accounts defined, budgeted, and expended pursuant to N.C.G.S. § 116-36.1 (Institutional Trust Funds) are subject to the reporting requirements for vending facilities under N.C.G.S. § 116-36.4.  
6. Definition of Net Proceeds. The term “net proceeds” for a covered vending facility means: total revenues less all appropriate expenditures for the operation and maintenance of the identified operation.  
7. Reports. The President is authorized and directed to make such reports with respect to vending facilities as may be required under N.C.G.S. § 116-36.4.  
8. Effective Date. These regulations shall be effective for the 1990-91 fiscal year and thereafter.

**600.5.1.1[G]** Guidelines on Institutional Vending Facilities

The 1990 Session of the General Assembly amended N.C.G.S.§ 116-36.1 to provide an expanded definition of institutional “trust funds.” That definition now includes institutional student auxiliary enterprise funds and moneys received from the operation and maintenance of institutional forests and forest farmlands. The same legislation also repealed N.C.G.S. § 116-36.3, which had regulated institutional student auxiliary enterprise funds. This legislation required revision to the Board of Governors’ regulations for institutional vending facilities. On February 8, 1991, the board adopted the foregoing resolution to make appropriate changes to board policy with respect to institutional vending facilities and guidelines related to the board’s new regulations for reporting proceeds from vending facilities.  

**1. Vending Facilities Definition.** The term “vending facilities” as defined in the regulations is unchanged and thereby continues the broad and comprehensive definition previously established by the General Assembly.  

**2. State Funds.** The designation as “State funds” of receipts from vending facilities operated by a constituent institution of the University of North Carolina remains in effect.  

**3. Deposits.** The deposit requirement remains unchanged. UNC General Administration previously requested specific confirmation from the Office of State Budget and Management (OSBM) that current practices for depositing vending receipts are acceptable. By letter of November 17, 1987, to Vice President Joynes from Mr. Marvin K. Dormian, Jr., Deputy State Budget Officer, OSBM reaffirmed its earlier acceptance of institutional practices for depositing vending receipts. This reaffirmation remains in effect.  

**4. Authorized Uses.** The authorized uses of net proceeds from the operations of vending facilities are unchanged. In some cases, though, those uses are closely conditioned by instruments of gift or other external documents. For example, Carolina Inn proceeds, as specified in the gift of the Inn to the University of North Carolina at Chapel Hill, are used, in part, to support the University libraries, especially the North Carolina Collection.  

**5. Account Applicability.** The requirement under N.C.G.S. § 116-36.4 for reporting the net proceeds of vending facilities embraces only those accounts defined, budgeted, and expended pursuant to N.C.G.S. § 116-36.1 (Institutional Trust Funds). However, N.C.G.S. § 116-36.1, as amended in 1990, expanded the definition of institutional “trust funds” to include institutional student auxiliary enterprise funds for the operation of housing, food, health and laundry services, effective July 1, 1990; and to include moneys received from the operation and maintenance of institutional forests and forest farmlands, effective July 1, 1991. The effect of the first statutory addition was to subject accounts for the four student auxiliary services to the vending regulations. On the other hand, moneys received from the operation and maintenance of institutional forests and forest farmlands, by definition, are not subject to vending regulations.

The majority of the vending operations covered by N.C.G.S. § 116-36.1, as amended, are included in student auxiliaries (activity 200), along with some portions of institutional auxiliaries (activity 210) and independent operations (activity 220). The attached “Reporting Guidelines” denote general categories of reporting applicability. This listing should be used as a guide. A continuing assessment must be made by each institution to determine the institutional vending facilities covered by the legislation and related reporting requirements. In some instances, it may be necessary to establish internal records to provide a separate accounting for covered vending facilities. It is the responsibility of each institution to establish such records. Refer to Section 7. or applicable formatting instructions.

Special Funds (N.C.G.S. § 116-36.2) are not covered by the vending legislation; but the budgeting and expenditures of those accounts are covered by other applicable legislation.

**6. Definition of Net Proceeds.** The definition of the term “net proceeds” for a covered vending facility is unchanged. It continues to be the equivalent of “net income” in accounting terminology.  

**7. Reporting.** The board’s regulations direct the President to make such reports concerning vending facilities as may be required under N.C.G.S. § 116-36.4. The annual reporting requirement and the due date, “not later than October 1 of each year,” is unchanged. The reports are due in General Administration by September 1 for subsequent transmittal to the Joint Legislative Commission on Governmental Operations by October 1 of each year.

C.G.S. § 116-36.4 requires an “itemized annual report . . . concerning the use of net proceeds . . . broken down by campus and by authorized purpose.” This requirement is unchanged; and, therefore, the current format, with emphasis on authorized uses of net proceeds being consistent with C.G.S. § 116-36.4, is also unchanged. The reporting format, as determined by the Office of State Budget and Management, is attached. It consists of two sections: Summary Report and Specific Vending Activity Report(s).  

The “Summary Report” is the total of the values reported for the separately identified vending activities cited on the accompanying “Specific Vending Activity Report” forms(s).

Each “Specific Vending Activity Report” identifies a separate vending activity by stating a brief descriptive title and a three-digit Chart of Accounts purpose number. The use of purpose 219, Other Auxiliaries, requires further identification of specific vending activity(ies) by the use of a more descriptive (non-standard) phrase on the vending report. A separate report is required for each current vending activity and for any additional activities subsequently and appropriately identified pursuant to the “Vending Facilities Definition” and “Account Applicability” sections of the regulations.

The following aspects of the two format sections should be noted:  

a. The amount reported in the space for “Total Net Proceeds” should be equal to the amount reported in the space for “Total Authorized Uses of Net Proceeds.” All net proceeds for the reporting period must be identified with one or more authorized uses.  

b. As a result of multi-year reporting experience, when net proceeds accumulated in a prior fiscal year (typically via item “e” of the authorized uses) are used for an authorized purpose during a subsequent fiscal year, the use of a negative number for item “e” may be required to balance the “Total Net Proceeds” with “Total Authorized Uses of Net Proceeds.” This has the effect of spending previously accumulated (prior fiscal year) net
proceeds from available fund balances during a subsequent reporting period.

c. Item "f," "Transfers . . . . . ," is to be specifically identified both on the format sections and by a separate attachment, including appropriate
documentation authorizing such use pursuant to the requirements stated in item "f" of the " Authorized Uses" section.

8. Effective Date. These regulations are effective retroactively to July 1, 1990.

[This is a rewrite of Administrative Memorandum #301.]

Vending Facilities Reporting Guidelines

In the institutional trust fund accounts, the majority of the operations covered by the legislation are included in student auxiliaries (activity 200), along with some portions of institutional auxiliaries (activity 210) and independent operations (activity 220). The following general determinations of applicability have been made. This listing is to be used as a guide. A continuing assessment must be made by each institution to determine the vending facilities covered by the legislation and related reporting requirements.

### 200 Student Auxiliaries

- **202 Campus Center** - Sales and services revenues generated in this purpose are included in the reporting requirement. Typical revenue sources are: game rooms; snack bars; bowling alleys; pool rooms; automated (coin activated) dispensers, including, but not limited to, candy and newspaper stands, food and beverage machines; and similar concessionary activities.

- **203 Food Services** - Sales and services revenues generated in this purpose are included in the reporting requirement. Typical revenue sources include, but are not limited to: snack bars, lunchrooms, cafeterias, restaurants, catering activities, vending machines, and similar concessionary activities.

- **204 Health Services** - Purpose 204 is generally excluded from the reporting requirement.

- **205 Housing Services** - Purpose 205 is generally excluded from the reporting requirement. However, vending machine revenues budgeted and expended in purpose 205 are included.

- **206 Laundry Services** - Sales and services revenues generated in this purpose are included in the reporting requirement. Revenue sources include, but are not limited to, coin activated washers and dryers.

- **207 Recreational Services** - Purpose 207 is generally excluded from the reporting requirement.

- **208 Student Stores** - Sales and services revenues generated in this purpose are included in the reporting requirement. Typical revenue sources include, but are not limited to: over-the-counter sales, services, and rentals; snack bars; book stores; copy machines, satellite vending stands; and similar concessionary activities.

### 210 Institutional Auxiliaries

- **211 Central Motor Pool** - Purpose 211 is generally excluded from the reporting requirement.

- **212 Central Stores** - Purpose 212 is generally excluded from the reporting requirement.

- **213 Creamery (NCSU only)** - Purpose 213 is generally excluded from the reporting requirement.

- **214 Printing and Duplicating** - Sales and services revenues generated in this purpose are included in the reporting requirement. Satellite copy machines and copy centers are included in the reporting requirement.

- **215 Rental Property** - Purpose 215 is generally excluded from the reporting requirement.

- **216 Vehicle Registration** - Purpose 216 is generally excluded from the reporting requirement.

- **219 Other Auxiliaries** - Institutions should identify applicable sales and services revenues for purpose 219. Separately organized vending operations would be included, for example.

### 220 Independent Operations

- **222 Carolina Inn (UNC-CH only)** - Sales and services revenues generated in purpose 222 are included in the reporting requirement. Typical revenue sources include, but are not limited to: dining room; cafeteria; catering activities; vending machines; and similar concessionary activities. Room rentals and conference fees are excluded from reporting requirements.

- **227 Utility Services** - Purpose 227 is generally excluded from the reporting requirement.

- **228 Continuing Education Center** - Sales and services revenues generated in purpose 228 are included in the reporting requirement. Typical revenue sources include, but are not limited to: dining rooms, snack bars, and restaurants; catering activities; vending machines; and similar concessionary activities. Room rentals and conference fees are excluded from the reporting requirement.

### Institution ______________________

**Report on Vending Facilities Authorized Uses of Net Proceeds**

**Summary Report**

For the Fiscal Year Ending June 30, ______

Total Net Proceeds $

Authorized Uses of Net Proceeds:

a. Scholarships and other direct student financial aid programs $

b. Debt service on self-liquidating facilities

c. Student activities specifically authorized by the chancellor:
   i. Social and recreational activities for students residing in self-supporting University housing (not to exceed the amount of total net proceeds derived from vending facilities located in such housing facilities)
   ii. Special orientation programs for targeted groups of students

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ii. Operating expenses of scholarships and other student awards and honors programs

iv. Supplementary Student Center operating support (not to exceed the total net proceeds derived from vending facilities located in such Student Center facilities)

d. Use required by express condition of gifts, grants, or bequests

e. Retention to provide for working capital, replacement of facilities and equipment, and other purposes to support the continuing, orderly operation of the particular self-supporting service operation

f. Transfers to other self-supporting student service operations and authorized capital improvements projects (identify)

Total Authorized Uses of Net Proceeds$  

Report Approved by:

Chief Finance OfficerDate

Institution ___________________________

Report on Vending Facilities

Authorized Uses of Net Proceeds

Specific Vending Activity Report

For the Fiscal Year Ending June 30, _______

Description ________________________________________________________

Chart of Accounts Purpose No. _______________

Total Net Proceeds $

Authorized Uses of Net Proceeds:

a. Scholarships and other direct student financial aid programs$

b. Debt service on self-liquidating facilities

c. Student activities specifically authorized by the chancellor:
   i. Social and recreational activities for students residing in self-supporting University housing (not to exceed the amount of total net proceeds derived from vending facilities located in such housing facilities)
   ii. Special orientation programs for targeted groups of students
   iii. Operating expenses of scholarships and other student awards and honors programs
   iv. Supplementary Student Center operating support (not to exceed the total net proceeds derived from vending facilities located in such Student Center facilities)

d. Use required by express condition of gifts, grants, or bequests

e. Retention to provide for working capital, replacement of facilities and equipment, and other purposes to support the continuing, orderly operation of the particular self-supporting service operation

f. Transfers to other self-supporting student service operations and authorized capital improvements projects (identify)

Total Authorized Uses of Net Proceeds$

Report Approved by:

Chief Finance OfficerDate

600.5.2 Replacement of Lost Securities

The Board of Governors of the University of North Carolina, in recognition of the fact that bonds and other securities issued by or in behalf of the agencies and constituent institutions of the University of North Carolina through authorization of the Board of Governors may from time to time be lost, stolen, or destroyed, hereby authorizes the treasurer of the University of North Carolina to act as the board’s agent for the purpose of authorizing the paying agent for such securities and their coupons, if any, and for the purpose of authorizing the issuing entity to replace the underlying lost, stolen, or destroyed securities. This authorization to the treasurer of the University is conditioned to exercise only in those instances where the owner of the securities that are lost, stolen, or destroyed has filed with the treasurer of the University an affidavit of loss with respect to the pertinent securities and a surety bond of indemnity for double the amount of the lost, stolen, or destroyed securities and their coupons, if any.
600.5.3[R] Regulations on Receipt and Expenditure of Revenue from Collegiate License Plates

The 1991 General Assembly enacted N.C.G.S. § 20-81.12 to provide for collegiate insignia registration plates. This act authorizes the Division of Motor Vehicles to issue collegiate license plates for public and private colleges and universities in the State. An extra registration fee of $25 is charged for the special plates, of which $15 is credited to the Collegiate Plate Fund. On a quarterly basis, the portion of the Collegiate Plate Fund attributable to sales of plates representing the public universities will be transferred to the Board of Governors of the University of North Carolina.

The revenue received as a result of this legislation will then be transferred to each constituent institution in proportion to the number of collegiate plates sold with respect to that institution. The receipt of and expenditure of these funds should be recorded in a separate trust fund account at each constituent institution. Records should be maintained in such a manner that will provide the appropriate information required to report on the use of these funds. These revenues must be used for academic enhancement.

(This is a rewrite of Administrative Memorandum #324.)

600.5.3[R]: Adopted 06/22/92

600.5.4 Contracts to Obtain the Services of a Consultant

Pursuant to N.C.G.S. §143-64.24(B), the Board of Governors adopts the following policies and procedures governing contracts to obtain the services of a consultant by the constituent institutions and other units of the University of North Carolina.

I. "Consulting services" shall mean work or task(s) performed by governmental entities or independent contractors possessing specialized knowledge, experience, and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis or advice in formulating or implementing improvements in programs or services. This includes but is not limited to the organization, planning, directing, controlling, evaluating, and operation of a program, agency, or department.

II. The Chancellors, or the Chancellors' designees, are authorized to approve contracts for consulting services to a constituent institution when the services are determined to be in the best interest of the University, and the amount is not above the constituent institution's management flexibility purchasing benchmark.

III. The University of North Carolina Vice President for Finance is authorized to approve contracts for consulting services above the constituent institution's management flexibility purchasing benchmark.

IV. Contracts for consulting services for a constituent institution shall be:
   A. Consistent with all applicable policies and procedures adopted by the constituent institution for the procurement of services, including policies and procedures for personal and professional services, competitive bidding, and sole-source justifications.
   B. Reported to the constituent institution's Board of Trustees at least annually.
   C. Reported to the University of North Carolina Vice President for Finance at least annually.

V. Contracts for consulting services for other units of the University of North Carolina shall be:
   A. Approved by the President or the President's designee consistent with all applicable policies for the procurement of services including policies and procedures for personal and professional services, competitive bidding, and sole-source justifications.
   B. Reported to the University of North Carolina Vice President for Finance at least annually.

VI. Contracts for the use of individuals for instructional services, curriculum development, and conducting academically oriented research, formerly covered under Board of Governors Policy Guideline §600.5.4[G], remain exempt from the State Consulting Act, and are exempt from the reporting requirements of Sections IV and V of this Policy, but must comply with all applicable policies and procedures adopted by the constituent institution or other unit of the University of North Carolina for the procurement of academic and research consultant services.

600.5.4: Adopted 10/11/12

600.5.5[G] Delegation of Certain Contractual Authority at General Administration

Subject to retention by the President of residual executive authority to sign agreements at General Administration of the University of North Carolina, the following delegations of authority are hereby established:

1. Any agreement at General Administration, for itself and/or one or more institutions or agencies of the University of North Carolina, for participation in programs such as interagency educational programs, undertakings, and consortia, or for receipt and administration of grants or scholarships, where (1) the office of the President or General Administration is to execute the agreement and (2) execution is not expressly required of the President, shall be executed by the vice president, or one functioning at the vice presidential level, in whose sphere of professional responsibility the subject matter of the agreement has arisen.

2. Any agreement at General Administration, for itself and/or one or more institutions or agencies of the University of North Carolina, for the procurement of personal or professional services (including services of a consultant nature) of an independent contractor, or for the procurement of supplies, materials, or rights of use in either tangible or intangible matter, shall be executed by the Vice President for Finance.

3. A vice president, or other officer functioning at the vice presidential level, may subdelegate in writing his or her authority under this policy to such member(s) of the officer's staff as the officer deems appropriate; provided, that a copy of any such subdelegation shall be filed with the President and with the Vice President for Legal Affairs. Excepted from this policy is the subdelegation of authority to execute services contracts at General Administration of a consultant nature, which, under Administrative Memorandum Number 155 (dated June 30, 1981), may be executed only by an officer (or officers) named by the President. With respect to consultant contracts at the University of North Carolina General Administration, such officer shall be the Vice President for Finance.

4. All agreements to be signed under these delegations and their subdelegations are subject to such prior review and clearance as state law or regulation or University policy or practice may require.

(This is a rewrite of Administrative Memorandum #386.)

600.5.5[G]: Adopted 09/25/98
600.6 Environmental Policies

600.6.1 The University of North Carolina Sustainability Policy

The University of North Carolina ("The University") is committed to leading the State of North Carolina as an environmental steward that endeavors to proactively and effectively manage its impact on energy, water and other natural resources. Further, The University is obligated to ensure full compliance with all applicable local, state, and federal environmental laws and regulations. Therefore, it is the policy of The University's Board of Governors (the "Board") that The University, including General Administration, the constituent institutions, and affiliated entities, shall establish sustainable development and resource management, or "sustainability" as a core value of institutional operations, planning, capital construction, and purchasing practices.

Budgetary constraints, capital improvement and modernization requirements, and training and management needs required to facilitate the implementation of these sustainable practices are limiting factors and, as such, the University's General Administration, in collaboration with the constituent institutions and affiliated entities, shall pursue the appropriate enabling legislation and funding to implement this policy. The Board recognizes that the goals of this policy range from short-term to long-term and adds further emphasis on the importance of the aspirational nature of the highest ideals of sustainability. In addition, the Board values Return on Investment (ROI) as a factor in institutional resource planning and decision making and requires an ROI calculation for any new project.

The Board delegates authority to the President to implement the following sustainable practices to apply to each constituent institution and, when appropriate, General Administration and affiliated entities:

**Systematic Integration of Sustainability Principles**: Systematically incorporate sustainability throughout the institution by integrating the policy goals into the institution's processes, administration, teaching, research, and engagement. Each constituent institution and affiliated entity and General Administration shall designate an appropriate individual to serve as "Chief Sustainability Officer" to be responsible for implementation of this policy.

**Master Planning**: Sustainability principles related to infrastructure, natural resources, site development, and community impact shall be incorporated into comprehensive master plans.

**Design and Construction**: Capital project planning and construction processes shall meet statutory energy and water efficiency requirements and deliver energy, water, and materials efficient buildings and grounds that minimize the impact on and/or enhance the site and provide good indoor environmental quality for occupants.

**Operations and Maintenance**: The operation and maintenance of buildings and grounds shall meet or exceed statutory requirements to reduce energy and water use, provide excellent air quality and comfort, improve productivity of faculty, staff and students, and minimize materials use. Further, priority shall be given to the purchase and installation of high-efficiency equipment and facilities as part of an ongoing sustainability action plan following life cycle cost guidelines where applicable.

**Climate Change Mitigation and Renewable Energy**: The University shall develop a plan to become carbon neutral as soon as practicable and by 2050 at the latest, with an ultimate goal of climate neutrality.

**Transportation**: The University shall develop and implement a comprehensive, multimodal transportation plan designed to reduce carbon emissions and dependency on single occupant vehicles.

**Recycling and Waste Management**: The University shall develop policies and programs that work toward achieving zero waste and will comply with the provisions of NC General Statute 130A-309.14 regarding recycling and waste management.

**Environmentally Preferable Purchasing (EPP)**: Any purchasing shall, to the extent practicable, improve the environmental performance of its supply chain with consideration given to toxicity, recycled content, energy and water efficiency, rapidly renewable resources, and local production and shall also improve the social performance of its supply chain with consideration given to working conditions and historically underutilized businesses.

The President shall develop and implement best practices, guidelines, and implementation plans necessary to achieve the goals of this policy to the constituent institutions and affiliated entities. This policy shall be reviewed every two (2) years by the President, and any necessary revisions and modifications shall be recommended to the Board for its consideration.

600.6.1: Adopted 10/09/09, Amended 06/14/13

600.6.2[R] Regulations on Developing Minimum Environmental Criteria under the North Carolina Environmental Policy Act

I. Purpose

The purpose of this memorandum is to establish for the constituent institutions of the University of North Carolina minimum criteria for minor operations or small, routine facilities projects at or below which no filing of environmental documents will be required. The goal is to ensure adequate protection to the environment while facilitating the many routine operations and small maintenance, repair, or construction projects at the constituent institutions by allowing separation of activities with a high potential for environmental effects (major) from those with only a minimum potential (nonmajor).

II. Background

Section .300, Chapter 25 of the Administrative Procedures for the North Carolina Environmental Policy Act (NCEPA) allows State agencies to prepare minimum criteria for exemption of minor, routine projects from the requirements of NCEPA. Specifically, the procedure states that "a state agency may establish specific criteria designating minimum levels of environmental impact." No filing of environmental documentation under the NCEPA review procedure is required for actions which do not exceed such levels. The provisions which allow environmental documentation not to be filed do not in any way provide exception to the consideration process leading to a decision regarding an activity falling within or outside the minimum criteria thresholds and the potential impact on the environment of such activity; as such, the provisions of this document do not remove the requirement for a project or activity to meet all appropriate and relevant federal, State, and local environmental regulatory requirements.

III. Delegation of Authority
Chancellors of the constituent institutions are responsible for the implementation of these policies with respect to their individual campuses. For projects which apply to facilities directly under the control of General Administration, the Vice President for Finance shall be responsible to the President for the implementation of these policies.

Each chancellor, the Vice President for Finance, or their designees shall interpret the provisions of the NCEPA to require that policies and programs be considered in the light of the NCEPA's comprehensive environmental objectives, except where existing law applicable to the operations expressly prohibits compliance or makes compliance impossible.

IV. General Criteria for Major or Nonroutine Activities

The following criteria is intended to provide guidance concerning the definition and handling of actions which have potential for impact on the environment and, therefore, are to be considered for filing of an environmental assessment of appropriate level.

A. Major activities will include those activities which exist or have the potential to exist at a level greater than those otherwise excluded by minimum (nonmajor) criteria.

B. Major activities will include demolition of or additions, rehabilitation and/or renovations to a structure listed in the National Register of Historic Places or more than 50 years of age except where agreement exists with the Department of Cultural Resources that the structure lacks architectural or historical significance.

C. Major activities will include ground disturbances involving National Register Historic Places listed archaeological sites or areas around buildings 50 years old or older except where agreement exists with the Department of Cultural Resources.

D. Major activities taken after preparation of and in conformance with a master plan, management plan, or capital project for which an environmental document was completed, may *Moved from 1300.3[R] require an environmental impact statement, an environmental assessment, a finding of no significant impact, or a record of decision. Determination of which type of document is most appropriate will be made after considering:

1. The need for updating information in the earlier, broader document as it relates to current conditions and the proposed activity, and the specificity and sufficiency of the earlier, broader document in addressing the effects of the proposed activity.

E. An item which does not fall within the broad definition of a major activity in all probability will fit the definition of a non-major activity as described below. Persons who have responsibility for the determination concerning an activity falling within the major or non-major category also have responsibility as to the impact on the environment of such activity. The definitions are not fixed criteria but rather are guidelines to be applied by the person with whom the ultimate decision rests concerning appropriate environmental study and documentation.

V. Nonmajor Activity

The following minimum criteria are established as an indicator of the types and classes of thresholds of activity at and below which environmental documentation under the NCEPA is not required. The Vice President for Finance or individual chancellors may require environmental documentation for activities that would otherwise qualify under these minimum criteria thresholds.

A. Standard maintenance or repair activities or facility operations needed to maintain the originally defined function of a project or facility including but not limited to the following:

1. Routine repairs and housekeeping projects which maintain a facility's original condition and physical features, including but not limited to re-roofing and minor alterations where in-kind materials and techniques are used. This also encompasses structures 50 years of age and older and for which no separate law, rule, or regulation dictates a formal review and approval process.

2. Any single action which involves relocation of students, faculty, or staff from or into a site using existing university buildings or leased buildings for which the building occupancy classification is not changed.

3. Routine disposal operations of hazardous chemicals, asbestos, or other environmentally sensitive operations for which a written procedure has been established, reviewed by appropriate authority, and determined to be in consonance with environmental law.

4. The use of chemicals for boiler feedwater treatment, cooling tower water treatment, pesticides, herbicides, cleaning solvents, and other chemical products which may be considered environmentally sensitive, provided the materials are stored and utilized in keeping with the applicable Material Safety Data Sheet (MSDS).

5. The handling of asbestos incident to a repair, maintenance, or minor construction project provided that the amount of asbestos material is removed, stored, disposed, and handled in accordance with published Department of Environmental Health and Natural Resources procedures for processing asbestos.

6. Routine grounds maintenance and landscaping and grounds construction such as sidewalks, trails, walls, foot bridges, gates, and related facilities including outdoor exhibits.

7. Maintenance activities to roads, bridges, parking lots, and their related facilities. Note, this applies to routine maintenance operations and not to extension or expansion of the facility.

*Moved from 1300.3[R]

8. Maintenance and repair of utilities on their existing rights-of-way.

9. Surface drainage systems, including modifications which reduce the discharge of freshwater or otherwise mitigate existing negative environmental effects.


11. Activities necessary to fulfill the existing requirements of in-effect permits for the protection of the environment and human health.

12. Other maintenance and repair activities on projects which are consistent with previously approved environmental documents.

B. Sampling survey, monitoring, and related research activities including but not limited to the following:

1. Aerial photography projects involving the photographing or mapping of the lands of the state.

2. Biology sampling and monitoring of:

   a. fisheries resources through the use of traditional commercial fishing gear, electricity, and rotenone;

   b. wildlife resources through the use of traditional techniques, including but not limited to traps, drugs, and firearms; and

   c. woodland using standard approved forestry monitoring and techniques.

3. Soil survey projects involving the sampling or mapping of the soils of the state.

4. Establishing stream gauging stations for the purpose of measuring water flow at a particular site.

5. Placement of monitoring wells for the purpose of measuring groundwater levels, quantity, or quality.

6. Gathering surface or suburface information on the geology, minerals, or energy resources of the state.

7. Placement and use of geodetic survey control points.
8. Other routine survey and resource monitoring activities or other temporary activities required for research into the environment which have minimum long-term effects.

C. Minor construction, demolition, or real estate acquisitions activities (except that sensitive areas may require exceptions to these thresholds) including but not limited to the following:

1. Any new construction activity meeting the following criteria as appropriate:
   a. a building or structure less than 10,000 square feet in footprint and the use of the structure does not involve the handling or storage of hazardous materials; and/or
   b. grading or disturbing less than five (5) acres of previously undisturbed ground (exclusion of this category does not in itself preclude development of a sedimentation plan as part of the design).

2. Routine paving or repair of existing roads and parking lots (provided that no ground disturbance will be involved necessitating development of a sedimentation plan); and/or

   *Moved from 1300.3[R]*

   Construction of a two-lane road of less than 500 feet in length – provided that other laws concerning sitiation/sedimentation plans are observed.

3. Demolition of/or additions, rehabilitation and/or renovations to a structure not listed in the National Register of Historic Places or less than 50 years of age.

4. Acquisition of real estate for which the use of the property does not vary from its intended purpose or function at the time of acquisition or is consistent with local land-use plans.

5. Potable water or other utility systems such as the following:
   a. construction of new wells for water supply purposes; and/or
   b. improvements to water treatment plants that involve less than 1,000,000 gallons per day added capacity, or improvements not intended to add capacity to the facility that have design withdrawal less than one-fifth of the 7Q10 flow of the contributing stream; and/or
   c. installation of water lines or other utility lines in proposed or existing rights-of-way for streets or utilities, or new water lines less than five miles in length; and/or
   d. construction of water tanks, booster pumping, or rechlorination pump stations; and/or
   e. sewer line installations not exceeding minimum criteria of the permitting agency and not located in sensitive areas.

6. Groundwater withdrawals not exceeding the minimum criteria of the permitting agency and not located in sensitive areas.

7. Solid waste disposal activities such as the following:
   a. construction of solid waste management facilities other than landfills exempt pursuant to N.C.G.S. § 130A-294(a)(4) which store, treat, process, incinerate, or dispose of less than 350 tons per day (averaged over one year) of solid waste; and/or
   b. disposal of solid waste by land application on 100 total acres or less and where less than 10 percent (10%) of the total land application area is converted from a non-forested area; and/or
   c. land-disturbing activities which are not located within High Quality Waters (HQW) Zones or Trout Water Buffer Zones and land-disturbing activities that will disturb less than five (5) acres within a HQW Zone or a Trout Water Buffer Zone.

8. Development activities within Areas of Environmental Concern (AEC) of the 20-county coastal area which do not require a Coastal Area Management Act (CAMA) major or minor permit pursuant to T15A NCAC 7K. Also minor construction activities may be undertaken in AEC which do not require a Coastal Area Management Act permit except activities which might require a NCEPA Environmental Document under provisions of another state approval or authorization.

9. Development activities within AEC of the 20-county coastal area which require a CAMA major or minor permit and which meet all applicable criteria set forth in T15A NCAC 7H-State Guidelines for Areas of Environmental Concern, except the following:
   a. new marinas;
   b. new navigation channels;

   *Moved from 1300.3[R]*

   c. excavation of materials from aquatic environments for use for beach nourishment or other purposes not directly related to approved navigation projects; and
   d. any activity which might require a NCEPA environmental document under provisions of another state approval or state or local governmental agency requirement.

10. Air emissions of pollutants from a minor source or modification as defined in 15A NCAC 2D.0503 that are less than 100 tons per year or 250 tons per year as defined therein.

11. Reclamation of underground storage tanks. Note: The reclamation is considered to be a minor activity. Consideration of product which may have leaked from the tank and restoration of groundwater quality is not authorized for non-consideration by classification as a minor activity.

12. Construction of new wells for water supply purposes; and/or

13. Construction or remodeling of swimming pools.

D. Management activities including but not limited to the following:

1. Replenishment of shellfish beds through the placement of seed oysters and/or shellfish clutch on suitable marine habitats.

2. Creation and enhancement of marine fisheries habitat through the establishment of artificial reefs in accordance with the Division of Marine Fisheries’ Artificial Reef Master Plan.

3. Placement of fish attractors and shelter public waters managed by the N.C. Wildlife Resources Commission.

4. Translocation and stocking of native or naturalized fish and wildlife in accordance with appropriate agency species management plans, watershed management plans, or other approved resource management plans.

5. Production of native and agricultural plant species to create or enhance fish or wildlife habitat and forest resources, including fertilization, planting, mowing, and burning in accordance with fisheries, wildlife, and/or forestry management plans.

6. Forest products harvested in accordance with the National Forest Service or the N.C. Division of Forest Resources forest products management plans.

7. Reforestation of woodlands in accordance with the National Forest Service or the N.C. Division of Forest Resources woodlands management plans.

8. Use of forestry Best Management Practices to meet the performance standards in Forest Practice Guidelines Related to Water Quality (codified as 15A NCAC 1J).

9. Control of forest or agricultural insects and disease outbreaks by lawful application of labeled pesticides and herbicides by licensed applicators on areas of no more than 100 acres.
11. Control of species composition on managed forest lands as prescribed by approved forest management plans by the lawful application of herbicides by licensed applicators.

*Moved from 1300.3[R]*

12. Control of aquatic weeds in stream channels, canals, and other water bodies by the lawful application of labeled herbicides by licensed applicators on areas of no more than two acres or 25 percent of surface area, whichever is less.

13. Controlled or prescribed burning for wildlife, timber enhancement, and hazard reduction in accordance with applicable management plans.

14. Plowing fire lines with tractor plow units or other mechanized equipment for the purpose of suppressing wildland (brush, grass, or woodland) fires and prescribed burning.

15. Scooping or dipping water from streams, lakes, or sounds with aircraft or helicopters for the purpose of suppressing wildland (brush, grass, or woodland) fires.

16. Drainage projects where the mean seasonal water table elevation will be lowered less than one foot over an area of one square mile or less and riparian and wetland areas will not be permanently affected.

17. Manipulation of water levels in reservoirs or impoundments in accordance with approved management plans for the purpose of providing for water supply storage, flood control, recreation, hydroelectric power, fish and wildlife, and aquatic weed control.

18. Specific modifications in previously permitted discharges resulting in an increased flow of less than 500,000 gallons per day.


20. Continuation of previously permitted activities where no increase in quantity or decrease in quality is proposed.

21. Acquisition or acceptance of real property to be retained in a totally natural condition for its environmental benefits, or to be managed in accordance with plans for which environmental documents have been approved.

22. Care of all trees, plants, and groundcovers on public lands.

23. Activities authorized for control of mosquitos such as the following:
   a. mosquito control work management work in freshwater streams performed in accordance with "Best Management Practices for selective clearing and snagging" in Appendix B in Incremental Effects of Large Woody Debris Removal on Physical Aquatic Habitat, U.S. Army Corps of Engineers Technical Report EL-92-35 Smith et al. 1992, or other guidelines reviewed through intergovernmental review processes as set out in 1NCAC.25.0211;
   b. mosquito control work management work in salt marsh environments performed under Open Marsh Water Management guidelines reviewed through the intergovernmental review process;
   c. lawful application of chemicals approved for mosquito control by the United States Environmental Protection Agency and the State when performed under the supervision of licensed operators; and
   d. lawful use of established species to control mosquitoses.

*Moved from 1300.3[R]*

VI. Exceptions to Minimum (Nonmajor) Criteria

Any activity falling within the parameters of the minimum criteria set out in this memorandum will not routinely be required to have environmental documentation under the NCEPA; however, the President, chancellor, or their designees may determine that environmental documents under the NCEPA are required in any case where one of the following findings applies to a proposed activity.

A. The proposed activity could cause significant changes in industrial, commercial, residential, silviculture, or agricultural land-use concentrations or distributions which would be expected to create adverse water quality, air quality, or groundwater impacts, or affect long-term recreational benefits, shellfish, wildlife, or their natural habitats.

B. The proposed activity has indirect effect or is part of environmental effects not generally covered in the approval process for state action and that may result in a potential risk to human health or the environment.

C. The proposed activity is of such an unusual nature or has such widespread implications that an uncommon concern for its environmental effects has been expressed to the University or the constituent institution.

D. The proposed activity may have a potential for significant, adverse, and direct effects on a "sensitive area" which include but are not limited to the following:
   1. Wetlands delineated by the U.S. Army Corps of Engineers in accordance with 33 CFR 328.3 and 40 CFR 230.3;
   2. Historical and Archeological sites protected by the National Historic Preservation Act and National Executive Order 11593 and State Executive Order 16 administered by the N.C. Department of Cultural Resources;
   3. National Historic Landmarks as designated in accordance with the Historic Site Act at 16 USC 461;
   4. State Parks Lands administered in accordance with N.C.G.S. § 113-49;
   5. State-Owned Game Lands administered in accordance with N.C.G.S. § 113-264 and 30(d);
   6. State-Owned Forest Land administered in accordance with N.C.G.S. § 113-22;
   7. State Nature Preserves and Dedicated Natural Areas administered in accordance with N.C.G.S. § 113a-164.1;
   8. Primary and Secondary Nurseries designated in accordance with 15A NCAC 3R.0003 and 10C NCAC .0503, and Critical Habitat Areas designated in accordance with 15A NCAC 31.0001; and 101 NCAC .0001 (5);
   9. State High-Quality Waters designated in accordance with 15A NCAC 2B.0201 (d); this includes waters classified as WS-L, WS-II, SA and ORW (Outstanding Resource Waters);
   10. State Natural and Scenic Rivers designated in accordance with N.C.G.S. § 113A-30;
   11. North Carolina Coastal Reserves designated in accordance with N.C.G.S. § 113A-129.1;
   12. State Lakes administered in accordance with N.C.G.S. § 146-3; and

*Moved from 1300.3[R]*

600.6.2[R]*: Adopted 05/05/97, Amended 10/09/09

600.6.3[G] Guidelines on Recycling

UNC Policy Manual 220
The 1989 Session of the General Assembly produced legislation providing a statewide effort to reduce solid waste through economical reclaiming material which would otherwise be discarded as solid waste. The portion of the legislation known as the Solid Waste Management Act of 1989 (N.C.G.S. § 130A-309.1) provides for the reduction, recycling, and reuse or treatment of solid waste. The Act further establishes a goal of at least a 25 percent reduction in the total waste stream by January 1, 1993. To meet this goal, each state agency is required to develop a recycling plan which is consistent with the solid waste management policy of the state. The purpose of this policy is to provide an outline that will allow each constituent institution to develop solid waste recycling plans tailored to develop strategies and to utilize recycling resources both on campus and in the local area.

The following policy and procedural guidelines shall be incorporated into the institutional recycling plans:

1. Each constituent institution of the University shall develop a solid waste recycling plan and forward the plan to the North Carolina Department of Environment, Health and Natural Resources with a copy to UNC General Administration by May 1, 1992. To the extent that institutional plans have been previously developed, such plans should be reexamined in light of this policy statement.
2. Each campus will designate a person as the institutional recycling coordinator. Although certain institutions have previously established the recycling coordinator as a full-time position, most institutions will require designation of an individual on an ad hoc basis. It is not the intention of this policy to require establishment of a new position for this purpose.
3. Each institutional recycling plan should specifically prohibit non-conforming disposal of waste materials in violation of General Statutes.
4. Each campus should promote the purchase of commodities which are manufactured with recycled products where economically feasible to do so.
5. Each institutional plan should be developed with consideration of local or municipal efforts in recycling and joining with local programs where practical. Copies of a Directory of North Carolina State and Local Contacts for Recycling Information and Assistance — 1991 and a Directory of Industrial and Commercial Recyclers Serving North Carolina Businesses and Communities have previously been provided. These documents are intended to enhance local contacts for joint recycling efforts and as a source of firms specializing in material recycling.
6. Each institutional recycling plan should include a time frame for reporting implementation of the plan. Also previously provided was a document entitled Guidelines for Developing Recycling Implementation Plans for North Carolina State Agencies which is intended to serve as a resource for determining program elements which should be considered for inclusion in the institutional recycling plan.

[This is a rewrite of Administrative Memorandum #320.]

*Moved from 600.5.6(G)
600.6.3(G)*: Adopted 04/13/92, Amended 10/09/09, Amended 11/14/17
Chapter 700 Admission, Matriculation, and Other Student Matters

700.1 Undergraduate Admissions

700.1.1 Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System

I. Purpose. The University of North Carolina (UNC) Board of Governors has, since 1988, established minimum requirements for undergraduate admission to any constituent institution. These requirements serve to provide a common set of minimum standards to be considered for admission as an undergraduate student. Exceptions and special considerations to these minimum eligibility requirements are provided in Sections 700.1.1[R], 700.1.1.2[R], 700.7.1, and 700.7.1[R] of the UNC Policy Manual. Any constituent institution may set admissions requirements that exceed the minimums established in this policy upon the approval of their board of trustees.

II. High School Diploma. All students should hold a high school diploma or its equivalent.

III. Minimum Course Requirements. The following courses must be completed at the high school level, although those courses may be completed at an earlier time (e.g., middle school).

A. English: four course units emphasizing grammar, composition, and literature.
   1. Algebra I, algebra II, geometry, and one unit beyond algebra II; or
   2. Algebra I, algebra II, and two units beyond algebra II; or
   3. Common core math I, II, and III, and one unit beyond common core math III; or
   4. Integrated math I, II, III, and one unit beyond integrated math III; or
   5. NC Math 1, 2, 3, and one unit beyond NC Math 3 identified as meeting the 4th level mathematics requirement for admission to UNC System institutions.

B. Mathematics: four course units in any of the following combinations:
   1. Algebra I, algebra II, geometry, and one unit beyond algebra II; or
   2. Algebra II, and two units beyond algebra II; or
   3. Algebra I, algebra II, III, and II, and one unit beyond common core math III; or
   4. Integrated math I, II, III, and one unit beyond integrated math III; or
   5. NC Math 1, 2, 3, and one unit beyond NC Math 3 identified as meeting the 4th level mathematics requirement for admission to UNC System institutions.

C. Science: three course units, including:
   1. Life or biological science (e.g., biology); and
   2. Physical science (e.g., chemistry, physical science, physics); and
   3. One laboratory course.

D. Second Language: two course units of a language other than English.

E. Social Studies: two course units, including one unit in U.S. history.

IV. High School Grade Point Average and Standardized Test Scores. Students must meet either the minimum high school grade point average (GPA) or standardized test score in order to be considered for admission. All applicants for admission, except those exempted by current UNC policy or regulation, must submit a standardized test score, even if they satisfy the minimum eligibility requirement through the high school GPA.

A. High School GPA: A minimum weighted GPA of 2.5; or
B. Standardized Test Scores: A composite ACT score of 19, or combined SAT (mathematics and evidence-based reading and writing) of 1010.
C. Chancellor’s Exceptions: The maximum number of chancellor’s exceptions is limited to one percent of the total number of applicants accepted as first-time undergraduates each year. A chancellor’s exception may be applied to the SAT/ACT minimum requirement or the high school GPA minimum requirement.

V. Graduates of Cooperative Innovative High Schools (Early College). Each UNC constituent institution must offer to any student who graduated from a cooperative innovative high school program with an associate degree and who applies for admission to a constituent institution the option of being considered for admission as a first-time (freshman) or as a transfer student.

A. The constituent institution shall also provide written information to the student regarding the consequences that accompany each option and any other relevant information that may be helpful to the student when considering which option to select.

B. Beginning March 1, 2017, the Board of Governors shall report annually regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying for admission to a constituent institution.

VI. Notification of Stakeholders and Educational Policymakers. The president is directed to develop plans and further recommendations to inform key stakeholders and education policymakers of the changes in requirements.

VII. Other Matters

A. Effective Date. The requirements of this policy shall be effective for all first-time students applying for admission at a constituent institution for any semester beginning with the 2020 fall semester through the 2022 fall semester (including students who attended the institution for the first time in the prior summer term).

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 from time to time by the president.

[1] Students applying to the University of North Carolina School of the Arts must only complete three mathematics courses in order to be eligible for admission.

[2] An applicant who does not have the unit in U.S. history may be admitted on the condition that at least three semester hours in that subject be passed by the end of the sophomore (second) year.

700.1.1: Adopted 02/10/84, Amended 04/12/00, Amended 04/11/03, Amended 07/01/07, Amended 01/11/08, Amended 02/27/15, Amended 04/15/16, Amended 07/29/16, Amended 03/30/20

700.1.1.1[R] Regulations on Minimum Requirements for Undergraduate Admission

Amended 01/20/15

This regulation confirms the minimum undergraduate course requirements to be in effect at all constituent institutions.
I. Minimum Course Requirements (MCR) for Undergraduate Admissions

For degree-seeking applicants for first-time undergraduate admission, the following courses will be required. An institution may add specific requirements.

A. MCR shall include:

<table>
<thead>
<tr>
<th>Course Units</th>
<th>Mathematics</th>
<th>Science</th>
<th>Social Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six courses</td>
<td>Four courses</td>
<td>Two</td>
<td>Three</td>
</tr>
</tbody>
</table>

- Four units in English emphasizing grammar, composition, and literature, and
- Two consecutive units of a language other than English.

- Four courses of mathematics, in any of the following combinations:
  - Common core I, II, and III, and one unit beyond common core II;
  - Algebra I and II, geometry, and one unit beyond algebra II; or
  - Integrated math I, II, and III, and one unit beyond integrated math III.

*(The fourth unit of math affects applicants to all institutions except the University of North Carolina School of the Arts.) In some cases, students may combine math courses from the different combinations listed above to meet the requirement. It is recommended that prospective students take a mathematics course unit in the twelfth grade.*

- Three courses in science, including
  - At least one unit in a life or biological science (for example, biology),
  - At least one unit in physical science (for example, physics), and
  - At least one laboratory course.

- Two courses in social studies, including one unit in U.S. history, but an applicant who does not have the unit in U.S. history may be admitted on the condition that at least three semester hours in that subject will be passed by the end of the sophomore year.

B. For any individual who receives admission by this exception and has not met the requirement for the fourth unit of mathematics, then the student will have 12 months from the first day of the first semester of the first year to fulfill the requirement.

The course taken to fulfill this mathematics requirement may count as elective or general education credit.

II. Minimum Admissions Requirements (MAR)

All degree-seeking applicants for first-time admission as undergraduates must have:

A. A minimum 2.5 weighted high school grade point average (GPA) and
B. A minimum SAT of 800 or ACT of 17.

1. The SAT score scale on which this minimum standard is based is the sum of the critical reading and mathematics subtests, a sum that has a possible range of 400-1600. The ACT score scale on which this minimum standard is based is the average (rounded to the nearest whole number) of the four subtests, and the possible range is 1-36.

2. The standards may be met by a "superscore," defined as a combination of subtests from more than one administration of the same test. However, the SAT scores may not be calculated by conversion of ACT scores, or vice versa.

III. Campus Criteria

Any campus may set admissions requirements that exceed minimums established by the Board of Governors upon the approval of their campus board of trustees.

IV. Applicants Who May Require Special Consideration or Exceptions to Policies

Each campus shall establish policies describing the admission of students requiring special consideration with regard to MCR or students for whom exceptions are made to MAR. Such students would not otherwise be admissible at the institution. Further evaluation of their records is necessary. Any student admitted who would not otherwise be admissible must show demonstrable promise for academic success at the institution. Policies must include faculty participation in the decision-making process and must be approved by the campus board of trustees.

A. Students Applying for Admission as First-Time Undergraduates

Institutions may waive some minimum course requirements for applicants who have superior academic records in high school, as measured by grades, rank in class, test scores, or the rigor of courses taken, or who demonstrate special talents. These applicants must have completed the eleventh grade and met virtually all of the minimum course requirements as well as requirements for high school graduation. Any student being admitted under the fourth math exception must comply with section 1.B, above.

1. The following groups of first-time, undergraduate applicants are exempt from one or both of the MAR criteria (grade point average and test scores), although institutions may set alternative undergraduate admissions requirements for these populations. Students in these categories are not counted as Chancellor's Exceptions.
   a. Applicants who are at least 21 years old at the start of their first undergraduate term are exempt from both MAR and MCR;
   b. Applicants who have earned at least 24 transferrable credits from a regionally accredited postsecondary institution are exempt from both MAR and MCR;
   c. Graduates of home schools are exempt from the minimum GPA requirement but must meet the minimum test score and MCR;
   d. Graduates of non-traditional high schools that do not have grades or operate on a scale other than that on which this admissions policy is based are exempt from the minimum GPA requirement but must meet the minimum test score and MCR; and Graduates of non-traditional high schools that do not have grades or operate on a scale other than that on which this admissions policy is based are exempt from the minimum GPA requirement but must meet the minimum test score and MCR; and
   e. Graduates of foreign high schools for which high school GPA and/or required admissions test scores are not provided, or are provided on a scale that is not comparable to the GPA scale on which this admissions policy is based, may be exempt from the MAR.

2. In instances where an admissions officer requires supplemental information about academic performance in order to enforce the Board of Governors standards, the ACT with writing or SAT II achievement tests shall be considered acceptable. This regulation limits the supplemental information an admissions officer may request to one of the two tests. Admissions officers should refrain from setting any minimum scores on these tests unless and until they have been validated for predicting graduation and retention and found to be nondiscriminatory with regard to these applicants.
B. Chancellor’s Exceptions

1. A Chancellor’s Exception may be applied to any first-time undergraduate who:
   a. Does not meet the SAT/ACT minimum requirement[6] and/or
   b. Does not meet the minimum high school GPA requirement.

2. The maximum number of Chancellor’s Exceptions is limited to one percent (1%) of the total number of first-time undergraduate applicants accepted in the academic year of admittance.[7] The calculation of this one percent shall exclude the populations described in paragraph I.A.[8]
   a. Graduates of home schools shall only be excluded from GPA requirements, not test score requirements.
   b. Graduates of high schools that do not have grades shall only be excluded from GPA requirements, not test score requirements.
   c. Graduates of high schools with grades on a scale other than that described in I.A., of this regulation shall be excluded from GPA requirements for the purposes of calculating this percentage. However, campuses shall be responsible for applying consistent methodologies for determining applicant admissibility and shall report the alternative grading scales and grade averages to General Administration. General Administration shall monitor the distribution of those alternative grades.

3. Students admitted through Summer Bridge or other summer enhancement programs must still meet MAR or otherwise be counted as Chancellor’s Exceptions.

V. Reporting Requirements

A report of the admission of students requiring special consideration and Chancellor’s Exceptions must be made annually to the board of trustees at each respective campus. Notation of any special consideration or exceptions shall be required annually as a part of student data reported to General Administration. Responsibility for oversight rests with the chancellor.

[1]A first-time undergraduate shall be defined as a degree-seeking student with no prior post-secondary experience (after high school) attending any institution for the first time at an undergraduate level. This includes students enrolled in academic or occupational programs. It also includes students enrolled in the fall term who attended college for the first time in the prior summer.

[2]“Course units” as defined in these requirements may include those high school-level courses taken and passed by an applicant after graduating from high school, as well as those taken while enrolled as a high school student. For some transfer students and students who graduated from high school prior to 1990, special considerations have been made.

[3]The weighted GPA, as calculated from an unweighted base scale of four points, where added weighting is applied to accelerated, honors, and dual enrollment coursework.

[4]Transferable undergraduate credit counted as part of these 24 hours shall also include credit earned at foreign institutions deemed to have the equivalence of regional accreditation. Equivalence of regional accreditation generally refers to recognition by the foreign country’s Ministry of Education and/or recognition by a credible organization offering credential evaluation services. Undergraduate credits awarded for AP, IB, or other credit by exam may not be included as part of these 24 hours.

[5]Validation can be either through national, UNC system, or campus data.

[6]Mapping from a below-threshold score on one test to an above-threshold score on another test by means of concordance tables or other methodologies is not permitted.

[7]Calculation of the exceptions for an academic year will include students granted admission and requiring exception in the summer terms preceding the fall term of that academic year.

[8]Specifically, populations for whom neither GPA nor test scores are required will be excluded from both numerator and denominator in calculating the percentage of Chancellor’s Exceptions, and populations for whom one of those components (GPA or test score) is not required will be included in the calculation and assumed to have met the requirement for the non-required component.

700.1.1.2[R] Regulations on Transfer Student Admission

The following regulations are designed to provide system-wide consistency and clarity regarding the definitions and treatment of undergraduate transfer students for admissions purposes, the transfer of credits, and services supporting transfer student success.

I. Definitions. These definitions are intended only for UNC system data reporting purposes. For purposes of determining admissions and student services eligibility, other UNC policy provisions and/or campus specific admissions and eligibility see UNC Policy Manual 700.1.1.1[R] and 700.1.1.2[R], Section I.

   A. An undergraduate first-time student is one who has not attended another postsecondary institution after graduating from high school. It also includes students enrolled in the fall term who attended college for the first time in the prior summer.

   B. An undergraduate transfer student is one who has attended another postsecondary institution after graduating from high school.

II. Admission of Transfer Students

   A. For purposes of undergraduate admission, transfer applicants who have earned at least 24 transferrable undergraduate credits from one or more regionally accredited, post-secondary institutions shall not be required to meet Minimum Admissions Requirements (MAR) and Minimum Course Requirements (MCR).

      1. Transferable undergraduate credit counted as part of these 24 hours shall also include:
         a. Credit earned at foreign institutions deemed to have the equivalence of regional accreditation; equivalence of regional accreditation generally refers to recognition by the foreign country’s Ministry of Education and/or recognition by a credible organization offering credential evaluation services; and
         b. Credit awarded for prior learning as part of military service, with the military branch designated as the transfer institution.

      2. Undergraduate credits awarded for AP, IB, or other credit by exam shall not be included as part of these 24 hours.

      3. The 24-hour credit threshold is a minimum threshold with which all UNC campuses must comply. Campuses may, however, choose to set thresholds above the system-wide minimum.

      4. Applicants under the age of 21 with fewer than 24 hours of transferable undergraduate credit earned in a post-secondary institution must meet MAR and MCR, unless campus specific exceptions are made (Section F., below).

   B. Transfer applicants who are 21 years of age or older shall not be required to meet MAR and MCR for admissions purposes, though institutions
shall only admit applicants who meet campus-specific admissions requirements.
C. UNC institutions shall comply with all requirements of the policy on Military Student Success (700.7.1), though institutions shall only admit applicants who meet campus-specific admissions requirements.
D. UNC institutions shall comply with all requirements of the Comprehensive Articulation Agreement (CAA), though institutions shall only admit applicants who meet campus-specific admissions requirements.
E. UNC institutions shall publish any further criteria used to determine admissibility of transfer applicants, including minimum required transfer credits, minimum GPA, and other factors.
F. Each campus shall establish policies describing the admission of transfer students for whom exceptions are made to MCR and/or MAR. Criteria pertaining to admissions exceptions shall be developed with faculty participation and approved by the campus board of trustees.

III. Acceptance of Transfer Credits

A. UNC institutions shall determine and publish the procedures and criteria for accepting transfer credits.
1. The procedures shall identify the positions or offices that determine transferability and the process for appealing such determinations;
2. The criteria shall address minimum grades required in courses and other considerations for determining transferability of credits;
3. These criteria shall be consistent with the Comprehensive Articulation Agreement and the Military Student Success policy.
B. Each campus shall apply the tuition surcharge to all transfer credits accepted by the institution based on the Tuition Surcharge policy and regulations (1000.1.5 and 1000.1.5[R]).

IV. Transfer of Student Success

A. Consistent with its institutional mission, each UNC institution shall establish programs and resources to promote the success of all transfer students.
B. These programs and resources may include special orientation sessions, designated first-year seminars for transfer students, academic advisement resources specifically for transfer students, financial aid counseling, inclusion in early warning systems, and others.
C. UNC General Administration shall work with institutions to develop effective reporting protocols for transfer student persistence and graduation rates in order to promote the development and improvement of campus-based services and resources to support transfer student success.
D. UNC General Administration shall facilitate the sharing of information among institutions about successful strategies employed by UNC campuses for promoting the success of transfer students.

700.1.1.2[R]: Adopted 01/20/15

700.1.2

700.1.2

Adopted 09/12/97

Repealed 05/10/02

Policy 700.1.2, Uniform UNC Admissions Requirements for Nonpublic School Students and Home Schooled Students, was repealed by the Board of Governors on May 10, 2002.

700.1.2.1[R] Regulations on Supplemental Information about Academic Performance of Nonpublic School Students and Home-Schooled Students

Some campuses have set special undergraduate admissions requirements for graduates of home schools and other high schools. The requirements have been applied to applicants from home schools because conventional measures of high school performance such as class rank, course grades, course content, and course rigor may be difficult to evaluate for such applicants. At some institutions these special policies have also been applied to applicants of nonaccredited high schools and high schools without conventional grading systems or curricula.

For all such applicants it may be difficult for the admissions officer to determine that the Board of Governors minimum course requirements have been met. This is because transcripts from these applicants may show unconventional course labels, course content, course sequences, grading practices, and other information that make it difficult for the admissions officer to verify that the graduate has taken and mastered the content of courses required by the board’s minimum course requirements. The uncertainty arises largely because there are often no external standards by which the curriculum and grading practices of these high schools can be evaluated to insure that they are consistent with the board’s requirements.

In instances where an admissions officer feels the need to gather supplemental information about academic performance, in order to enforce the board’s requirements, it is important that the board’s procedures for implementing minimum course requirements permit that to occur. It is equally important that the supplemental information requested be related to enforcing the requirements and that it be interpreted by admissions officers in a manner that is not prejudicial to the applicant from whom it is requested. In order to meet these requirements, two tests – the ACT and the SAT-II achievement tests – shall be considered acceptable tests to provide the supplemental information required for this purpose.

This regulation limits the supplemental information an admissions officer may request to one of the two tests. It also directs that admissions officers refrain from setting any minimum scores on these tests unless and until they have been validated for predicting freshman performance and found to be nondiscriminatory against these special applicants.

[This is a rewrite of a memorandum from President Spangler to the chancellors, chief academic officers and directors of admission dated February 20, 1997.]

700.1.2.1[R]: Adopted 02/20/97:

700.1.3 Out-of-State Undergraduate Enrollment

To ensure that constituent institutions maintain a level of out-of-state undergraduate enrollment consistent with historical University policy and tradition, and one consistent with strong and balanced educational programs, it is recommended that the Board of Governors adopt this statement of policy.[1]

a. Each constituent institution, except the North Carolina School of the Arts, shall take necessary steps to limit the proportion of out-of-state students in the entering freshman class to not more than 18 percent by the fall of 1998. In any instance in which a chancellor believes that his institution would suffer serious problems or hardships in reaching this limit within the time provided, he may petition the president and the Board of Governors for an extension of time to meet the 18 percent limit, which petition may be granted on an annual basis not to extend beyond the fall of 1990. The petition
These policies and procedures place three specific duties on the constituent institutions:

a. To maintain for student access a copy of the UNC General Administration FERPA policies and procedures in the same place and in the same manner that federal law prohibits the states from granting professional licenses to undocumented aliens.

b. To provide each year to students UNC General Administration's annual notification of their FERPA rights. This may be done through annual distribution of a sheet containing the statement of rights or by publication of those rights in some document of general, annual distribution (e.g., a catalog, a student newspaper, an orientation leaflet). (The annual notification text is attached to the UNC General Administration policies and procedures.)

c. To maintain for student access a copy of the UNC General Administration FERPA policies and procedures in the same place and in the same manner that the institution has established for student access to its own FERPA policies and procedures.

d. On March 30, 1995, the constituent institutions were advised of the determination by the Family Policy Compliance Office, U.S. Department of Education, that UNC General Administration must establish policies and procedures under the Family Educational Rights and Privacy Act of 1974 (FERPA) to the same extent as an institution with enrolled students. Attached are the policies and procedures of UNC General Administration for the purposes of establishing students' rights under FERPA to examine their education records maintained by this office, to seek modification to those records, and to condition disclosure of those records to third parties.

e. Pursuant to N.C.G.S. § 116.11(8b), soliciting or using any information regarding the accreditation of a secondary school located in North Carolina that a person attended as a factor affecting admissions, loans, scholarships, or other educational activity is strictly prohibited, unless the accreditation was conducted by a State of North Carolina agency. The term "accreditation" shall include certification or any other similar approval process.

f. The board shall set forth the reason for the request, the steps taken by the institution in furtherance of the policy, and the progress made. The chancellor shall furnish such other information as may be requested by the president.

g. The board shall review this policy in 1988-89 and consider then whether amendments should be made or further measures adopted.

h. It is the board's expectation that institutions will admit only academically well-qualified out-of-state students in any year in which the average combined SAT score for out-of-state freshmen is below that for North Carolina freshmen, the president shall require a written report from the chancellor. The chancellor may make that report public. The chancellor shall also inform the board of the average combined SAT score for out-of-state freshmen.

i. Among other considerations these policies and procedures address the manner of records maintained at UNC General Administration that are the same as, or the derivative of, student records of a constituent institution. In general, a student who has accessed his or her education records at UNC General Administration will be directed to the enrolling institution for any remedy aimed at modifying or correcting those records. UNC General Administration will, in turn, then consider what, if any, change should be made to its records derived from those institutional records if the institution has deemed a change to be appropriate.

These policies and procedures place three specific duties on the constituent institutions:

1. To provide each year to students UNC General Administration's annual notification of their FERPA rights. This may be done through annual distribution of a sheet containing the statement of rights or by publication of those rights in some document of general, annual distribution (e.g., a catalog, a student newspaper, an orientation leaflet). (The annual notification text is attached to the UNC General Administration policies and procedures.)

2. To maintain for student access a copy of the UNC General Administration FERPA policies and procedures in the same place and in the same manner that the institution has established for student access to its own FERPA policies and procedures.

3. To file with UNC General Administration a copy of the institution's current FERPA policies and procedures. This is necessary, in particular, so that this office can honor the "directory information" policies of the institution and can refer to the appropriate institutional office on campus any student challenge to records reposing at UNC General Administration but originating at the institution.

These policies and procedures are effective immediately.

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700.1.3: Adopted 03/14/86, Amended 02/10/95, Amended 07/01/07, Amended 02/21/14

700.1.4[G] Guidelines on the Admission of Undocumented Aliens

Undocumented aliens are eligible to be considered for admission as undergraduates at UNC constituent institutions based on their individual qualifications with limitations as set out below:

1. An undocumented alien may be considered for admission only if he or she graduated from high school in the United States.
2. Undocumented aliens may not receive state or federal financial aid in the form of a grant or a loan.
3. An undocumented alien may not be considered a North Carolina resident for tuition purposes; all undocumented aliens must be charged out of state tuition.
4. All undocumented aliens, whether or not they abide in North Carolina or graduated from a North Carolina high school, will be considered out of State for purposes of calculating the 18 percent cap on out of State freshmen pursuant to Policy 700.1.3.
5. When considering whether or not to admit an undocumented alien into a specific program of study, constituent institutions should take into account that federal law prohibits the states from granting professional licenses to undocumented aliens.

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700.1.4[G] Adopted 11/12/04: Amended 07/01/07

700.1.5 Solicitation or Use of Information Regarding the Accreditation of a Secondary School

Pursuant to N.C.G.S. § 116.11(8b), soliciting or using any information regarding the accreditation of a secondary school located in North Carolina that a person attended as a factor affecting admissions, loans, scholarships, or other educational activity is strictly prohibited, unless the accreditation was conducted by a State of North Carolina agency. The term "accreditation" shall include certification or any other similar approval process.

700.1.5: Adopted 06/15/12

700.2[R] Regulations of UNC General Administration with Respect to the Family Educational Rights and Privacy Act

On March 30, 1995, the constituent institutions were advised of the determination by the Family Policy Compliance Office, U.S. Department of Education, that UNC General Administration must establish policies and procedures under the Family Educational Rights and Privacy Act of 1974 (FERPA) to the same extent as an institution with enrolled students. Attached are the policies and procedures of UNC General Administration for the purposes of establishing students' rights under FERPA to examine their education records maintained by this office, to seek modification to those records, and to condition disclosure of those records to third parties.

Among other considerations these policies and procedures address the manner of records maintained at UNC General Administration that are the same as, or the derivative of, student records of a constituent institution. In general, a student who has accessed his or her education records at UNC General Administration will be directed to the enrolling institution for any remedy aimed at modifying or correcting those records. UNC General Administration will, in turn, then consider what, if any, change should be made to its records derived from those institutional records if the institution has deemed a change to be appropriate.

These policies and procedures place three specific duties on the constituent institutions:

1. To provide each year to students UNC General Administration's annual notification of their FERPA rights. This may be done through annual distribution of a sheet containing the statement of rights or by publication of those rights in some document of general, annual distribution (e.g., a catalog, a student newspaper, an orientation leaflet). (The annual notification text is attached to the UNC General Administration policies and procedures.)

2. To maintain for student access a copy of the UNC General Administration FERPA policies and procedures in the same place and in the same manner that the institution has established for student access to its own FERPA policies and procedures.

3. To file with UNC General Administration a copy of the institution's current FERPA policies and procedures. This is necessary, in particular, so that this office can honor the "directory information" policies of the institution and can refer to the appropriate institutional office on campus any student challenge to records reposing at UNC General Administration but originating at the institution.

These policies and procedures are effective immediately.

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UNC Policy Manual 226
The University of North Carolina General Administration

Policies and Procedures under the Family Educational Rights and Privacy Act of 1974
(Effective May 25, 1995)

The University of North Carolina General Administration ("General Administration") has adopted these policies and procedures in accordance with the Family Educational Rights and Privacy Act of 1974 (FERPA), 20 U.S.C. Sec. 1232g (as amended). These policies and procedures pertain to the education records of students within the University of North Carolina ("the University") that General Administration maintains, whether those records were created by General Administration or by a University constituent institution and provided to General Administration.

It is the policy of General Administration that University students be accorded the full legal rights provided them under FERPA. Students currently enrolled at a constituent institution of the University of North Carolina are notified annually of these rights by means of an annual notification (which is distributed through the students' respective institutions) by these policies and procedures (which are distributed to and maintained by all constituent institutions of the University of North Carolina and are referenced in an institutional publication of general distribution). The annual notice to students of their rights with respect to their education records at General Administration and these policies and procedures are in addition to that notice and those policies and procedures with respect to FERPA of each constituent institution. A copy of the current annual notification by General Administration to students is attached to, and made a part of, these policies and procedures.

Throughout this document the numbers cited within the brackets at various places within the text refer to federal FERPA regulations (as revised 1995). These regulations contain narrow exceptions and specific rules for certain special situations that are not always spelled out in the general policy. Therefore, in dealing with specific FERPA questions, individuals should refer to the FERPA regulations, which are provided with this document.

With respect to the education records of students at the North Carolina School of Science and Mathematics and in the High School Division of the North Carolina School of the Arts, rights afforded under these policies and procedures to a student are to be afforded, instead, to the student's parents to the extent established by FERPA.

I. The Student's Right to Inspect His or Her Education Records.

A. Any individual who is, or has been, in attendance at a constituent institution of the University is a "student" and has the right to inspect and review his or her education records. [99.3, 99.10]

"Education records" are those records directly related to a student that are maintained by an educational institution. The term does not include:

1. Records of instructional, supervisory, and administrative personnel that are in the sole possession of their maker and are not revealed to anyone else except a substitute.
2. Records created and maintained by a University law enforcement unit for law enforcement purposes.
3. Records relating solely to an employee of General Administration or of a constituent institution of the University of North Carolina in the individual's capacity as an employee that are not available for any other purposes. (However, records relating to a University student who is employed as a result of his or her status as a student are education records.)
4. Student medical records created, maintained, and used only in connection with provision of medical treatment to the student, that are not disclosed to anyone other than the individuals providing the treatment. (While a student may not inspect his or her medical records, these records may be reviewed personally by a physician of the student's choice.)
5. Records that contain only information relating to a person after he or she is no longer a student, such as alumni records. [99.3]

B. A student is not permitted to inspect the following records:

1. Financial records and statements of his or her parents.
2. Confidential letters and confidential statements of recommendation that were placed in his or her education records before January 1, 1975, and that are used only for the purposes for which they were intended.
3. Confidential letters and confidential statements of recommendation concerning (a) admission to an educational institution, (b) an application for employment, or (c) the receipt of an honor, that were placed in his or her education records after January 1, 1975, where the student has waived his or her right to inspect those letters and statements. [99.12]

C. A student who wishes to inspect his or her education records must file a written request for inspection with the individual who has custody of the records. In some cases the student will be able to review the records immediately while, in other cases, a certain amount of time will be needed to assemble the records for inspection, but the student will not be required to wait more than 45 days after receipt of the request before being allowed to inspect his or her education records. A student who exercises the right to inspect his or her education records is also entitled to a response from General Administration to reasonable requests for explanations and interpretations of those records. If a student has asked to inspect or review his or her education records, none of those records shall be destroyed until the student's request to inspect or review has been honored. [99.6, 99.10]

D. General Administration, upon a student's request, may provide a student with a copy of his or her education records, and General Administration will always provide a student a copy of his or her education records where failure to provide such a copy would effectively prevent exercise of the right to inspect and review education records. The office providing the copies may charge a reasonable fee for each copy but will not charge a fee to search for or retrieve the records in question. [99.6, 99.10, 99.11]

General Administration may deny a request for a copy of education records if the student is easily able to come to the office that maintains the records and inspect them in person and if the records are so voluminous that copying them would be unreasonably burdensome for General Administration employees charged with the task. [99.6]

E. Education records are maintained by several offices and officials at General Administration. Most of these records are copies or derivatives of education records created at a constituent institution of the University; some, though, may include additional education records created at General Administration. Offices at General Administration that are most likely to maintain education records are listed below:

1. Academic Affairs Division.
2. Legal Affairs Division.
3. Planning Division.
4. Research Division.
5. Student Services and Special Programs Division.

All requests to inspect education records should be directed to the secretary of The University of North Carolina, whose office can be reached through the main telephone number of General Administration in Chapel Hill, which is 919-962-1000. The secretary will determine the location of records pertinent to the inquiry and direct the student's request to the appropriate General Administration office. [99.6]
II. The Student’s Right to Seek Correction or Amendment of His or Her Education Records.

A. A student who believes that information contained in his or her education records is inaccurate or misleading or violates his or her privacy rights may discuss these concerns informally with the custodian of the records in question and may request that they be amended. [99.20]

B. Requests to amend education records at General Administration whose information is identical to or derivative of education records provided from another education agency (such as a constituent institution of the University) will be referred to the originating educational agency for consideration of the student’s request to amend. Notation of this referral will be placed with the pertinent education records of General Administration. Upon being informed of the disposition of the request to amend, the custodian will determine what action, if any, is appropriate with respect to related education records at General Administration. [99.20]

C. If the custodian finds that the request to amend relates to education records created by General Administration and if the custodian agrees with the student’s request for amendment, the custodian will amend the records and so notify the student. If the custodian does not agree to the amendment, the custodian will notify the student within a reasonable period of time that the records will not be amended and will inform the student of his or her right to a formal hearing. All formal hearings will be conducted by the Education Records Committee of the University of North Carolina General Administration (the “committee”). The committee members shall be appointed by the President of the University from staff of General Administration in such numbers and for such terms of service as he may deem appropriate; however, no member of the committee shall participate in a hearing in whose outcome the member has any direct interest. [99.20, 99.21, 99.22]

D. Should the student and General Administration agree that an explanatory statement alone is the appropriate remedy, the student has the right, in lieu of requesting a formal hearing, to place a statement in his or her education records commenting on the information in question and/or setting forth any reasons for disagreeing with the custodian’s decision not to amend. Any such statement will be maintained as part of the student’s education records as long as the record, or the contested portion of the record, is maintained by General Administration, and the statement will be disclosed to any party to whom the contested portion of the student’s education record is disclosed thereafter. [99.21]

E. A student request for a formal hearing must be submitted within fifteen (15) days after the student receives notice from the records custodian of his or her right to a formal hearing and must be addressed to the secretary of the University, who will promptly refer it to the appropriate person or panel for hearing. The request for hearing must be written, be signed by the student, and contain a written statement setting forth the nature of the student’s grievance and the attempts the student has made to resolve the matter with the custodian of the records in question. [99.6, 99.21]

F. A hearing will be held on the matter within a reasonable time after receipt of the student’s request, and he or she will be given reasonable notice of the date, place, and time of the hearing. [99.22]

G. The student will be offered a full and fair opportunity to present evidence relevant to the issues raised in the complaint and may be assisted by individuals of the student’s choice at his or her own expense, including an attorney. [99.21]

H. The committee’s decision will be based solely on the evidence presented at the hearing and will include a summary of the evidence and the reasons for the decision. The student will be notified in writing of the committee’s findings and recommendations within a reasonable period of time after the conclusion of the hearing. If the committee decides that the challenged information within the student’s education records is inaccurate, misleading, or otherwise in violation of the privacy rights of the student, it will recommend that the appropriate General Administration official amend the student’s education records accordingly, and the official will inform the student in writing when the amendment has been made. [99.22]

I. If the committee decides that the challenged information from the student’s education records is not inaccurate, misleading, or otherwise in violation of the privacy rights of the student, it will inform the student that he or she has the right to place a statement in his or her education records commenting on the information and/or setting forth any reasons for disagreeing with the committee’s decision. Any such statement will be maintained and disclosed as set forth in section I.D., above. [99.21]

III. Disclosure of Personally Identifiable Information from a Student’s Education Records.

A. “Personally identifiable information” means such information as the name of the student, his or her parent, or a member of the student’s family; the address of a student or a member of the student’s family; a personal identifier such as the student’s social security number or student ID number; a list of personal characteristics from which the student can be easily identified; or other information from which the student can be easily identified. [99.3]

B. With certain exceptions, listed in section I.I.D., below, General Administration will not disclose personally identifiable information from a student’s education records without the student’s prior written consent. To be effective, the written consent must be signed and dated by the student and must include:

1. A specification of the records to be disclosed;
2. The purpose of the disclosure; and
3. The party or class of parties to whom the disclosure may be made. [99.30]

C. When personally identifiable information is disclosed from a student’s education records pursuant to his or her written consent, the student may also, upon request, obtain a copy of the information so disclosed. [99.30(c)]

D. General Administration may disclose personally identifiable information from a student’s education records without his or her prior written consent in the following situations:

1. Disclosure to other school officials, including teachers, officials, and employees of the University who are determined to have a legitimate educational interest in the information. Such officials are deemed to have a “legitimate educational interest” in the information if it is necessary or desirable for them to obtain the information in order to carry out their official duties and/or to implement the policies of the University. [99.31(a)(1)]
2. Disclosure to officials of another school or school system in which the student seeks or intends to enroll and disclosure to officials of another school or school system in which a currently enrolled University student is contemporaneously enrolled. (Note: students are hereby notified that it is the policy of General Administration to forward education records upon request to officials of other schools or school systems in these situations without notifying the student of such transfer of records.) Upon request the student will be provided a copy of the education records so transferred. [99.31(b)(2), 99.34]
3. Disclosure to authorized representatives of the Comptroller General of the United States, the U.S. Secretary of Education, or State educational authorities in connection with the audit and evaluation of federal or State-supported education programs or in connection with enforcement of or compliance with federal legal requirements. (Note: unless the collection of personally identifiable information is specifically authorized by federal law, the recipients of the personally identifiable information under this section must handle it in such a way that students and their parents cannot be identified therefrom by individuals outside the recipients’ organizations, and personally identifiable data must be destroyed when it is no longer needed.) [99.31(a)(3), 99.35]
4. Disclosure in connection with financial aid for which a student has applied or which he or she has received. Information may be disclosed under this provision only to determine a student’s eligibility for financial aid, to determine the amount of the aid, to determine the conditions which will be imposed regarding the aid, or to enforce the terms or conditions of the financial aid. [99.31(a)(4)]
5. Disclosure to State and local officials or authorities to whom information is specifically allowed to be disclosed pursuant to State statute adopted;
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IV. Limit to FERPA Protection of Education Records

FERPA's protection of personally identifiable information in a student's education records ends at the time of a student's death. Unless General Administration has information to the contrary, General Administration will presume that a student is deceased 75 years after the student's education records were created. Thereafter the student's education records will be open. [99.60(b)(2)]
Neither the foregoing policy concerning the duration of FERPA protection to education records that are in existence nor any other part of these policies and procedures places any obligation on General Administration to maintain specific education records for which there is no pending student request to inspect or to amend.

V. Complaints to the U.S. Department of Education.

Complaints alleging violations by General Administration of the provisions of FERPA or the regulations promulgated thereunder may be submitted in writing to Family Policy Compliance Office, U.S. Department of Education, 600 Independence Avenue, SW, Washington, D.C. 20202-4605, within 180 days of the date of the alleged violation or the date the complainant knew or reasonably should have known of the alleged violation. The office may extend the time period if the complainant has a good reason for having missed the deadline. [99.63, 99.64]

Students’ Education Records
at the University of North Carolina General Administration
Annual Notification of Rights

Certain personally identifiable information about students (“education records”) may be maintained at the University of North Carolina General Administration, which serves the Board of Governors of the University system. This student information may be the same as, or derivative of, information maintained by a constituent institution of the University; or it may be additional information. Whatever their origins, education records maintained at General Administration are subject to the federal Family Educational Rights and Privacy Act of 1974 (FERPA).

FERPA provides that a student may inspect his or her education records. If the student finds the records to be inaccurate, misleading, or otherwise in violation of the student’s privacy rights, the student may request amendment to the record. FERPA also provides that a student’s personally identifiable information may not be released to someone else unless (1) the student has given a proper consent for disclosure or (2) provisions of FERPA or federal regulations issued pursuant to FERPA permit the information to be released without the student’s consent.

A student may file with the U.S. Department of Education a complaint concerning failure of General Administration or an institution to comply with FERPA.

The policies of the University of North Carolina General Administration concerning FERPA may be inspected in the office of the secretary of the University of North Carolina, General Administration, 910 Raleigh Road, Chapel Hill, North Carolina.

Further details about FERPA and FERPA procedures at General Administration are to be found in the referenced policies. Questions about the policies may be directed to the Division of Legal Affairs, The University of North Carolina General Administration, Annex Building, 910 Raleigh Road, Chapel Hill, North Carolina (mailing address Post Office Box 2688, Chapel Hill, NC 27515-2688; telephone: 919-962-4588).

Edition 5/95

[This is a rewrite of Administrative Memorandum #357.]

Disciplinary records from the North Carolina School of Science and Mathematics may not be disclosed under this section without appropriate consent. [99.31(a)(13)]

700.2[R]: Adopted 05/25/95, Amended 07/01/07

700.3 Student Governments

700.3.1 Policy on the University of North Carolina Association of Student Governments

1. The Board of Governors of the University of North Carolina finds that, in order to further the education of students of the University of North Carolina, and in order to improve the governance of the University, it is necessary and appropriate for there to be a student government association that represents the interests of the students of all of the constituent institutions of the University. The Board of Governors, therefore, recognizes the University of North Carolina Association of Student Governments (“UNCASG”) as the student government organization designated to represent the interests of students in the deliberations of the University of North Carolina Board of Governors.

2. In order to further the education of the students of UNC in self-governance and civic responsibility, and in order to assure that the interests of students are known to the Board of Governors during its deliberations, the Board of Governors recognizes the following purposes of the UNCASG:
   a. Represent the students of the university before the University of North Carolina Board of Governors.
   b. Develop and maintain open lines of communication between institutions, promote each student’s right to a quality education, and promote the issues deemed beneficial to students.
   c. Actively promote affordable, quality higher education within the State of North Carolina.
   d. Act as a liaison between the students and the Governor of the State of North Carolina, the North Carolina General Assembly, the Office of the President of the University of North Carolina, and other state and federal officials.
   e. Address and act on the collective interests of students enrolled in member institutions.
   f. Involve students in the political process by educating students on the issues affecting them and the university.
   g. Actively involve students in the area of governmental relations so as to promote the passage or defeat of legislation, which the Association deems relevant to the education of students, their institutions, and higher education in North Carolina.
   h. Promote and maintain conditions conducive to academic freedom.
   i. Promote unity and cooperative efforts between the sixteen public institutions of the University of North Carolina.
   j. Provide services and benefits to members of the Association.
3. All delegates to and officers of the UNCASG shall be selected in the manner set out in its Constitution. All amendments to the Constitution, By-Laws, Financial Policy, or Personnel Policy of the UNCASG shall be approved by the President of the University of North Carolina, or the President’s designee, before they are implemented.

4. Neither the Board of Governors nor the president shall assert control over the substantive positions of the UNCASG, and the UNCASG shall not claim that its views are the views of the University of North Carolina, the Board of Governors, or the President of the University without prior approval.

5. Any mandatory student fee that is approved by the Board of Governors for use by the UNCASG shall be used for the purposes set out in this policy and
in accordance with procedures approved by the Chief Operating Officer of the University of North Carolina.

6. The President of the University shall appoint a member of the President's staff to act as an adviser to UNCASG, who will supervise the provision of such support to the UNCASG as the president may deem appropriate. The President of the University shall consult with the President of the UNCASG about the selection of an advisor. The UNCASG shall confer with the adviser to ensure that the activities of the UNCASG are consistent with University policy and for such other purposes as the President of the University or his designee may specify.

7. The UNCASG shall be administered by the officers and the Board of Directors of the UNCASG. The UNCASG shall not retain any person with substantive, policy or lobbying duties.

700.3.1: Adopted 07/12/02, Amended 10/11/02, Amended 06/14/13

700.4 Student Conduct and Discipline

700.4.1 Policy on Minimum Substantive and Procedural Standards for Student Disciplinary Proceedings

The purpose of this policy is to establish legally supportable, fair, effective and efficient procedures for student disciplinary proceedings. The minimum standards for these proceedings are set out below. These minimum standards exceed the requirements of due process and therefore complying with these requirements will also result in providing due process.

I. Elements of Policy. The two kinds of standards that must be followed are procedural standards and substantive standards.

II. Procedural. The procedural standards require notice and an opportunity for a hearing. The formality of these provisions will vary depending on the seriousness of the offense. (See sections V., and VI. below.)

III. Substantive. Substantive standards require that the decision reached be neither arbitrary nor capricious. Generally, this means that there is some evidence to support the decision reached.

IV. Code of Student Conduct. Each constituent institution must adopt a code of student conduct that:

A. Is applicable to all students;
B. Defines what conduct is prohibited; and
C. Specifies the types of sanctions that may be imposed for each category of prohibited conduct. Ranges of violations and ranges of sanctions are permissible.

Progressive sanctions for multiple violations are also legitimate. A periodic review of the code should be undertaken to ensure it remains in compliance with applicable laws, policies and regulations.

V. Requirements for Minor Violations. A minor violation is one for which the possible sanctions are less than suspension and expulsion.

A. Procedural Requirements:

1. A constituent institution may receive and, in its discretion, investigate reports of incidents of student misconduct. A student may be accused of a violation of the code of student conduct only by a designated university official with a formal charge initiating a disciplinary proceeding. A determination to initiate a disciplinary proceeding accusing a student of a violation of the code of student conduct should be made by a designated university official within a reasonable period of time after the constituent institution receives the report.

2. If a charge is to be pursued, it is then referred to a hearing official or body. The student must be notified in writing of the alleged violation(s), the referral and the hearing date. The hearing should not be scheduled for at least five (5) calendar days after the student receives the notice, unless the student agrees to an earlier hearing date. A committee member or the hearing official who has a conflict with, bias about or interest in the case should recuse himself. If the committee member or the hearing official refuses to recuse himself, a designated university official shall make the recusal decision.

3. The student may waive the hearing and accept a sanction proposed by a designated university official. The sanction must be within the ranges specified in accordance with section IV., above. The waiver and acceptance must be in writing and signed by the student.

4. If a hearing is held, it may occur as a meeting between the hearing committee/official and the student. It will be a closed meeting. The institution shall assure that students have the capability to present their evidence and defenses at the meeting or hearing. Witness testimony and documents may be received from both the designated university official and the student, who will both be present during all of the evidentiary presentation. At the end of the hearing, the committee/official will determine whether the designated university official has shown by a preponderance of the evidence that the student committed the offense charged. This determination must be based solely on the evidence presented at the hearing or meeting. The committee/official will also determine the appropriate sanction within the ranges specified in the definitions in Section IV., above.

5. The decision may be final or it may be a recommendation for a final decision by a designated university official. The final administrative decision must be reached within a specified amount of time, not to exceed 45 calendar days after the date of the hearing. The final administrative decision must be transmitted to the student in writing within 10 calendar days of the date the decision is made, and it must contain a brief summary of the evidence upon which the decision is based.

6. Appeal rights must be specified in the decision letter. At least one level of administrative appeal must be permitted and the time in which to appeal and the permitted grounds for the appeal must be articulated. Further appellate opportunities shall be governed by Section 502 (D)(3) of The Code of the University of North Carolina (The Code).

B. Substantive Requirements. In each case there must be sufficient evidence supporting the decision and the sanction.

VI. Serious Violations. A serious violation is one for which the possible sanctions include suspension or expulsion.

A. Procedural Requirements:

1. A constituent institution may receive and, in its discretion, investigate reports of incidents of student misconduct. A student may be accused of a violation of the code of student conduct only by a designated university official with a formal charge initiating a disciplinary proceeding. A determination to initiate a disciplinary proceeding accusing a student of a violation of the code of student conduct should be made by a designated university official within a reasonable period of time after the constituent institution receives the report.

2. Written notice to the student must be provided if a decision is made to issue a formal charge against the student. The notice should specify the offense(s) charged, the possible sanctions, and a brief recitation of the factual allegations supporting the charge. For all charged offenses which could result in expulsion, the notice must include this possibility and must specify that expulsion precludes matriculation at any UNC constituent institution.

3. A formal charge is then referred to a hearing official or body. The student must be notified in writing of the referral. This notice may include a hearing date. The hearing date may not be scheduled for at least 10 calendar days after the student receives notice of the referral, unless the student agrees to an earlier hearing date. Reasonable extensions of time for either party to prepare for the hearing should be allowed.

4. If a hearing date is not set in the notice of the charge, written notice of the hearing date must be sent to be received by the student not
5. The student may waive the hearing and accept a sanction proposed by a designated university official. The sanction must be within the ranges specified in accordance with section IV., above. The designated university official must determine that the waiver and acceptance is voluntary and that the charge and sanction have factual support. The waiver and acceptance must be in writing and signed by the student and the designated university official.

6. Prior to the hearing, the student must be given the opportunity to review any written evidence that will be used at the hearing and to obtain a list of witnesses.

7. A committee member or hearing official who has a conflict with, bias about or an interest in a case must recuse himself. If the committee member refuses to recuse himself, a designated university official will make the recusal decision. The student must also be given the opportunity to challenge a committee member or hearing official on these grounds. The decision on the challenge must be made by the committee or official within five calendar days. If necessary, a substituted committee member or hearing official will be appointed.

8. The institution shall assure that students have the capability to present their evidence and defenses at the hearings. The method for assuring this capability may vary depending on the nature of the case and on the nature of the representation of the institution or the charging party. Each institution must have a policy delineating the participation or prohibition of attorneys and non-attorney advocates. Representation or assistance by attorneys or non-attorney advocates at the hearing is neither required nor encouraged.

9. The hearing will be closed to the public, unless a constituent institution’s policy provides otherwise.

10. A transcript or other verbatim record of the hearing (but not of the deliberations) will be prepared. The institution will be responsible for the costs of this record.

11. At the hearing, a designated university official must present sufficient witness and/or documentary evidence to establish the violation. The student must be given an opportunity to question this evidence, either by direct questions or inquiries transmitted through the committee or hearing official.

12. The student must be given the opportunity to present any witness or documentary evidence that the student offers, provided that the evidence is relevant to the charge or other evidence presented and does not otherwise infringe the rights of other students.

13. At the conclusion of the evidence, the committee/official will determine whether the charging official has shown by a preponderance of the evidence, or by such higher standard as the institution may adopt, that the student committed the offense charged. This determination must be based solely on the evidence presented at the hearing. The committee or official will also determine the appropriate sanction within the ranges specified in accordance with section IV., above.

14. The decision may be final or it may be a recommendation for a final decision by a designated university official. The final administrative decision must be reached within a specified amount of time, not to exceed 45 calendar days after the hearing is completed. The final administrative decision must be transmitted in writing to the student within ten (10) calendar days of the date the decision is made and must contain a brief summary of the evidence upon which the decision is based.

15. A vice chancellor or the vice chancellor’s delegate must make the final administrative determination in all suspension cases. The delegation may be made to a student committee or a student/employee committee.

16. The chancellor or a vice chancellor must make the final administrative decision in all expulsion cases.

17. Appeal rights must be specified in the final decision letter. At least one level of institutional appeal must be permitted, and the time limits in which to appeal and the permitted grounds for appeal must be articulated.

18. Further appeals shall be governed by The Code.

B. Substantive Requirements. In each case there must be sufficient evidence supporting the decision and the sanction.

VII. Special Cases
A. If the formal charge is also the subject of pending criminal charges, the institution must, at a minimum, allow an attorney advisor to accompany the student to the hearing.
B. Charges against multiple students involved in the same incident may be heard in a single case only if each student defendant consents to such a proceeding.
C. In cases of alleged sexual misconduct, both parties are entitled to the same opportunities to have others present during a disciplinary proceeding.[14]
D. Victims of crimes of violence must be notified of the results of the disciplinary proceeding of the alleged assailant. “Results” means the name of the student assailant, the violation charged or committed, the essential findings supporting the conclusion that the violation was committed, the sanction if any is imposed, the duration of the sanction and the date the sanction was imposed.[15]
E. When a student with a disability is charged with an offense, the institution will assure that all requirements of Section 504 of the Rehabilitation Act and the Americans with Disabilities Act are met.

VIII. Other Matters
A. Effective Date. The requirements of this policy shall be effective on the date of its adoption by the Board of Governors and shall apply to all disciplinary proceedings initiated on or after August 1, 2018.
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 from time to time by the president.

13 The term “sexual misconduct” includes sexual assault, sexual battery, sexual coercion, rape, stalking, sexual violence and other forms of sexual misconduct. Furthermore, “both parties” refers specifically to the individual who claims to have been the victim of the sexual misconduct and the student who is alleged to have engaged in sexual misconduct.

14 The disciplinary records of high school students at the North Carolina School of Science and Mathematics described in sections VII.C., and D., of this policy may not be disclosed without appropriate consent.[CFR 99.31(a)(13)]

700.4.1: Adopted 11/08/02, Amended 07/01/07, Amended 08/23/13, Amended 07/27/18, Technical Corrections 08/19/19

700.4.1.1[R] Regulation Applicable to Student Disciplinary or Conduct Procedures: Right to an Attorney or Non-Attorney Advocate for Students and Student Organizations

1. Purpose
This regulation clarifies how the constituent institutions of The University of North Carolina [hereinafter, "UNC constituent institutions"] will interpret and administer the requirements of North Carolina General Statutes Section 116-40.11 [hereinafter, "Section 116-40.11"] regarding the participation of
licensed attorneys and non-attorney advocates (collectively, "Advocates") on behalf of students and Student Organizations in campus Disciplinary or Conduct Procedures, as defined herein. Nothing in this regulation shall be construed to create a right for any student or Student Organization to be represented during a Disciplinary or Conduct Procedure at public expense.

UNC constituent institutions encourage character formation and development by asking students, as members of the University community, to uphold the highest standards of personal behavior and responsibility in all settings. Disciplinary or Conduct Procedures at UNC constituent institutions are designed to address violations of Disciplinary or Conduct Rules in a manner that prioritizes student development and education. While Disciplinary or Conduct Procedures may result in the imposition of sanctions in appropriate cases, the primary objectives of these procedures are to uphold the highest standards of honor, integrity, and personal responsibility; to encourage responsible choices concerning issues such as alcohol use, the treatment of others, and sexual behavior; and to promote student learning, safety, health, and well-being.

The emphasis upon student education and growth as the primary objectives of the Disciplinary or Conduct Procedures distinguish these campus-based processes from criminal or civil legal proceedings. Campus Disciplinary or Conduct Procedures do not result in an adjudication of whether a crime has occurred; such determinations can be made only by the criminal justice system. Consistent with these student learning and development objectives, Disciplinary or Conduct Procedures at UNC constituent institutions remain non-adversarial; reflect community values, university policies, and Board of Governors standards; and provide for the respect and consideration of all participants.

Each UNC constituent institution shall establish its own specific rules and procedures for administering Section 116-40.11 in a manner that is consistent with the provisions of Section 700.4.1 of the UNC Policy Manual (entitled "Policy on Minimum Substantive and Procedural Standards for Student Disciplinary Proceedings") and this regulation.

II. Definitions

As used within this regulation, the following terms have the meanings provided below.

A. Academic Dishonesty – Any act that constitutes cheating, plagiarizing, or knowingly misrepresenting the source of information contained in work submitted by a student; or knowingly assisting another in cheating, plagiarizing, or a knowing misrepresentation. Examples of Academic Dishonesty include, but are not limited to: the use of another's ideas or copying another's work without proper citation or acknowledgment; the use of any material assistance, or collaboration that was prohibited or not authorized by an instructor in taking a test or preparing a project or assignment to be submitted to an instructor; or fabricating or falsifying information or data.

B. Accused of a Violation – Occurs when a designated university official brings a formal charge against a student or Student Organization to initiate a Disciplinary or Conduct Procedure as described in paragraphs V.A. and V.I.A., of Section 700.4.1 of the UNC Policy Manual.

C. Disciplinary or Conduct Rules – The code of student conduct of a UNC constituent institution described in paragraph IV. of Section 700.4.1 of the UNC Policy Manual. Disciplinary or Conduct Rules do not include the rules or codes of a UNC constituent institution governing academic integrity, including professional or ethical standards associated with a particular program of study, or Academic Dishonesty.

D. Disciplinary or Conduct Procedure(s) – A hearing or other procedure during which a designated university official, board, or panel considers information and/or documentation in order to make a determination regarding whether a student or Student Organization may have violated Disciplinary or Conduct Rules.

E. Student Honor Court – A Disciplinary or Conduct Procedure board or panel that is composed entirely of students who address whether a student or Student Organization has violated a UNC constituent institution’s Disciplinary or Conduct Rules.

F. Student Organization(s) – A student group that has been officially recognized or sponsored by a UNC constituent institution in accordance with the UNC constituent institution’s student organization recognition policies.

III. Notice, Role, and Requirements of Advocates in Disciplinary or Conduct Procedures

A. Notice to Students and Student Organizations Accused of a Violation

Any student or Student Organization Accused of a Violation of a UNC constituent institution’s Disciplinary or Conduct Rules shall be notified of the right to be represented by a licensed attorney or non-attorney advocate, if applicable. Such notice shall be transmitted in writing by the UNC constituent institution when the student or Student Organization is initially Accused of a Violation, as defined herein, or as soon as reasonably possible thereafter so that an Advocate may participate in any campus-based Disciplinary or Conduct Procedure as provided by this regulation.

B. Role of Advocates in Disciplinary or Conduct Procedures

In accordance with Section 116-40.11, students and Student Organizations at UNC constituent institutions who have been Accused of a Violation of an institution's Disciplinary or Conduct Rules may be represented by an Advocate during any Disciplinary or Conduct Procedure, except when the violation:

1. Will be heard by a Student Honor Court; or
2. Is an allegation of Academic Dishonesty, as defined by the UNC constituent institution.

The right to have an Advocate represent a student or Student Organization applies when a student or Student Organization is initially Accused of a Violation, as defined herein.

Consistent with this regulation and the rules, policies, and/or guidelines governing a UNC constituent institution’s Disciplinary or Conduct Procedures, an Advocate may fully participate in such procedures to the extent and in the same manner afforded to the student or Student Organization he/she represents. An attorney or other individual representing the UNC constituent institution may participate in Disciplinary or Conduct Procedures in which an Advocate represents a student or a Student Organization.

When scheduling Disciplinary or Conduct Procedures, UNC constituent institutions will make reasonable efforts to accommodate an Advocate; however, the availability of students or Student Organization members; witnesses; the designated administrator, panel members, or board members assigned to the matter; and other necessary participants as well as the expectation to promptly complete the Disciplinary or Conduct Procedure may, in the UNC constituent institution’s discretion, take priority when determining the date and time for a Disciplinary or Conduct Procedure. Additionally, an Advocate may not delay, disrupt, or otherwise interfere with a Disciplinary or Conduct Procedure.

C. Requirements to Serve as an Advocate During a UNC Constituent Institution’s Disciplinary or Conduct Procedure

In order for an Advocate to represent a student or Student Organization in a Disciplinary or Conduct Procedure, the student or Student Organization must provide the office of the UNC constituent institution that administers the Disciplinary or Conduct Procedure with the three (3) documents described below. These three (3) documents must be submitted within the timeframe established by the UNC constituent institution. If the required documents are not completed and submitted within the timeframe established by the UNC constituent institution, the institution
may, in its discretion, determine an appropriate remedy, up to and including denying the participation of the Advocate in the Disciplinary or Conduct Procedure.

1. Notice of representation.

Students and Student Organizations that plan to have an Advocate represent them during a Disciplinary or Conduct Procedure must notify the office of the UNC constituent institution that administers the procedure in writing of the Advocate’s planned participation in a Disciplinary or Conduct Procedure. This notice must specify:

(a) The identity of the Advocate;
(b) Whether the individual is a licensed attorney or a non-attorney advocate; and
(c) An address, telephone number, and email address where the Advocate can be reached.

2. FERPA authorization.

In order for an Advocate to represent a student or Student Organization during a Disciplinary or Conduct Procedure or to speak with an official of a UNC constituent institution regarding the student or the members of a Student Organization, the student(s) must complete and submit a written authorization that meets the requirements of a valid consent as specified by the Family Educational Rights and Privacy Act (FERPA). Even if a student executes a valid FERPA consent authorizing the Advocate to receive information or documents regarding the student, the UNC constituent institution may at all times correspond directly with the student or Student Organization. It is the student’s or Student Organization’s responsibility to communicate and share information with the Advocate.

3. Certification by Advocate.

Students or Student Organizations that plan to have a licensed attorney or non-attorney advocate represent them during a Disciplinary or Conduct Procedure must submit a certification form signed by the Advocate stating that the Advocate has read in their entirety and understands the following documents:

(a) The applicable Disciplinary or Conduct Rules;
(b) Any additional rules, policies, or guidelines that a UNC constituent institution has enacted for its Disciplinary or Conduct Procedures, consistent with this regulation; and
(c) Section 700.4.1 of the UNC Policy Manual and this associated regulation.

IV. Training on Disciplinary or Conduct Procedures

UNC constituent institutions shall develop and provide training for students, Student Organizations, and institutional staff to ensure that Disciplinary or Conduct Procedures are conducted in a manner that is consistent with the provisions of the UNC Policy Manual, this regulation, and any other rules, policies, or guidelines that the UNC constituent institution has enacted for its Disciplinary and Conduct Procedures.

V. Monitoring Disciplinary or Conduct Procedures

UNC constituent institutions shall monitor and track the number of cases affected by Section 116-40.11 and this regulation during the course of an academic year and other information as may be requested by the president or the president’s designee. Such data shall be collected annually by each UNC constituent institution, and, upon request, shall be reported to the president or the president’s designee.

[1] This regulation does not address any rights a student may have under federal law, regulations or policy guidance to have an Advocate or advisor present as part of any Disciplinary or Conduct Procedure at a UNC constituent institution.

[2] For example, Disciplinary or Conduct Procedures are not subject to the State or federal Rules of Evidence or the State or federal Rules of Civil Procedure, although each UNC constituent institution’s Disciplinary or Conduct Rules may specify applicable procedural rules, including rules that govern the introduction and admission of evidence or testimony, as well as rules governing any formal or informal exchange of witness lists or documents that may be used at a hearing. As a result, information that might be deemed “hearsay” or is otherwise inadmissible during a formal legal proceeding might be considered by the designated university administrator, board, or panel.

[3] The UNC constituent institutions may adopt their own definitions of Academic Dishonesty not inconsistent with this regulation. See also N.C.G.S. § 116-40.11(a)(2).

[4] The office of the UNC constituent institution that administers the Disciplinary or Conduct Procedure can supply students with an approved authorization form that meets the elements of a valid consent in accordance with FERPA.

700.4.1[R]: Adopted 04/30/14

700.4.2 Policy on Student Conduct

I. Purpose

The Code of the University of North Carolina describes the University as an academic community "dedicated to the transmission and advancement of knowledge and understanding." Pursuant to The Code, the Board of Governors is committed to supporting and encouraging "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." The Code also provides, "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."

These freedoms come with certain responsibilities. Faculty and students "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." Students, specifically, must conduct "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."

Balancing these freedoms and responsibilities can be challenging. The Board of Governors is committed to preserving and protecting these freedoms, while recognizing that certain conduct which intentionally targets a person or identifiable group of persons based in whole or in part upon any of the
protected statuses included in Section 103 of The Code may interfere with the University’s core mission of advancing knowledge and understanding. Accordingly, to support and assist the constituent institutions of the University of North Carolina in their continuing efforts to advance the University’s mission, the Board of Governors’ adopts this policy. This policy is not intended to expand the legal rights of any person or identifiable group of persons under state or federal law.

Every constituent institution has adopted a student code of conduct that establishes rules and regulations concerning student conduct and discipline. All such codes of conduct address criminal and unlawful conduct, as well as behavior that violates University policies, rules or regulations. University Policy 700.4.1 sets forth the minimum procedural and substantive due process standards applicable to student disciplinary proceedings. This companion policy reflects recommendations received by the President on March 31, 2009, from the UNC Study Commission to Review Student Codes of Conduct Relating to Hate Crimes. It sets forth provisions for inclusion in all UNC campus student codes of conduct. These provisions are not exclusive. Student codes of conduct may include other provisions not inconsistent with these mandatory provisions. This policy also accommodates the different legal standards that may apply to the high school programs at the North Carolina School of Science and Mathematics and the UNC School of the Arts.

II. Mandatory Provisions
A. The following statements shall be included in all codes of student conduct:
1. The University embraces and strives to uphold the freedoms of expression and speech guaranteed by the First Amendment of the U.S. Constitution and the North Carolina Constitution. The University has the right under appropriate circumstances to regulate the time, place, and manner of exercising these and other constitutionally protected rights.
2. All students are responsible for conducting themselves in a manner that helps enhance an environment of learning in which the rights, dignity, worth, and freedom of each member of the academic community are respected.
3. Violations of campus or University policies, rules or regulations, or federal, state, or local law may result in a violation of the student code of conduct and imposition of student discipline.
B. The following provisions addressing specific student conduct that could lead to disciplinary action shall be included:
1. No student shall threaten, coerce, harass or intimidate another person or identifiable group of persons, in a manner that is unlawful or in violation of a constitutionally valid University policy, while on University premises or at University-sponsored activities based in whole or in part upon any of the protected statuses included in Section 103 of The Code.
2. No student shall engage in unlawful harassment leading to a hostile environment. Unlawful harassment includes conduct that creates a hostile environment by meeting the following criteria: It is:
   a. Directed toward a particular person or persons;
   b. Based in whole or in part upon any of the protected statuses included in Section 103 of The Code;
   c. Unwelcome;
   d. Severe or pervasive;
   e. Objectively offensive; and
   f. So unreasonably interferes with the target person’s employment, academic pursuits, or participation in University-sponsored activities as to effectively deny equal access to the University’s resources and opportunities.
3. In determining whether student conduct violates these provisions, all relevant facts and circumstances shall be considered. Care must be exercised in order to preserve freedoms of speech and expression, as articulated in current legal standards. Advice should be sought from campus attorneys, as appropriate.

III. Discipline
Disciplinary measures and/or penalties shall be in accordance with procedural and substantive due process safeguards applicable to disciplinary actions as required by Section 502D(3) of The Code, Policy 700.4.1, and applicable campus policies.

IV. Education and Advancement
University and campus attorneys, student affairs personnel, and campus law enforcement shall familiarize themselves and remain current regarding legal standards applicable to targeting individuals based in whole or in part upon any of the protected statuses included in Section 103 of The Code through

A. Unlawful threats, or
B. Unlawful harassment creating a hostile environment as defined in this policy.

700.4.2: Adopted 02/12/10, Amended 01/16/15

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700.4.3[G] Guidelines on Student Disciplinary Proceedings: Meaning and Effect of “Expulsion”

The following policies shall apply with respect to disciplinary proceedings against students enrolled at the constituent institutions of the University:

1. Each constituent institution shall determine, with respect to its students, what misconduct shall warrant the sanction of expulsion from enrollment (subject to preemptive policies of the Board of Governors which have prescribed or in the future may prescribe that penalty for specified offenses).
2. When imposed, the sanction of expulsion uniformly shall mean permanent dismissal, unless at a later date the chancellor who imposed or approved the sanction (or his or her successor) concludes on the basis of the former student's petition and any supportive documentation that the individual should be given a new opportunity to pursue higher education.
3. A student who has been expelled from one constituent institution may not be admitted to another constituent institution of the University, unless and until the sanction of expulsion has been rescinded by the institution that imposed the sanction.

[This is a rewrite of Administrative Memorandum #346.]

*Moved from 100.3.2[G]

700.4.3[g]*: Adopted 06/29/94

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700.5 Applicant Background Check

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700.5.1[R] Regulation on Student Applicant Background Checks

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UNC Policy Manual 235
1. UNC constituent institutions will perform background checks on either (i) all applicants offered admission, or (ii) all applicants offered admission who indicate their intent to attend, before the applicant may matriculate, as follows:
   A. The UNC Suspension and Expulsion Data Base
   B. The National Student Clearinghouse (when a method for automated checks becomes available). Until an automated method for conducting these checks becomes available, constituent institutions may limit their checks to applicants who are neither in high school at the time of the application nor show continuous enrollment in an educational institution since graduating from high school.
   C. NC Department of Public Instruction enrollment data base (when it becomes available). Until the DPI database becomes available, constituent institutions will check DPI enrollment records for all NC residents who do not provide a public school transcript in situations in which a high school transcript is required for admission.

   A constituent institution may conduct these background checks on an applicant before deciding whether or not to offer the candidate admission.

2. UNC will continue to work with NC DPI and the NC Community Colleges to have a high school or community college long term suspension or expulsion record supplied to UNC along with the high school or community college transcript.

3. UNC constituent institutions will perform criminal background checks on applicants being considered for admission, applicants admitted, or applicants offered admission who have indicated their intent to attend, before the applicant matriculates, if the application and supporting materials contain one or more of the following triggers (or red flags):
   i. The application together with supporting material contains materially inconsistent answers that have not been satisfactorily explained;
   ii. The applicant answers one or more of the six criminal background/ discipline questions affirmatively or submits subsequent information indicating (1) pending criminal charges, (2) acceptance of responsibility for a crime, (3) criminal convictions or (4) school disciplinary action, unless the affirmative answer or supporting material relates to a school disciplinary action that resulted from an offense that is remote in time or was insubstantial;
   iii. The application omits one or more answers without an acceptable explanation for the omission;
   iv. The application has an unexplained time period since graduation from high school during which the applicant was not, for example, enrolled in higher education, enlisted in the military, or employed fulltime; or
   v. Any other reason sufficient to the constituent institution.

   Constituent institutions are not required to perform criminal background checks on applicants who are younger than 16 years old at the time of the acceptance or on residents of North Carolina who have attained the age of 65 and are entitled to a tuition waiver under G.S. §115B-2.

4. All admissions letters for applicants who are to have criminal background checks performed will state that the admission is conditional on the results of a criminal check.

5. A constituent institution that is going to conduct a criminal background check must obtain the applicant’s consent, either in writing or electronically, to the criminal background check and to the use of the applicant’s social security number for purposes of the check. Alternatively, the constituent institution may provide instructions for the applicant to initiate the criminal background check directly through a specified vendor. If legally permissible, the constituent institution will offer as an alternative to allow a fingerprint check without using a social security number. The constituent institution or vendor must require the applicant to list the places the applicant has lived or gone to school outside North Carolina for more than 6 months in the last 7 years at a time that the applicant was at least 16 years old.

6. A constituent institution may either include the cost of conducting background checks in an increase to the general application fee or may charge the cost of criminal background checks to the applicant who is the subject of the check.

7. The scope of the criminal background check will depend on the residential history of the applicant:
   A. For current North Carolina residents whose applications and release forms disclose more than 6 months out of NC, a criminal background check will be conducted.
   B. For current NC residents whose applications and release forms disclose significant time outside NC, a residence check will be conducted, and then a criminal background check will be conducted for all appropriate states unless the applicant opts for a national FBI fingerprint check.
   C. For international students, a criminal background check of appropriate scope will be conducted.

8. Students who are admitted within 2 weeks before classes begin and who are subject to having a criminal background check pursuant to paragraph 3 above are allowed to be conditionally admitted and are allowed to matriculate pending the results of a criminal background check.

9. The vendor or other entity conducting the criminal background check will provide the constituent institution with a list of applicants with no criminal check. The constituent institution will offer as an alternative to allow a fingerprint check without using a social security number. The constituent institution may require the applicant to list the places the applicant has lived or gone to school outside North Carolina for more than 6 months in the last 7 years at a time that the applicant was at least 16 years old.

10. If an applicant has a positive criminal or disciplinary record, the constituent institution must:
    A. Compare the results of the checks to the application and supplemental information supplied by the applicant to determine discrepancies. If there are no discrepancies and if the constituent institution has made an individual determination that the applicant does not pose a significant threat to campus safety, and there is no additional information indicating that a decision to admit should be modified, the applicant may be admitted or a previous decision to admit may stand.
    B. If there are discrepancies, or if there is information indicating that admission decision should be further examined, the constituent institution must provide the applicant an opportunity to explain the discrepancy.
    C. If the report is determined to be accurate and there is a discrepancy between the reported information and the supporting material submitted, or there is additional information that contradicts the application or otherwise indicates that the admission should be examined further:
       i. The presumption is that the admission will be denied or withdrawn if the applicant has failed accurately to disclose relevant information in response to a question on the application. The burden is on the applicant to demonstrate that the omission or misinformation was the result of an honest mistake, that it was not intended to mislead, and that the applicant should be admitted in spite of the failure to disclose;
      ii. If the failure to disclose accurate information does not result in the denial of or withdrawal of the offer of admission, but there is information that raises the question of whether the nature of any crime committed or other behavior disclosed, together with other available information, suggests that the applicant will pose a significant threat to campus safety, the admission must be denied or withdrawn.

11. Each constituent institution must maintain a record of the kinds of records that require background checks, if any, conducted on each applicant and the results of those checks. If an applicant's record shows a history of conviction of, guilty plea to, or acceptance of responsibility for a crime or a significant disciplinary sanction at another educational institution, the constituent institution must maintain a record of the process used to determine whether or not the student posed a significant threat to campus safety and of the basis for that determination.

Effective date: This regulation is effective for all students who matriculate after 8/1/07.
700.6 Academic Integrity

700.6.1 700.6.1

700.6.1.1[G] Guidelines on Academic Integrity and Required Course-Clustering Analysis of Student-Athletes

The following guidelines have been issued to assist campuses in conducting the course-clustering analysis of student-athletes, as required in 700.6.1.1[R].

I. Guiding Principle

Student-athletes should be allowed to register and enroll in any section that facilitates timely progress towards degree. While student-athletes should not be steered away from sections with a high proportion of other student-athletes, those sections merit careful monitoring.

II. Definitions

A. Student-Athlete

For the purpose of the course-clustering analysis, student-athletes are defined in accordance with the NCAA “Squad List.” [1]

Though the NCAA “Squad List” may change due to status adjustments in its members, constituent institutions will use the Squad List on file at time of fall, spring, and summer (all terms) census.

For the first year of reporting (Summer 2013 (all terms), Fall 2013, and Spring 2014) constituent institutions are strongly encouraged to use the Squad List at time of census; however, constituent institutions have the option of using the Squad List as of the first day of competition. All subsequent reports must use the Squad List at time of census.

B. Course Clustering

Course clustering is defined as when student-athletes make up 25 percent or more of the section enrollment at fall census for fall semester analysis, spring census for spring semester analysis, and summer censuses for summer terms analysis. If this threshold is met, then the section is considered a “flagged section” and the constituent institution must initiate a review as provided in Section V., of these guidelines.

Constituent institutions may choose a more stringent course enrollment threshold if desired.

III. Review Frequency

A course-clustering analysis will be conducted once in the fall term, once in the spring term, and once for all summer terms for all student-athletes (i.e., student-athletes who compete in a fall sport will still be included in the spring term review).

Constituent institutions will submit information only once a year to UNC General Administration (see Section VI., below).

IV. Monitoring of Course Clustering

The constituent institution’s chief academic officer is responsible for oversight of the course-clustering review.

V. Review of Course Clustering

A. Review of course clustering will consist of at least the following elements:

1. Analyzing the grade distribution between student-athletes and non-student-athletes in flagged sections.

   Irregularities, as defined by the constituent institution’s senior academic affairs leadership, will be noted and the appropriate dean, in consultation with the appropriate department chair and faculty athletics representative, will be responsible for determining reasons for the irregularities, creating a corrective action plan if appropriate, and delivering a written report of findings and recommendations to the chief academic officer by the end of the subsequent term.

2. Analyzing the grade distribution between flagged sections and non-flagged sections of same course.

   Irregularities, as defined by the campus senior academic affairs leadership, will be noted and the appropriate dean, in consultation with the appropriate department chair and faculty athletics representative, will be responsible for determining reasons for the irregularities, creating a corrective action plan if appropriate, and delivering a written report of findings and recommendations to the chief academic officer by the end of the subsequent term.

3. Reviewing the transcript of any student-athlete who enrolls in three or more flagged sections per academic year (including summers).

   Irregularities, as defined by the campus senior academic affairs leadership, will be noted and the provost’s office will work with the appropriate deans and the faculty athletics representative to determine reasons and review findings with the department of athletics.

VI. Reporting of Course Clustering

The president of the University, or the president’s designee, will annually provide a template for constituent institutions to submit course-clustering information. This information will be summarized by UNC General Administration for inclusion in the annual Intercollegiate Athletics Report required by Policy 1100.1.1.

[1] NCAA 15.5.11.2 - The member institution's athletics director shall compile a list, on a form maintained by the Awards, Benefits, Expenses and Financial Aid Cabinet and approved by the Legislative Council, of the squad members in each sport on the first day of competition and shall indicatethereon the status of
The procedures below are grouped by functional area, and each has a corresponding implementation date.

I. Registrar and Student Records Best Practices
   A. All campuses will have clear rules designating individuals (by position occupied) authorized to submit a course grade or grade change, and the circumstances under which such changes may be made. (September 2013)
   B. All campuses will have audit procedures for verifying that only an authorized person submitted grades or grade changes to the student information system. (September 2013)
   C. All campuses will maintain an electronic record of grade-related approvals and changes to the student information system. (December 2014)
   D. All campuses will have course numbering and reporting conventions that utilize separate section numbers to identify independent study courses taught by individual faculty members. (May 2014)

II. Evaluating the Academic Performance of Student-Athletes and Other Student Subgroups
   A. Using results from the 2013 Board of Governors’ Intercollegiate Athletics Report, General Administration will work with campuses to develop a common threshold or definition of clustering by student-athletes or other student subgroups that will trigger an automatic review of flagged courses to determine whether there were any irregularities in the reasons clustering occurred. (December 2013)
   B. On an annual basis, all campuses will review the course grade-point averages calculated for student-athletes and other student subgroups versus nonstudent-athletes and other identified subgroups. A summary of student-athlete comparisons will be included in the required Board of Governors’ Intercollegiate Athletics Report, beginning in 2014.
   C. All campuses will have procedures for notifying academic advisors and Academic Support Program staff of any changes made to the course grades of student-athletes and/or to their course schedules after the designated two-week drop/add period. (December 2013)

III. Review and Approval of Nonstandard Courses and Course Sections
   All campuses will have processes and policies to ensure that all forms of individualized instruction conform to the basic guidelines pertaining to other undergraduate courses, including but not limited to a syllabus or learning contract specifying expected student learning outcomes, number of hours of expected work, grading information, and scheduled meeting times with the faculty member. (September 2013)

IV. Supervision and Evaluation of Faculty and Faculty Administrators
   A. All campuses will have guidelines on the number of undergraduate independent studies a faculty member may teach per term. If campuses choose to enumerate a limited number of circumstances under which exceptions to these limits may be approved, guidelines must enumerate the required individuals (by position) who must grant approval. (September 2013)
   B. All campuses will have criteria and processes to ensure the regular review and evaluation of all aspects of performance of department chairs. (September 2013)

700.6.1[R]: Adopted 04/25/13
III. Data Collection and Reporting on Military-Affiliated Students. The president shall establish appropriate and uniform data collection procedures to enable the constituent institutions to identify and track the academic progress of military-affiliated students for the purposes of evaluating and reporting retention, graduation, and time to degree completion. Collecting, analyzing, and publishing this data supports the intent of Presidential Executive Order 13607 (“Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members,” issued April 27, 2012), aligns with the recommendations contained in the UNC SERVES April 2010 Report to the President, and serves to track progress made towards the implementation of Session Law 2014-67. Constituent institutions must develop appropriate protocols to assure the security of all information related to the status of active-duty students and students eligible to be activated.

IV. Residency Status of Military-Affiliated Students. North Carolina created and maintains its public institutions of higher education primarily for the benefit of the residents of North Carolina, and its institutions are generously supported by the General Assembly and the public. Nonresident military-affiliated students may be eligible to receive the in-state tuition rate under the conditions established by state and federal law, and the guidelines promulgated by the Residency Determination System (RDS).

V. Campus Support Structures for Military-Affiliated Students. The constituent institutions shall develop and maintain campus-based support networks, as well as a comprehensive series of community, regional, and national referrals for military-affiliated students to assist in successful navigation of their educational goals. These services shall include, but not be limited to, admissions, financial aid, housing, disability services, career services, health services and counseling, and other student services and supports offered under student affairs and academic affairs.

VI. Military Credit Transferability. The University of North Carolina System recognizes the value of the education, training, and experience that military students bring to the university. The University and its constituent institutions shall establish a process by which this learning can be evaluated for possible course credit. Such military learning may include, but will not be limited to, recruit training, military occupational specialty (MOS) training and education, Defense Language Institute foreign language coursework and exams, Community College of the Air Force (CCAF) coursework, College-Level Examination Program (CLEP), and the DANTES Standardized Subject Test (DSST). The American Council on Education (ACE) credit equivalency recommendations shall serve as the standard reference work for recognizing learning acquired in the military.

VII. Withdrawal Due to Call to Duty. The University of North Carolina System supports students called to active duty or training in the United States Armed Forces, including service in the National Guard or Reserve. The policies of the constituent institutions shall assist, whenever possible, the student in withdrawing and re-entering the university without incurring financial or academic hardship. Such policies shall include but are not limited to:

A. Military Withdrawal
B. Refunds of Tuition, Fees, and Other Expenses
C. Academic Credit
D. Deferral of Enrollment
E. Military Leave of Absence
F. Re-admission into the University
G. Scholarship Status

VIII. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of its adoption by the Board of Governors.
B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

[1] Nothing in this policy prevents constituent institutions from evaluating military learning independent of the ACE evaluation.

[2] Constituent institutions may choose whether to extend some or all of the benefits of these policies to the spouse or child of a person called to active duty. Institutions may also choose to include spouses and children of persons called to active duty under the extenuating circumstances regulation (Section 400.1.5[R] of the UNC Policy Manual).

700.7.1: Adopted 06/16/13, Amended 02/27/15, Amended 07/27/18

700.7.1[R] Regulation for Military Student Success

I. Purpose. This regulation provides a framework for the constituent institutions of the University of North Carolina System (UNC System) to develop and maintain a comprehensive network of services for military-affiliated students seeking to meet their educational goals. This regulation implements the requirements of Section 700.7.1 of the UNC Policy Manual, and serves to promote the general welfare of United States (U.S.) military service members, veterans, spouses, and dependent family members at the constituent institutions.

II. Data Collection and Reporting on Military-Affiliated Students. The UNC System Office shall establish appropriate and uniform data collection guidelines and procedures that will enable the tracking of academic progress of military-affiliated students, and that will support the enactment of the recommendations contained in the UNC SERVES April 2010 Report to the President.

III. Application Fees for Active Duty Service Members. Constituent institutions are encouraged to waive the admissions application fee for all service members if they are in an active duty status at the time of application.

IV. Tuition Rates for Military-Affiliated Students. Constituent institutions shall clearly articulate the process for military-affiliated students to establish eligibility for the in-state tuition rate pursuant to state and federal law, and to the guidelines of the Residency Determination System. Information regarding eligibility for in-state tuition shall be publicized as part of both the undergraduate and graduate recruitment and admissions processes.

V. Faculty and Staff Support Training on Issues Affecting Military-Affiliated Students. Constituent institutions shall provide support for faculty and staff training on issues that are unique to, or commonly encountered by, military-affiliated students. This training should conform to best practice guidelines. Professional advisors and faculty should be well-versed in continuous enrollment provisions in order to assist military-affiliated students in making the best decisions about their academic program choices.

VI. North Carolina National Guard Tuition Assistance Benefit. The North Carolina National Guard Tuition Assistance benefit shall be applicable to students at UNC constituent institutions seeking to achieve a two-year associate degree, a four-year baccalaureate degree, or a graduate degree. It shall also be applicable to students enrolled in a program granting a graduate certificate, and to students enrolled in a professional certification program recommended by the director of the North Carolina National Guard Education and Employment Center and approved by the North Carolina National Guard Education Services Officer.

VII. Campus-Based Support Structures for Military-Affiliated Students. Constituent institutions are encouraged to create campus-based military affairs committees to assist military-affiliated students in successfully transitioning to and succeeding in and beyond the educational environment. To ensure effectiveness, these committees should, at the minimum, be charged with:

A. Facilitating awareness and communication between key departments with regard to constituent institution-based services for military-affiliated students;
B. Coordinating and evaluating programs and services for military-affiliated students;
C. Factoring military-affiliated students into institutional planning, particularly with regard to diversity; and
D. Ensuring institutional compliance with standards based on policy implemented by the Department of Defense and Department of Veterans Affairs.

VIII. Financial Support of Military-Affiliated Students
A. Constituent institutions shall create policies that guarantee that undergraduate and graduate military-affiliated students using United States Veterans Administration (VA) educational benefits are held harmless from VA processing delays that prevent timely payment of their educational benefits. These policies shall include provisions:
1. Granting forgiveness of late payment fees on students whose VA educational benefits are delayed; and
2. Maintaining students’ course registrations until such benefits are received.
B. Constituent institutions are encouraged to develop a policy providing undergraduate and graduate students using GI Bill benefits with “bridge loans,” payment plans, tuition deferments, vouchers, or some combination of these items to cover tuition, fees, housing, books, and other expenses related directly to university life, as defined by campus policy, until payment is received from the VA.
C. Scholarships and Grants. Development offices at constituent institutions are also encouraged to create, fund, and maintain scholarships and grants for undergraduate and graduate military-affiliated students.

IX. Campus Employment. Constituent institutions are encouraged to recruit veterans and eligible family members, when appropriate, for on-campus VA work study.
X. Organizations and Communication. Constituent institutions are encouraged to support student veteran organizations and/or other military-affiliated student organizations. The student organization advisor is encouraged to communicate updates on veterans and military affairs on campus, as well as updates on veterans-related resources related to any military-affiliated student groups.

XI. Academic Support for Military-Affiliated Students
A. Orientation/Transition Seminar. To the greatest extent possible, constituent institutions shall provide break-out sessions focused on military-affiliated students as part of their regular orientation programs. When possible, the resources of this session should be made available online. Constituent institutions offering a credit-bearing introduction to the university course should consider providing a section or sections exclusively for military-affiliated students.
B. Priority enrollment. Active duty students using Armed Forces Tuition Assistance (TA) and students who have been released from active duty for a specific amount of time to attend college through a military degree completion program often face unique scheduling challenges. Whenever possible, constituent institutions should recognize such challenges by providing these students with priority enrollment.
C. Academic Assistance. Constituent institutions shall evaluate, review, adapt, and monitor academic assistance, including mentoring and tutoring, for their military-affiliated students. Reports of challenges and successes should be provided to the institution’s Military Affairs Committee.
D. Military Science Courses and Tuition Surcharge. Constituent institutions should refer to the tuition surcharge exemption list that is part of Section 1000.15(R).
E. Service Cords. Constituent institutions are encouraged to provide military service cords for graduating student veterans, active-duty members, members of the National Guard, and Reservists. Institutions shall communicate to these students a process for acquiring these cords. Service cords shall be provided free of charge, when possible. Institutions shall consider officially recognizing these graduates in the printed program and/or during the ceremony.

XII. Military Learning and Academic Credit
A. The University of North Carolina System seeks to maximize and make consistent the transfer of credit from military training and experience to constituent institutions.
B. As mandated by Section 3 of Session Law 2014-67, the Board of Governors of the University of North Carolina and the State Board of Community Colleges have jointly developed a plan (the Plan) for implementing a uniform system of granting course credits for military training and experience to all students enrolled in constituent institutions of the University of North Carolina System, and the North Carolina Community College System (NCCCS).

C. Military Credit Advisory Council
1. Pursuant to the Plan, the UNC System Office, in conjunction with the North Carolina Community College System Office, will create and maintain a Military Credit Advisory Council (MCAC). The MCAC will be comprised of faculty, staff, and administrators from UNC System and NCCCS institutions, and of representatives from both system offices. It may also include representatives from North Carolina’s business sector, state government, and military installations.
2. The MCAC shall provide guidance to and share information with the constituent institutions on all issues related to the awarding of academic credit for military training and experience.
3. The overall purpose of the MCAC is to ensure that military training courses and occupational experiences are evaluated by faculty members from UNC System and NCCCS institutions in an independent manner and by use of standard levels of objectivity and academic rigor.

D. Military Training Course and Occupational Experience Evaluation Panels
1. The MCAC shall publish recommendations that have been made by faculty panels and approved by the UNC System Office senior vice president for academic affairs in an accessible system that informs current and prospective veteran students as well as faculty and staff who routinely assist them.
2. Constituent institutions shall publicize and adhere to credit recommendations made by faculty panels and approved by the UNC System Office senior vice president for academic affairs. In the event that an academic department at one of the constituent institutions does not concur with one or more of these credit recommendations, the department head shall submit the rationale for the disagreement through the campus provost to the MCAC. The MCAC shall forward the rationale to the UNC System Office senior vice president for academic affairs for further review and for a final determination.

E. UNC Constituent Institutions: Constituent institutions:
1. Shall establish and publish a process whereby active duty military, reservists, and veterans receive credit for, or a waiver of, the general education health and/or physical education requirements, based on military recruit training.
2. Shall accept foreign language coursework completed through the Defense Language Institute Foreign Language Center (DLIFLC) as transfer credit.[1] Institutions are also encouraged to establish a process for students to demonstrate proficiency and to waive campus language requirements for other foreign language skill development outside of DLIFLC. Examples include: College-Level Examination Program (CLEP) on topics and annuncements related to any military-affiliated student groups.
3. Are encouraged to develop equivalency mapping for credit by exam for CLEP and DANTES Standardized Subject Tests (DSST), and to publish a chart showing the minimum allowable CLEP and DSST scores (no lower than 50 for CLEP) and the credit/course equivalences.
4. Are encouraged to train admissions counselors, registrars, academic advisors, department chairs or heads, and deans on the principles and practices of military credit transferability. The MCAC will provide training and consultation, as requested or required.
5. Shall exempt transfer credits resulting from military learning from the tuition surcharge calculation.
6. Shall consult with the UNC System Office director for prior learning assessment and military credit on any questions regarding evaluation of military training and experience not covered in the sections above.

XIII. Call to Duty

A. Military Withdrawal: Students called to active duty, and subsequently, any family members who are students, may need to withdraw from coursework during the course of a semester.

1. As stated in Section 400.5[R] of the UNC Policy Manual, students are expected to complete all the courses for which they are registered at the completion of the course adjustment period. Early withdrawal is permitted due to extenuating circumstances or military service.
2. Constituent institutions shall develop policies that permit an undergraduate or graduate student to withdraw from a course or courses at any time and without academic penalty due to their military service. Institutions may extend some or all components of this policy to apply to the spouse or child of a person called to active duty if they demonstrate sufficient cause for consideration due to changed circumstances. These policies must:
   a. Be published in the appropriate sections of the university catalogue and website.
   b. Describe the process by which the student (or an appropriate officer of the Armed Forces or official of the Department of Defense (DOD)) gives advance written or verbal notice of call to duty to the designated campus body or official, and describe the process by which the student informs the appropriate campus body or official of intent to return to the institution upon completion of period of service.
   c. Include provisions to notify students about the status of their scholarships at the time of a military withdrawal or leave of absence; and
   d. Establish the process for adjustment of any time limits for degree completion; and
   e. Describe the process of resumption of study;
   f. Describe the process by which the student informs the appropriate campus body or official of intent to return to the institution upon completion of period of service;
   g. Describe the process by which the student (or an appropriate officer of the Armed Forces or official of the Department of Defense (DOD)) gives advance written or verbal notice of call to duty to the designated campus body or official, and describe the process by which the student informs the appropriate campus body or official of intent to return to the institution upon completion of period of service;
   h. Describe the process of resumption of study;
   i. Establish the process for adjustment of any time limits for degree completion; and
   j. Describe a process that certifies the currency of all graduate degree requirements that may be beyond allowed time limits, including review in the case of required repetition of course work that might be outdated.

B. Refund of Tuition, Fees, and Other Expenses: Enrolled undergraduate and graduate students who are called to active duty during the semester, and who complete a military withdrawal from their course(s), shall be afforded the following special considerations. Constituent institutions will:

1. Issue a full refund of all payments made by or on behalf of the student, and/or adjust the student’s financial aid account, as appropriate.
2. Issue a full refund for textbooks purchased through the university bookstore for the semester in progress. The student being called to military service should present the textbooks, purchase receipt(s), and a copy of the applicable military orders.
3. Issue a prorated refund of room rent for a campus residence facility. This refund will be based on the student’s official check-out date.
4. Issue a prorated refund of board fees. This refund will be prorated from the opening date of the dining hall for the term during which the call to active duty occurs.
5. Allow unpaid account balances to be subject to a payment plan formulated with the student. No collection actions will occur during a deployment.

C. Academic Credit: Constituent institutions must have a separate transcript notation appropriate for students who withdraw for active or reserve military service. Such withdrawals will not count in the calculation of the GPA or tuition surcharge.

D. Deferral of Enrollment: Constituent institutions will allow admitted undergraduate and graduate students to defer admission if they are called to active duty before the start of a term. Constituent institutions should consider, in cases of a national emergency or crisis, allowing a deferral of enrollment for students who enlist in the United States Armed Forces prior to enrolling. Constituent institutions shall:

1. Describe the process by which the student (or an appropriate officer of the Armed Forces or official of the Department of Defense (DOD)) gives advance written or verbal notice of call to duty to the designated campus body or official, and describe the process by which the student informs the appropriate campus body or official of intent to return to the institution upon completion of period of service;
2. Publish the details of the process in the appropriate sections of the university catalogue and website;
3. Include provision for a full refund on all deposits paid by the student; and
4. Clarify the notification process of all relevant offices on campus.

E. Military Leave of Absence for Graduate Students: Constituent institutions shall develop policies permitting graduate students called to duty to take a military leave of absence from their program of study. These policies should:

1. Be published in the appropriate sections of the university catalogue and website;
2. Describe the process by which the student (or an appropriate officer of the Armed Forces or official of the DOD) gives advance written or verbal notice of call to duty to the designated campus body or official, and describe the process by which the student informs the appropriate campus body or official of intent to return to the institution upon completion of period of service;
3. Describe the process of resumption of study;
4. Establish the process for adjustment of any time limits for degree completion; and
5. Describe a process that certifies the currency of all graduate degree requirements that may be beyond allowed time limits, including review in the case of required repetition of course work that might be outdated.

F. Readmission to the University: All constituent institutions shall readmit undergraduate and graduate students who were called to active duty. Constituent institutions shall:

1. Readmit students who were in good academic standing at the time of their call to duty and who seek readmission no later than three years after the completion of the period of service.
2. Waive any new application process or fees.
3. Describe the process by which the student informs the appropriate campus body or official of intent to return to the institution upon completion of period of service.
4. Adjust the registration window for students to allow for early registration, if possible.
5. Clarify variations in regulations for readmission for students:
   a. Who were on academic probation or suspension; or
   b. Who were away longer than three calendar years following the completion of service.
6. Indicate a process for reinstatement to a specific undergraduate program of study.

G. Scholarship Status: When possible, and depending on the availability of funds, undergraduate and graduate students receiving university scholarships at the time of their call to duty should be able to receive the remainder of the scholarship upon their return. Constituent institutions shall develop policies related to the impact of call to duty on the scholarships they award. These policies must:

1. Include provisions to notify students about the status of their scholarships at the time of a military withdrawal or leave of absence; and
2. Describe the rules related to reinstatement of scholarships and the process to initiate reinstatement when possible.

H. National Guard and Reserves

1. Constituent institutions are encouraged to accommodate students who are required to participate in weekly or monthly meetings, weekend drills, annual trainings, military schooling or other training or official military events as members of the National Guard or Reserves.
2. Students should be advised to inform their course instructors that they are members of the National Guard or Reserves. Furthermore, they should try to avoid registering for courses in which their academic performance and learning will be substantially and negatively impacted by absences due to military commitments.
3. If a student seeks to be excused from class for National Guard or Reserve duty, the student is encouraged to provide a copy of orders or a letter from the unit command to the course instructor, and to inquire about making up missed course work. The course instructor is
encouraged to permit the student a reasonable amount of time to make up missed assignments.

1. Excused Absence for Time Missed Due to Being Placed on Active Duty by the North Carolina National Guard or Reserves. Any undergraduate or graduate student enrolled in a constituent institution who is a National Guard service member, or a member of the Reserves, and who is called to either state or federal active duty not requiring withdrawal during an academic term shall:
   1. Be given an excused absence for the period of time the student is on active duty;
   2. Be given the opportunity to make up any test or other work missed during the excused absence;
   3. Be given the option, when feasible to continue classes and coursework during the academic term through online participation for the period of time the student is placed on active duty;
   4. Be given a temporary grade of incomplete (I) for any course that the student was unable to complete as a result of being placed on active duty; however, the student must complete the course requirements within the period of time specified by the constituent institution in order to avoid receiving a failing grade for the course; and
   5. Be permitted to drop, with no penalty, any course that the student was unable to complete as a result of being placed on active duty status.

XIV. 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 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.

[1] The DUFLC is a regionally accredited higher education institution. In terms of transfer, courses completed through this institution should be evaluated and academic credit awarded under the same criteria as any other regionally accredited college or university.

[2] Campuses may choose to process family requests under the extenuating circumstances provision of their policies, as outlined in Section 400.1.5[R] of the UNC Policy Manual. Alternatively, campuses may choose to process family requests under documentation and review requirements set up for persons called to active duty.

[3] No notice is required if the giving of such notice is precluded by military necessity, such as a mission, operation, exercise, or requirement that is classified or a pending or ongoing mission, operation, exercise, or requirement that may be compromised or otherwise adversely affected by public knowledge (HEA Sec. 484C(c)(1)(A)(B)(C)).

[4] Campuses with a rental program should consider a refund or a prorating of the rental fee.

[5] If the student is receiving a BAH benefit from the VA for housing, they are entitled to keep all funds through their last date of attendance (as certified on campus). Any funds received from the VA for any period after the last date of attendance become a VA student debt.

[6] No notice is required if the giving of such notice is precluded by military necessity, such as a mission, operation, exercise, or requirement that is classified or an pending or ongoing mission, operation, exercise, or requirement that may be compromised or otherwise adversely affected by public knowledge (HEA Sec. 484C(c)(1)(A)(B)(C)).

[7] No notice is required if the giving of such notice is precluded by military necessity, such as a mission, operation, exercise, or requirement that is classified or a pending or ongoing mission, operation, exercise, or requirement that may be compromised or otherwise adversely affected by public knowledge (HEA Sec. 484C(c)(1)(A)(B)(C)).

[8] A student hospitalized or convalescing from an illness or injury suffered during the performance of military service shall notify the institution of the intent to return no later than two years after the end of recovery. A student who fails to apply for readmission within the period described shall not automatically forfeit such eligibility for readmission to the institution of higher education, but shall be subject to the institution’s established leave of absence policy and general practices (HEA Sec. 484C(c)(4)(A) through (c)(4)(C)).

[9] Required checks for campus safety will be performed.

[10] Required checks for campus safety will be performed. Constituent institutions will incur the fee.

700.7.1[R]: Adopted 01/20/15, Amended 08/13/18

700.8 Campus Housing

700.8.1 Campus Housing

The constituent institutions shall not assign members of the opposite sex to any institutionally owned and operated dormitory room, dormitory suite, or campus apartment unless the students are siblings, parent and child, or they are legally married. This policy applies to housing assignments beginning with the fall 2013 semester.

700.8.1: Adopted 08/09/13

700.9 Recognition of Student Organizations

700.9.1 Recognition of Student Organizations

Each constituent institution shall adopt student organization recognition policies, including, but not limited to, criteria for use of campus facilities and receipt of funding derived from mandatory fees. Such policies shall, at a minimum, provide that student organizations that select their members or leaders on the basis of commitment to a set of beliefs (e.g., religious or political beliefs) may limit membership and participation in the group to those students who, upon individual inquiry, affirm that they support the group’s goals and agree with its beliefs.
700.10 Awarding Course Credit

700.10.1 Policy on Awarding Undergraduate Credit on the Basis of Advanced Course Examination Scores

I. Purpose. N.C. Gen. Stat. § 115C-174.26 (hereinafter G.S.), establishes the intent of the state to enhance accessibility and encourage students to complete rigorous advanced courses at the secondary level. The state has defined advanced courses as Advanced Placement (AP), International Baccalaureate (IB) Diploma Programme, and Cambridge International Advanced Subsidiary (AS) Level and Cambridge International Advanced (A) Level. Students enrolled in North Carolina public schools are exempt from paying any fees for the administration or registration of examinations for these Advanced Courses. With this substantial support from the state of North Carolina, students in the state’s high schools have the opportunity to earn credit toward a postsecondary degree via AP, IB, and Cambridge A Level and AS Level examinations.

It is therefore in the best interest of North Carolina’s students that the University of North Carolina’s (UNC) System constituent institutions award undergraduate credit on the basis of Advanced Course examination scores in a uniform manner, and that potential students and their families receive clear and consistent information regarding this awarding of undergraduate credit. Furthermore, it is in the best interest of students and the state that UNC System undergraduate students who prove that they have completed college-level work via one of these state-supported Advanced Course examinations receive credit so that they might complete a degree in a timelier manner.

Accordingly, the constituent institutions shall adopt policies governing the awarding of undergraduate credit on the basis of Advanced Course examination scores not inconsistent with this policy.

II. Awarding Credit for Advanced Course Examination Scores. UNC System constituent institutions shall award appropriate credit to undergraduates who have earned a Qualified Advanced Course Examination Score, as defined in the Regulation on Awarding Undergraduate Credit on the Basis of Advanced Course Examination Scores, Section 700.10.1[R] of the UNC Policy Manual. Any exceptions to this policy must be approved by the institution’s board of trustees in accordance with the guidance described in Section 700.10.1[R] of the UNC Policy Manual.


IV. Relationship to Other Credit Programs. The purpose of this policy is to provide a standard minimum consideration of college credit for Advanced Courses, as defined by G.S. §115C-174.26. This policy does not preclude UNC System constituent institutions from electing to award additional college credit for other scores on the AP, IB, Cambridge A-Level, or Cambridge AS-Level exams, or for acceptable performance in other programs as identified by the constituent institution.

V. Other Matters

A. Effective Date. The requirements of this policy with regard to AP examinations shall be effective as of the 2019-20 academic year and thereafter. The requirements of this policy with regard to IB and Cambridge AS-Level and A-Level examinations shall be effective as of the 2020-21 academic year and thereafter. Requirements are stipulated further in Section 700.10.1[R] of the UNC Policy Manual.

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 from time to time by the president.

700.10.1[R] Regulation on Awarding Undergraduate Credit on the Basis of Advanced Course Examination Scores

I. Purpose. The following regulation ("this regulation") is designed to provide system-wide consistency and clarity regarding implementation of the Policy on Awarding Undergraduate Credit on the Basis of Advanced Course Examination Scores ("the policy"). Section 700.10.1 of the UNC Policy Manual.

Among the goals of the policy and this regulation are to enable improvements to student progression and completion according to student readiness, while avoiding awarding credit for material that a student has not mastered or placing a student into a course for which she or he is not prepared.

Faculty representing relevant academic departments should be engaged in institutional decisions for the implementation of the policy and this regulation, to ensure that decisions are informed by the standards of applicable disciplines. Another benefit of faculty involvement in the implementation of the policy and this regulation will be to ensure that implementation is in alignment with the standards of the Southern Association of Colleges and Schools Commission on Colleges and of accrediting bodies for specific disciplines and professions.

II. Definitions. The following operational definitions apply to the policy and this regulation:

A. "Academic Outcomes." Results of a student’s performance in the course aligned with the subject content of the Advanced Placement (AP), International Baccalaureate, or Cambridge Advanced International Certificate AS Level or A Level examination scores in question or in the Subsequent Course.

B. "Appropriate Credit." A determined number of credit hours granted for a particular course or courses, aligned with the subject content and Academic Outcomes of the AP, IB, or Cambridge AS-Level or A-Level examination score in question.

1. After achieving a Qualified Advanced Course Examination Score, a student shall be awarded specified credit hours associated with an institution’s course(s) that is/are aligned with the subject content of the relevant Advanced Course examination score.

2. In general, equivalents for Appropriate Credit for particular course(s) in a constituent institution’s course catalog (and/or other sources of information for students and potential students) shall be listed for Qualified Advanced Course examination scores. The particular course(s) shall be listed as equivalent to a particular number of credit hours. These particular course(s) and credit hours shall contribute to a student’s progress toward an undergraduate degree.

C. "Compelling Reasons." Rational of sufficient evidentiary quality, based on Academic Outcomes, as to why scores higher than the established Qualified Advanced Course Examination Score might be required of an institution’s students (if these students are to receive Appropriate Credit), submitted to an institution’s board of trustees in support of an institution’s petition for an exception to the policy, or rationales of sufficient evidentiary quality as to why a constituent institution might discontinue awarding Appropriate Credit on the basis of a Qualified Advanced Course Examination Score.
D. "Qualified Advanced Course Examination Score." Unless a constituent institution has been granted an exception whereby a higher score may be required, the following shall constitute the minimum score required to receive college credit:

1. A score of three or higher on an AP examination;
2. A score of five or higher on a Standard Level IB examination;
3. A score of four or higher on a Higher Level IB examination; and/or
4. A score of C or higher on a Cambridge A Level or AS Level examination

E. "Quantitative Study." A rigorous analysis based on reliable, numerical data regarding Academic Outcomes.

F. "Subsequent Course." A course in which a student would be unable to enroll without first obtaining credit in a prerequisite course.

III. Affected Students. The requirements of this policy and regulation regarding AP examination scores shall affect first-time (or "freshman") undergraduate students entering constituent institutions for the fall semester of the 2019-20 academic year and thereafter. Other undergraduate students (including but not limited to transfer students, readmitted students, and upperclassmen) may benefit from the requirements of the policy and this regulation by electing into all standards documented in an institution’s catalog (and/or other sources of information for students and potential students) for the 2019-20 academic year or thereafter.

The requirements of this policy and regulation regarding IB and Cambridge AS Level and A Level examination scores shall affect first-time (or "freshman") undergraduate students entering constituent institutions for the fall semester of the 2020-21 academic year and thereafter. Other undergraduate students (including but not limited to transfer students, readmitted students, and upperclassmen) may benefit from the requirements of the policy and this regulation by electing into all standards documented in an institution’s catalog (and/or other sources of information for student and potential students) for the 2020-21 academic year or thereafter.

IV. Awarding Appropriate Credit UNC System constituent institutions shall award Appropriate Credit to undergraduates who have earned a Qualified Advanced Course Examination Score. An institution with Compelling Reasons as to why a score higher than three must be required for a student to receive Appropriate Credit may petition to have an exception approved by its board of trustees. Compelling Reasons must be based on analyses of Academic Outcomes.

Constituent institutions should not deny Appropriate Credit to students on the basis of the age of Advanced Course Examination Scores that are ten years old or newer, although constituent institutions may request that a student submit a newer exam score in the event that an older score reflects course content or testing design for an exam that subsequently has been revised in a significant manner.

Constituent institutions are not required to offer Appropriate Credit for every AP, IB, Cambridge A Level, or Cambridge AS Level exam offered; but, if an institution does offer credit for a particular AP Exam, it must offer Appropriate Credit in compliance with the policy and this regulation. If an institution elects to discontinue the awarding of credit for an AP Exam for which credit is awarded during the 2018-19 academic year, however, approval must first be provided by the institution’s board of trustees.

A. An institution may offer Appropriate Credit that varies by different scores for the same AP Exam. For example, an institution may offer a specified number of credit hours for a course or courses for students who earn an AP Exam score of three, and may offer credit hours for different courses for AP Exam scores higher than three.

B. Constituent institutions may award Appropriate Credit (on the basis of Qualified Advanced Course Examination Scores) for elective courses, credits toward General Education requirements, or the requirements of a potential major. Appropriate Credit awarded for any elective courses should contribute to students’ progress toward an undergraduate degree.

C. Constituent institutions are not required to modify existing standards that apply to scores lower than those defined as Qualified Advanced Course Examination Scores.

V. Policy Exceptions

A. Evidence in support of an institution’s Compelling Reasons for an exception to the policy shall be supported by the most recently available and practicable data on Academic Outcomes of that constituent institution’s own students, from the undergraduate discipline most analogous or relevant to the content area of the Advanced Course Examination in question, except as outlined below.

B. In general, evidence for a Compelling Reason should address whether or not students who earn a Qualified Advanced Course Examination Score are prepared to succeed in the Subsequent Course within the relevant discipline. For example, constituent institutions may demonstrate that students who earn a Qualified Advanced Course Examination Score would perform significantly better, according to one or more Academic Outcomes, if those students were required to take the equivalent course for the Advanced Course Examination Score at the constituent institution, whereas if those students were given credit for said course solely on the basis of the Qualified Advanced Course Examination Score.

To generate this sort of evidence, institutions should endeavor to compare the Academic Outcomes of their enrolled students through Quantitative Study at a conventional level of statistical significance.

Evidence in support of an institution’s Compelling Reasons for an exception to the policy may be supported by data on the Academic Outcomes of another institution’s (or other institutions’) students if the following conditions are met:

1. Data on Academic Outcomes available are as recent as possible and practicable, from the undergraduate discipline most analogous or relevant to the content area of the Advanced Course Examination in question; and
2. The other institution(s) for comparison is/are limited to those peer institutions approved by the Board of Governors.

VI. Student Choice Regarding Undergraduate Credit on the Basis of Advanced Course Examination Scores. Although an institution is required by the policy to offer Appropriate Credit, a student may decline to accept the offered credit, audit the course aligned with the Advanced Course Examination in question, or enroll in the course aligned with the Advanced Course Examination in question, depending on institutional practice.

A. Whenever possible, institutional academic advisors should inform eligible undergraduates of the above-described options available to them under the policy and this regulation, along with the potential benefits and disadvantages of those options. Institutions may choose to complement advice from academic advisors with a standardized communication to incoming students regarding Advanced Course Examination standards and the potential benefits and disadvantages of the above-mentioned options.

VII. Prohibition Against Additional Requirements for Awarding Undergraduate Credit on the Basis of Scores for an Advanced Course Examination. A constituent institution shall not require a student to fulfill additional requirements in order to receive credit on the basis of Qualified Advanced Course Examination Scores. A placement test or other assessment may be required, however, to determine Subsequent Courses for which a student is prepared.

VIII. Prohibition Against Discontinuance of Awarding Undergraduate Credit on the Basis of Scores for an AP Exam. Any institutional policy or practice of awarding credit on the basis of scores for any Advanced Course Examination in place prior to the implementation of the policy (during the 2018-19 academic year) shall not be discontinued thereafter without approval of the institution’s board of trustees.

IX. Documenting and Communicating Institutional Advanced Course Examination Standards to Undergraduate Students and Potential Undergraduate Students. Institutional Advanced Course Examination standards, devised to comply with this policy and regulation, shall be documented and updated annually in institutional course catalogs, undergraduate student handbooks, and/or online resources for undergraduate students. Institutional Advanced
Course Examination standards shall likewise be documented and updated annually in online and/or printed resources for potential undergraduate students. Constituent institutions should likewise publicize their own policies or practices regarding Advanced Course Examination scores that may or may not be accepted on the basis of the age of those scores.

X. Reporting Requirements. Initial reports regarding exceptions to the policy and/or discontinuances of awarding Appropriate Credit on the basis of Qualified Advanced Course Examination Scores, granted by institutional boards of trustees, shall be reported to the president by July 1, 2019. Subsequent reports of exceptions, discontinuances, and/or other alterations relative to this policy shall be reported to the president annually by July 1. Reports to the president shall include full documentation of Compelling Reasons considered by boards of trustees, along with documentation of the board’s approval, for each exception granted.

XI. Assessment of the Policy and this Regulation’s Effectiveness. The effects of the policy and this regulation, at the level of the UNC System and across its constituent institutions, shall be assessed by the UNC System Office within three years of implementation, and then on a period basis. Recommendations for altering the policy and this regulation shall be made accordingly to the president (for this regulation) or Board of Governors (for the policy), on the basis of appropriate evidence.

XII. Other Matters

A. Effective Date. The requirements of the policy and this regulation with regards to AP examinations shall be effective as of the fall semester of the 2019-20 academic year and thereafter; the requirements of the policy and this regulation with regards to IB and Cambridge AS-Level and A-Level examinations shall be effective as of the 2020-21 academic year and thereafter.

B. Relation to Federal and State Laws. 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 related to the subject matter of this regulation.

700.10.1[R]: Adopted 12/19/18, Amended 11/20/19
Chapter 800 Financial Aid

800.1 Scholarship Programs

800.1.1 Medical and Dental Scholars' Program

A report by a panel of consultants for medical education titled "A Statewide Plan for Medical Education in North Carolina" was adopted by the Board of Governors on November 16, 1973. The following recommendations to create a Medical Scholars Program are excerpted from that report:

We recommend that:

1. There be organized by the University, in cooperation, if feasible, with the Old North State Medical Society, a statewide program to interest more qualified minority students at the high-school and college level in medical careers, to improve opportunities for premedical education for such students, and to assure that premedical counseling is of the very best.

2. The University seek authority and funds to set up a program of special financial aid for North Carolina minority students who are admitted to medical schools in the State or to schools outside the State and who need financial help. Such a program should provide for scholarships as well as loans since experience has shown that this combination is necessary to attract many minority students into medicine and since scholarship aid from sources such as the National Medical Fellowship Fund is not insufficient for this purpose.

3. That the development of additional residency training opportunities within the State (Recommendation 1) be accompanied by an intensive organized effort to increase the number of minority medical graduates who accept such positions in North Carolina.

The following is an excerpt of the President's report to the Board of Governors on November 16, 1973, recommending actions consistent with the above recommendations.

E. Scholarship Program for Undergraduate Medical Students

Today there are only about 125 black practicing physicians in North Carolina, and 77 of them are graduates of Meharry Medical College. The three medical schools have increased their enrollments of minority students, and significant progress is being made in this effort. This year there are 46 minority students in the School of Medicine at Chapel Hill, 16 in Bowman Gray and 24 in Duke. Clearly, this effort needs more support.

The steps outlined [elsewhere in the report] will help to meet this need. A related problem exists, however, in the heavy burden which the costs of medical education impose upon qualified students of all races who are financially disadvantaged. In some instances these students find that they must pursue their medical education in schools in other states, where major scholarship assistance is made available to them.

I recommend that funds be requested from the General Assembly for the establishment of a program of undergraduate medical scholarship sponsored by the Board of Governors. It is recommended that fifteen such scholarships be funded, beginning in 1975-76, in 1976-77, and in 1977-78. Each scholarship would pay a stipend of $4,000 each year for four years, provided that the recipient is enrolled in an accredited medical school in North Carolina, and provided further that the recipient remains a full-time undergraduate medical student in good standing. Additionally, the scholarship would pay all tuition and academic fees. Qualified students of all races who are financially disadvantaged would be eligible.

This program, when fully operative by 1977-78, would support each year 60 deserving North Carolina students in the medical schools of the State, who might otherwise be unable to attend medical school or who might leave the State to study medicine. The students would be designated Board of Governors' Medical Scholars. The Vice President for Student Services will work with the deans of the three medical schools in developing guidelines, procedures and criteria for the administration of this scholarship program.

In 1978, the Board of Governors adopted a similar program for dental scholars.

800.1.1: Adopted 11/16/73

800.1.1.1[G] Guidelines on Recruiting and Attracting Graduates of Meharry Medical College Who are North Carolina Residents for Whom State Financial Support was Provided to Meharry Medical College

Introduction

This plan responds to North Carolina General Statute § 143-613 as contained in House Bill 230, Section 15 of the North Carolina General Assembly which provides the following:

The Board of Governors of The University of North Carolina shall develop and implement a plan to recruit and attract graduates of Meharry Medical College who are North Carolina residents for whom State financial support was provided to Meharry Medical College. The Board's plan shall include informing the students of the State support, providing information about medical residency opportunities in North Carolina, and any other relevant information about opportunities for medical and dental practice in North Carolina. The Office of Rural Health and the Area Health Education Centers shall assist the Board in developing and implementing the plan. The Board shall include State supported graduates of Meharry Medical College in its monitoring report required by G.S. 143-613(d) on primary care physicians. Meharry Medical College shall supply information necessary for the Board to comply with this section.

The State of North Carolina has for many years, under contracts with institutions in other states, secured spaces for the training of its students in certain health professions which could not be fully provided by institutions in our State.

North Carolina students selected to fill contract spaces qualify for reduced tuition at the private institutions and for payment of tuition at the in-state rate at the public institutions. Students may also qualify for loan, scholarship, and work-study programs administered by the contracting institutions. The State of North Carolina has several student aid programs which may provide additional assistance. Students must be bona fide residents of the State in order to qualify for support under North Carolina's contract programs.

The contract programs are administered by the University of North Carolina General Administration. With the exception of one program in Optometry (at the Pennsylvania College of Optometry) all existing contract programs have been arranged through the Southern Regional Education Board in Atlanta. The programs are as follows:

UNC Policy Manual
In 1950 there were 29 North Carolina students enrolled in Meharry Medical College with 17 in dentistry and 12 in medicine. Today, Meharry Medical College has 14 overall contract spaces equally divided between dentistry and medicine. Recruitment for these spaces is accomplished through contract career conferences and publications.

Contract Career Conferences

Students interested in applying for contract spaces in the several programs are urged to attend the career conferences scheduled each September. Representatives from the contract institutions, the General Administration staff, and advisory committees are present to describe the programs, facilities, and to answer questions regarding admission requirements, courses of study, housing, overall costs, and scholarships.

Students from all public and private four-year colleges and universities are invited to attend one of the conferences held at the sites listed below which is best suited to their schedules and travel convenience. Arrangements have been made for meetings as follows:

**Medicine and Dentistry (in behalf of Meharry Medical College)**

- Davis Science Building
  - Johnson C. Smith University, Charlotte, NC
- Hill Science Building
  - Winston-Salem State University
- Barnes Hall
  - North Carolina A&T State University
- Lee Biology Building
  - North Carolina Central University
- Lyons Science Building
  - Fayetteville State University
- Science Building
  - Elizabeth City State University

In addition, an annual brochure, *Contract Programs in Dentistry, Medicine, and Optometry at Out-of-State Institutions for North Carolina Students*, is published and 5,200 copies are disseminated to the chancellors or Presidents of each institution of higher learning in the State as well as to members of the Health Professions Advisors of North Carolina. Additional support is provided by the North Carolina Health Careers Access Program through the creation and dissemination of fliers announcing the annual meetings.

The information in the publications provides times, locations, and dates of the career conferences as well as academic prerequisites for medicine and dentistry. In addition, the dates for the American Dental Association’s examination and the Medical College Admissions test are provided to students.

As previously indicated, Meharry Medical College enrolls 14 North Carolina residents on an annual basis. This means that there are 7 dental and 7 medical students ranging from freshman to senior status at Meharry.

Several recent studies, tracking these students after graduation revealed that few have returned to North Carolina to practice. Since it has been shown that physicians tend to practice in closer proximity to where they do their residency training and since dentists tend to practice in areas that offer support in establishing their offices, the following plan is proposed to enhance the return of North Carolina residents to practice their professions in the State.

**Plan to Recruit and Attract Graduates of Meharry Medical College Who Are North Carolina Residents for Whom State Financial Support Was Provided to Meharry Medical College**

The plan is delineated into Recruitment Level I which focuses on the career conferences and publications and Recruitment Level II which combines the efforts of four agencies to accomplish the primary mission of the plan.

I. Recruitment Level I: Beginning in the fall of 1996 and annually thereafter:
   A. Meharry Medical College staff in collaboration with the General Administration staff will conduct annual career conferences to inform prospective students of new efforts established to assist them in their return to practice in North Carolina upon completion of their medical or dental training.
   B. The brochure, *Contract Programs in Dentistry, Medicine, and Optometry at Out-of-State Institutions for North Carolina Students*, 1996, will contain this additional Level II Recruitment information and will be disseminated to Health Career Advisors in all institutions of higher learning in North Carolina.

II. Recruitment Level II: Beginning in the fall of 1996 and annually thereafter:
   A. Meharry Medical College staff will distribute to junior and senior medical students a list of the 12 residency locations in North Carolina.
   B. Meharry Medical College staff will disseminate to junior medical students a list of opportunities for senior level experiences at East Carolina University, Duke University, Wake Forest University, and the University of North Carolina at Chapel Hill in order to encourage them to apply for such opportunities to be visiting students.
C. Meharry Medical College staff in collaboration with the University of North Carolina Dental School will provide dental students with information regarding opportunities for practice in North Carolina.

D. The Office of Rural Health and Resource Development of Human Resources will provide professional recruitment assistance as consultation on practice selection, community and practice profiles, and travel assistance to approved sites. The office may also provide residency stipends for family practice residents who agree to practice in eligible underserved areas and to loan repayments and may provide other incentives to qualified primary care physicians who practice at designated underserved sites.

E. The Area Health Education Centers Program will offer several types of clinical rotations to North Carolina to support Meharry Medical College students. These clinical internships include medicine, surgery, pediatrics, and family practice. The program provides 20 percent of the funds available to the University of North Carolina. The University of North Carolina is responsible for administering the program and ensuring that it is properly used. The program is authorized in the 1994 Budget Act (Senate Bill 1505) which required the Board of Governors to merge the American Indian Student Legislative Grant Program and the Incentive Scholarship Program for Native Americans which was approved by the Board of Governors on February 10, 1995.

The Incentive Scholarship and Grant Program for Native Americans is intended to increase enrollments of Native Americans at the constituent institutions of the University of North Carolina. To better accomplish that goal, the constituent institutions suggested that specific allotments be given them for the purpose of recruiting and making commitments to students. These allocations will be made early in the recruitment period, generally by January of each calendar year. It should be noted that the American Indian Student Legislative Grant Program was need-based with a maximum award of $700 per academic year and the IncenNve Scholarship Program for Native Americans was merit-based with a required public service component and a maximum award of $3,000 per academic year.

To be eligible for an Incentive Scholarship and Grant Program for Native Americans as a transfer student, a student must meet the following requirements:

- Be a graduate of a North Carolina high school (Native American students from all counties are eligible for this scholarship program);
- Rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;
- Agree to perform public service hours at the University or in the community based on the following special appropriated incentive scholarship award (excluding need-based funds) schedule:

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- Carry at least 15 semester hours each regular semester; and
- A student retains academic eligibility by meeting an academic year grade point average or a cumulative grade point average on the following scale:
  - By the end of the freshman year: 2.00 or higher;
  - By the end of the sophomore year: 2.50 or higher or cumulative 2.50 or higher;
  - By the end of the junior year: 3.00 or higher or cumulative 3.00 or higher;
  - By the end of the senior year: 3.00 or higher or cumulative 3.00 or higher.

- Reflect in personal and scholastic behavior high moral and ethical standards.

2. To be eligible for an Incentive Scholarship and Grant Program for Native Americans as a transfer student, a student must meet the following requirements:

   a. Be a graduate of a North Carolina high school (Native American students from all counties are eligible for this scholarship program);
   b. Rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;
   c. Agree to perform public service hours at the University or in the community based on the following special appropriated incentive scholarship award (excluding need-based funds) schedule:

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- Carry at least 15 semester hours each regular semester; and
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  - By the end of the freshman year: 2.00 or higher;
  - By the end of the sophomore year: 2.50 or higher or cumulative 2.50 or higher;
  - By the end of the junior year: 3.00 or higher or cumulative 3.00 or higher;
  - By the end of the senior year: 3.00 or higher or cumulative 3.00 or higher.

- Reflect in personal and scholastic behavior high moral and ethical standards.

3. To be eligible for an Incentive Scholarship and Grant Program for Native Americans as a transfer student, a student must meet the following requirements:

   a. Be a graduate of a North Carolina high school (Native American students from all counties are eligible for this scholarship program);
   b. Rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;
   c. Agree to perform public service hours at the University or in the community based on the following special appropriated incentive scholarship award (excluding need-based funds) schedule:

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- Carry at least 15 semester hours each regular semester; and
- A student retains academic eligibility by meeting an academic year grade point average or a cumulative grade point average on the following scale:
  - By the end of the freshman year: 2.00 or higher;
  - By the end of the sophomore year: 2.50 or higher or cumulative 2.50 or higher;
  - By the end of the junior year: 3.00 or higher or cumulative 3.00 or higher;
  - By the end of the senior year: 3.00 or higher or cumulative 3.00 or higher.

- Reflect in personal and scholastic behavior high moral and ethical standards.

4. To be eligible for an Incentive Scholarship and Grant Program for Native Americans as a transfer student, a student must meet the following requirements:

   a. Be a graduate of a North Carolina high school (Native American students from all counties are eligible for this scholarship program);
   b. Rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;
   c. Agree to perform public service hours at the University or in the community based on the following special appropriated incentive scholarship award (excluding need-based funds) schedule:

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- Carry at least 15 semester hours each regular semester; and
- A student retains academic eligibility by meeting an academic year grade point average or a cumulative grade point average on the following scale:
  - By the end of the freshman year: 2.00 or higher;
  - By the end of the sophomore year: 2.50 or higher or cumulative 2.50 or higher;
  - By the end of the junior year: 3.00 or higher or cumulative 3.00 or higher;
  - By the end of the senior year: 3.00 or higher or cumulative 3.00 or higher.

- Reflect in personal and scholastic behavior high moral and ethical standards.

5. To be eligible for an Incentive Scholarship and Grant Program for Native Americans as a transfer student, a student must meet the following requirements:

   a. Be a graduate of a North Carolina high school (Native American students from all counties are eligible for this scholarship program);
   b. Rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;
   c. Agree to perform public service hours at the University or in the community based on the following special appropriated incentive scholarship award (excluding need-based funds) schedule:

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- Carry at least 15 semester hours each regular semester; and
- A student retains academic eligibility by meeting an academic year grade point average or a cumulative grade point average on the following scale:
  - By the end of the freshman year: 2.00 or higher;
  - By the end of the sophomore year: 2.50 or higher or cumulative 2.50 or higher;
  - By the end of the junior year: 3.00 or higher or cumulative 3.00 or higher;
  - By the end of the senior year: 3.00 or higher or cumulative 3.00 or higher.

- Reflect in personal and scholastic behavior high moral and ethical standards.

The North Carolina Advisory Committee on Contract Programs will review and evaluate the effectiveness of these efforts and report to the Board of Governors on an annual basis through the General Administration staff assigned to the committee.
To be eligible for an Incentive Scholarship and Grant Program for Native Americans, a graduate student:

1. have financial need, as determined by the institutional financial aid office.
2. maintain a 3.00 cumulative grade point average by the end of the senior year.
3. have financial need, as determined by the institutional financial aid office.
4. reflect in personal and scholastic behavior high moral and ethical standards.

3. To be eligible for an incentive scholarship, the recipient must:

a. be admitted or enrolled in a doctoral program at North Carolina State University, the University of North Carolina at Chapel Hill, or the University of North Carolina at Greensboro;

b. be classified as a North Carolina resident for tuition purposes;

c. have financial need, as determined by the institutional financial aid office.

Basic allocations of continuation budget appropriations will be made by the financial division of the General Administration to the respective campuses early (generally not later than January of the year of recruitment) or ensure a “sum certain” against which the respective schools could pledge enrollment commitments to prospective students. Contingent upon final adoption of the budget act, additional funds may be provided to the institutions from the expansion budget. The President will be authorized to transfer the funds among the program components and among institutions to assure full usage of ISGPNA.

Monitoring of the Program

Recordkeeping, including the number and location of service hours performed, and other reporting responsibilities will repose at the campus level. In an agreement between UNC General Administration and the North Carolina Commission of Indian Affairs, the commission is granted monitor rights to assure that awards are made only to persons who maintain cultural identification as a Native American through membership in an Indian tribe recognized by the United States or by the State of North Carolina or through other tribal affiliation or community recognition. To ensure that ISGPNA funds go only to such individuals, each campus is required to receive a clearance for each potential awardee from the North Carolina Commission of Indian Affairs before disbursement of any funds under ISGPNA. The procedure for securing the sign-off format is to be agreed upon cooperatively by the commission and each respective campus, depending upon the level of automation available at each campus and at the commission’s office.

[This is a rewrite of Administrative Memorandum #390.]

800.1.2[g]: Adopted 02/10/95, Amended 12/10/98

800.1.3[G] Guidelines on Implementing Incentive Scholarship Programs for Certain Constituent Institutions

Effective July 1, 1999. The 1991-92 General Assembly appropriated an initial $400,000 to establish incentive scholarship programs at Fayetteville State University, North Carolina A&T State University, North Carolina Central University, UNC Pembroke, and Winston-Salem State University. The appropriation provided for 40 scholarships in 1991-92 at each of the participating institutions. An allocation of $80,000 to each institution is based on an estimated average cost of $2,000 per student in program funds. The program was phased in over a four-year period. At the end of the four-years, each institution has 160 scholarships.

The incentive scholarship programs are intended to give needed aid to well-prepared, in-state students who want to attend one of the identified UNC constituent universities on a full-time basis. The cost for tuition, fees, room and board, and books to attend will be calculated as the maximum financial aid package. Special appropriated incentive scholarship funds (maximum $3,000 per recipient per academic year) will be used after all other need-based funds for which a student is also eligible have been included in the student’s financial aid package. The awards are available to entering first-time freshmen and entering first-time transfer students, and will be renewable semester-by-semester as long as the recipient meets all applicable criteria listed below:

1. To be eligible for an incentive scholarship as an entering freshman, a student must meet the following requirements:
   a. be a graduate of a North Carolina high school (students from all counties are eligible for this scholarship program);
   b. rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;
   c. apply for need-based student financial aid. The total scholarship award under the program shall carry a maximum value equal to the cost of tuition, fees, room and board, and books. Incentive scholarship funds will be used after all other need-based funds for which the student is also eligible have been included in the student’s financial aid package. In the awarding of financial aid for the program, the special appropriated funds for the incentive scholarship will not exceed $3,000;
   d. agree to perform public service hours, at the University or in the community based on the following special appropriated incentive scholarship award (excluding need-based funds) schedule:
800.1.4[G] Incentive Scholarship Program for Elizabeth City State University

Effective July 1, 1999. The incentive scholarship program is intended to give needed aid to well-prepared, in-state students who want to attend Elizabeth City State University on a full-time basis. The cost for tuition, fees, room and board, and books to attend ECSU will be calculated as the maximum financial aid package. Special appropriated incentive scholarship funds (maximum $3,800 per recipient per academic year) will be used after all other need-based funds for which a student is also eligible have been included in the student's financial aid package. The awards are available to entering first-time freshmen and entering first-time transfer students, and will be renewable semester-by-semester as long as the recipient meets all applicable criteria listed below:

1. To be eligible for an incentive scholarship as an entering freshman, a student must meet the following requirements:
   a. reflect in personal and scholastic behavior high moral and ethical standards;
   b. carry at least 15 semester hours each regular semester;
   c. earn a Grade Point Average (GPA) in coursework taken at the University according to the following schedule:
      - by the end of the freshman year: cumulative 2.00 or higher;
      - by the end of the sophomore year: academic year 2.50 or higher or cumulative 2.50 or higher;
      - by the end of the junior year: academic year 3.00 or higher or cumulative 3.00 or higher;
      - by the end of the senior year: academic year 3.00 or higher or cumulative 3.00 or higher;
   d. agree to perform public service at the University or in the community based on the special incentive scholarship award (excluding need-based funds) which appears above in Item 1., the schedule for public service hours;
   e. apply for need-based student financial aid. The total scholarship award under the program shall carry a maximum value equal to the cost of tuition, fees, room and board, and books. Incentive scholarship funds will be used after all other need-based funds for which the student is also eligible have been included in the student's financial aid package. In awarding of financial aid for the program, the special appropriated funds for the incentive scholarship will not exceed $3,000.
   f. maintain a 3.00 grade point average at the University if the student enters with an associate degree;
   g. reflect in personal and scholastic behavior high moral and ethical standards.

[This is a rewrite of Administrative Memorandum #389.]

800.1.3[g]: Adopted 08/09/91, Amended 12/10/98

<table>
<thead>
<tr>
<th>Appropriated Incentive Award</th>
<th>freshmen Year</th>
<th>Sophomores/Juniors and Seniors</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 500 and below</td>
<td>24</td>
<td>48</td>
<td>32</td>
</tr>
<tr>
<td>501 to 999</td>
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<td>72</td>
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<tr>
<td>1,000 to 1,499</td>
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<tr>
<td>2,000 to 2,499</td>
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<td>144</td>
<td>96</td>
</tr>
<tr>
<td>2,500 to 3,000</td>
<td>84</td>
<td>168</td>
<td>112</td>
</tr>
</tbody>
</table>

2. If the student enters from a certificate program from the community college, he/she must meet the following eligibility requirements:
   a. reflect in personal and scholastic behavior high moral and ethical standards;
   b. carry at least 15 semester hours each regular semester;
   c. earn a Grade Point Average (GPA) in coursework taken at the University according to the following schedule:
      - by the end of the freshman year: cumulative 2.00 or higher;
      - by the end of the sophomore year: academic year 2.50 or higher or cumulative 2.50 or higher;
      - by the end of the junior year: academic year 3.00 or higher or cumulative 3.00 or higher;
      - by the end of the senior year: academic year 3.00 or higher or cumulative 3.00 or higher;
   d. agree to perform public service at the University or in the community based on the special incentive scholarship award (excluding need-based funds) which appears above in Item 1., the schedule for public service hours;
   e. apply for need-based student financial aid. The total scholarship award under the program shall carry a maximum value equal to the cost of tuition, fees, room and board, and books. Incentive scholarship funds will be used after all other need-based funds for which the student is also eligible have been included in the student's financial aid package. In awarding of financial aid for the program, the special appropriated funds for the incentive scholarship will not exceed $3,000.
   f. maintain a 3.00 grade point average at the University if the student enters with an associate degree;
   g. reflect in personal and scholastic behavior high moral and ethical standards.

3. To be eligible for an incentive scholarship, a transfer student must meet the following requirements:
   a. be a resident of North Carolina and possess the Associate of Arts (AA), the Associate of Science (AS), the Associate of Fine Arts (AFA), or a certificate or degree in a program that articulates directly with an academic degree program offered by Fayetteville State University, North Carolina A&T State University, North Carolina Central University, University of North Carolina at Pembroke, and Winston-Salem State University from a North Carolina community college and meet all University admission requirements;
   b. have a cumulative GPA of at least 2.50 if the student enters with an associate degree, or a 2.00 if the student enters after completion of a certificate program;
   c. apply for need-based student financial aid. The total scholarship award under the program shall carry a maximum value equal to the cost of tuition, fees, room and board, and books. Incentive scholarship funds will be used after all other need-based funds for which the student is also eligible have been included in the student's financial aid package. In awarding of financial aid for the program, the special appropriated funds for the incentive scholarship will not exceed $3,000;
   d. agree to perform public service at the University or in the community based on the special appropriated incentive scholarship award (excluding need-based funds) which appears above in Item 1., the schedule for public service hours;
   e. carry at least 15 semester hours each regular semester;
   f. maintain a 3.00 grade point average at the University if the student enters with an associate degree;
   g. reflect in personal and scholastic behavior high moral and ethical standards.
a. be a graduate of a high school in one of 21 identified counties in northeastern North Carolina:
   - Beaufort
   - Hyde
   - Bertie
   - Martin
   - Camden
   - Nash
   - Chowan
   - Northampton
   - Currituck
   - Pasquotank
   - Dare
   - Perquimans
   - Edgecombe
   - Tyrrell
   - Franklin
   - Vance
   - Gates
   - Warren
   - Halifax
   - Washington
   - Hertford

b. rank in the top half of his or her class upon high school graduation, and meet all other University admission requirements;

c. apply for need-based student financial aid. The total scholarship award under the program shall carry a maximum value equal to the cost of
tuition, fees, room and board, and books. Incentive scholarship funds will be used after all other need-based funds for which the student is also
eligible have been included in the student’s financial aid package. In the awarding of financial aid for the program, the special appropriated funds
for the incentive scholarship will not exceed $3,800;

d. agree to perform public service hours, at ECSU or in the community based on the following special appropriated incentive scholarship award
(excluding need-based funds) schedule:

<table>
<thead>
<tr>
<th>Appropiated Incentive Award</th>
<th>Freshmen</th>
<th>Year</th>
<th>Sophomores/Juniors and Seniors</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 500 and below</td>
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<td>80</td>
<td>160</td>
</tr>
<tr>
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<td>72</td>
<td>144</td>
<td>96</td>
<td>192</td>
</tr>
<tr>
<td>2,500 to 3,000</td>
<td>84</td>
<td>168</td>
<td>112</td>
<td>224</td>
</tr>
</tbody>
</table>

e. carry at least 15 semester hours each regular semester;

f. a student retains academic eligibility by meeting an academic year grade point average or a cumulative grade point average on the following scale:
   - by the end of the freshman year: cumulative 2.00 or higher;
   - by the end of the sophomore year: academic year 2.50 or higher or cumulative 2.50 or higher;
   - by the end of the junior year: academic year 3.00 or higher or cumulative 3.00 or higher;
   - by the end of the senior year: academic year 3.00 or higher or cumulative 3.00 or higher.

g. reflect in personal and scholastic behavior high moral and ethical standards.

2. To be eligible for an incentive scholarship, a transfer student must meet the following requirements:
   a. be a resident of North Carolina and possess the Associate of Arts (AA), the Associate of Science (AS), the Associate of Fine Arts (AFA), or a
certificate or degree in a program that articulates directly with an academic degree program offered by ECSU from one of the following North
   Carolina Community Colleges* and meet all university admission requirements:
      - Beaufort County Community College (Washington)
      - College of the Albemarle (Elizabeth City)
      - Edgecombe Community College (Tarboro)
      - Halifax Community College (Weldon)
      - Martin Community College (Williamston)
      - Nash Community College (Rocky Mount)
800.2 Selective Service Act Compliance

800.2.1 Selective Service Act Compliance

In accordance with the provisions of Chapter 618, 1989 Session Laws of the General Assembly (codified as N.C.G.S. § 143B-421.1), the Board of Governors of the University of North Carolina hereby adopts the following regulations concerning the requirement that recipients of certain student financial assistance be in compliance with the Military Selective Service Act (50 United States Code Appx. Sec. 453).

1. Student financial assistance covered. These regulations govern eligibility of students to receive from or through the University of North Carolina scholarships supported by the State of North Carolina, financial assistance under programs funded by the State of North Carolina for post-secondary education, and loans insured by any agency of the State of North Carolina, including that student financial assistance authorized under N.C.G.S. Chapter 116, Article 23 (State Education Assistance Authority). This coverage pertains whether the specified financial assistance is applied to enrollment at a public or a nonpublic institution.

2. Prerequisite to receipt of covered assistance. Every applicant for State-supported student financial assistance governed by these regulations shall, before receiving such assistance, properly complete and submit to the institution or agency responsible for disburseing the financial assistance a statement certifying either (1) that the applicant is not required to be registered under the Military Selective Service Act, indicating the reason therefor, or (2) that the applicant is so registered. This certification shall be in a form consistent with the appendix to these regulations.

3. Noncompliance. If an applicant fails to render the necessary certification in timely and proper manner, the applicant shall be notified that a proposed finding of ineligibility for the identified financial aid will be finalized unless, within 45 days of such notification, the applicant provides information that establishes the applicant to be in compliance with the registration requirements of the Military Selective Service Act.

4. Contest of proposed finding of ineligibility. An applicant notified of a pending finding of ineligibility for the specified student financial aid may present to the official issuing the notice documentary or oral evidence to prove that the applicant is, in fact, in compliance with the registration requirement of the Military Selective Service Act by reason either of registration thereunder or exemption therefrom. The official issuing the notice of a pending finding of ineligibility may allow the applicant the opportunity for a hearing to challenge the proposed finding of ineligibility.

5. Burden of proof to establish eligibility. An applicant for receipt of State-supported student financial assistance must establish by a preponderance of the evidence one of the following:
   a. that the applicant is registered under the Military Selective Service Act;
   b. that the applicant is not required to be registered under the Military Selective Service Act; or
   c. that the requirement for the applicant to register has terminated or become inapplicable to the applicant and that the failure of the applicant to register was not a knowing and willful failure to register.

6. Effective date. These regulations are effective with respect to financial aid committed on or after October 1, 1989.

Appendix

Statement of Selective Service Registration Compliance

(Check A or B)

A. ___ I certify that I am not required to be registered with the Selective Service System because (check one):
   ___ I am female.
   ___ I am in the armed services on active duty. (Note: Members of the Reserves and National Guard are not considered on active duty.)
   ___ I am under the age of eighteen years.
800.2.1.1[R] Regulations on Selective Service Act Registration Compliance

North Carolina General Statute § 143B-421.1 established the requirement that persons seeking State-supported student financial aid must have complied with the registration requirements of the Military Selective Service Act. A similar requirement exists under federal law with respect to federally funded student financial aid. The foregoing are the regulations adopted by the Board of Governors on March 9, 1990, to implement the North Carolina law.

The Board of Governors recently adopted regulations quite similar to these to implement the requirement of Selective Service Act compliance as a prerequisite to University employment, which is also established by N.C.G.S. § 143B-421.1. These two sets of regulations and accompanying form are similar, but not identical. Each set should, therefore, be used in the appropriate context.

(This is a rewrite of Administrative Memorandum #286.)

800.2.1.1[R]: Adopted 03/12/90

800.3 Legislative College Opportunity Program

800.4 Focused Growth

800.4.1 Prospective Teacher Scholar Program

Adopted 11/08/02

The University of North Carolina has been directed to establish a pilot program at three of the Focused Growth campuses to recruit new nonresident students to pursue a full-time course of study that will lead to teacher certification in North Carolina and to employment teaching in a North Carolina public school (or school operated by the United States government in North Carolina). Pursuant to Senate Bill 1115, Section 9.9 (2001), the UNC Board of Governors is required to report guidelines and regulations for these pilot programs to the Joint Legislative Education Oversight Committee by November 15, 2002, and then report annually to the Committee on the progress of the pilot programs and their costs.

The following policies are to be used for implementation of the Prospective Teacher Scholar programs at Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University.

1. The Prospective Teacher Scholar funds are to be used for non-resident students who make a commitment to pursue a degree in teacher education at one of the three constituent institutions, ECSU, UNCP, or WCU.
2. The Prospective Teacher Scholar program is a scholarship-loan program. Scholarship funds will be used to pay the difference between the cost of resident tuition and fees and non-resident tuition and fees. For each year the student receives the scholarship-loan, the student must teach full-time for an academic year in a North Carolina (K-12) public school or a school operated by the United States Government in North Carolina. The student will have a maximum of seven (7) years or two years time for each year of the scholarship (whichever is less) from the date of graduation to fulfill the payback agreement by teaching in a North Carolina public school.
   a. Eligibility to participate in the Prospective Teacher Scholar program is limited to non-resident students who enter as a new freshman or as an undergraduate transfer student, and will be enrolled full-time each fall and spring semester, and make satisfactory progress toward a teaching degree.
   b. The student must maintain a satisfactory GPA and be in good standing with the university each year of study.
   c. The student must meet the criteria and be admitted to the Teacher Education program by the beginning of the junior year.
   d. The student must graduate and be eligible for a license to teach in a North Carolina public school within six months after graduation.
3. Students participating in the Prospective Teacher Scholar program will not be included in the campus’ cap of 18% freshmen non-resident students.
4. Any Prospective Teacher Scholar student who chooses to attend summer school classes will be eligible for the in-state resident rate for tuition and fees.
5. Each recipient of a Prospective Teacher Scholar scholarship-loan is required to sign a promissory note, along with a surety, agreeing that if the student does not fulfill the payback requirement to teach in a North Carolina public school (as described in #2), the student will be required to repay the campus the differential between the resident and non-resident tuition and fees for each year they do not fulfill the payback requirement. The student will also be required to pay the campus the cost as identified above plus 10% interest on the identified amount which begins to accrue from the date of graduation or the date the student transfers to another institution or the date the student is no longer enrolled full-time and full-term, whichever is earliest.
6. Any Prospective Teacher Scholar recipient who does not complete the teacher education program or who terminates the degree program will be subject to the repayment of the scholarship as described in item #
7. Awards may begin as early as the spring 2003 semester for new freshmen or new transfer students. Currently enrolled students are not eligible to participate in the Prospective Teacher Scholar program.
8. Students selected as Prospective Teacher Scholar recipients will be eligible for consideration for additional merit awards and non-state funded need-based financial aid.
9. The Prospective Teacher Scholar scholarship-loan must be considered as part of the student’s financial aid package. When the total financial aid awarded exceeds financial need, the scholarship may not be reduced to prevent an over-award.
10. The campus shall forgive the repayment if it finds that it is impossible for a person to comply with the requirements of item #2 or item #6 because of...
800.5 Regulation on Financial Aid Practices

The purpose of the federal student loan program is to provide the best possible loan terms for students and parents who borrow to help finance higher education. Private student loans are an important additional resource for many students. Students and families must receive trustworthy, reliable guidance from our institutions about financial aid. The University's first priority in conducting business with student loan providers is the best interest of student borrowers. The following system-wide effort endeavors to provide the best possible loan terms and choices for students served by the University of North Carolina, to ensure that students are well informed of their loan choices and to avoid conflicts or the appearance of conflicts of interest by the University.

1. Lender Advisory Boards. Financial Aid personnel may participate on lender advisory boards for the purpose of communicating the needs of the University and its students to lenders, but these employees shall not receive any financial remuneration for their participation or from the lenders, other than meals associated with the meeting.

2. Campus-Based Lender List. Campuses must offer a list of lenders to students that is completely transparent and is solely based upon the best interest of the student including but not limited to interest rates, terms, fees, customer service, borrower benefits, and ease of application. Campuses must have no fewer than three lenders on a lender list. The lender list shall be prominently displayed on the campus website and provided to students during the financial aid process.

3. Lender List Disclosure. The process by which lenders are selected for the campus-based lender list must be fully disclosed to students. The process must be prominently displayed on the campus website and provided to students during the financial aid process. Students must be informed that they have the right to use a lender of their own choosing, will not be penalized in any way for exercising such an option and will receive assistance from the campus in processing the loan of the student’s choice.

4. Lender List Review. Lender list status must be reviewed by the campus on an annual basis. Chancellors shall forward a copy of the campus-based lender list that is provided to students, with an explanation of the process by which the list was compiled, to the President on an annual basis.

5. Exclusive Lender Agreements. Campuses and University associated entities shall not enter into any exclusive agreement with a student lender through the Federal Family Educational Loan Program, The William D. Ford Direct Lending Program, or for a private educational loan expressly for postsecondary educational expenses. Campuses with an existing exclusive agreement with the federal government shall work with the Department of Education to amend the agreement to permit participation in both the William D. Ford Direct Lending Program and Federal Family Education Loan Program.

6. Private Loan Disclosure to Students. Campuses that provide information to any student or parent regarding a private educational loan from a lender shall provide to or concurrent with providing such information inform the student or parent of:
   a. the student's or parent's eligibility for assistance and loans under Title IV of the Higher Education Act; and
   b. the terms and conditions of such private educational loan that are less favorable than the terms and conditions of educational loans for which the student or parent is eligible, including interest rates, repayment options, and loan forgiveness.

   Campuses providing this information shall ensure that information regarding such private educational loan is presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under Title IV of the Higher Education Act.

7. Use of Mascot, Logo, Emblem or Name by Lenders. No lender shall be permitted to use the name, emblem, mascot, or logo of an institution, or other words, pictures, or symbols readily identified with or marks of an institution in the marketing of private educational loans to the students attending an institution in any way that implies that the institution endorses the private educational loans offered by the lender.

8. Acceptable Gifts by University Personnel. Campuses and associated entity personnel whose duties relate to student admissions, student financial aid or student loans shall not accept gifts from a lender or consolidator of student loans, other advertising items those of nominal value to the extent permitted by N.C.G.S. 14-234. Such University personnel shall report unacceptable gifts offered by lenders to the Campus Director of Student Financial Aid and the Chancellor's Office.

9. Professional Development Conferences and Meetings. The professional development of financial aid office personnel is encouraged. Reasonable travel, conference registration fees and other miscellaneous expenses relating to professional development conferences must be paid by the individual or campus and should be specifically approved by the traveler's supervisor as travel that will benefit the University. Reimbursement of any expenses by a lender is prohibited.

10. Lender Gifts to the University. Campuses and associated entities should not accept any gift from a lender in exchange for or as an inducement for or result of advantage, including revenue sharing arrangements, computer equipment, printing costs and other inducements or gifts from a lender under circumstances that a reasonable person would conclude the gift was an exchange or inducement for or as a result of such advantage. Any gift to the University that is accepted must be reported to and subsequently approved by the Supervisor of the person receiving the gift. If the approval is not forthcoming then the gift must be returned. Chancellors shall report to the President any such gifts offered by lenders promptly.

11. Student Loan Consolidation Programs. Campuses and associated entities should not enter into a preferred student loan consolidation arrangement with any lender.

800.5.1[R]: Adopted 05/29/07
Chapter 900 Residence Classification

900.1 Policy on Student Residence Classification for Tuition Purposes

Pursuant to Section 11.23 of Session Law 2015-241, the North Carolina State Education Assistance Authority, in consultation with the UNC System Office, the North Carolina Community College System, and the North Carolina Independent Colleges and Universities, shall perform all functions necessary to establish and implement a coordinated and centralized process for determining resident status for tuition purposes.

900.1: Adopted 09/14/01, Amended 12/13/19

900.1[G] Guideline on the Residence Status of Students Receiving Full Scholarships

I. Constituent institutions may consider as resident students, for tuition and all other purposes, nonresident students who receive a full scholarship from entities recognized by the institution. Participation by constituent institutions is optional. Constituent institutions participating must do so based on a resolution by its board of trustees. The resolution of the board of trustees can be approved at any time.

II. Only undergraduate students may be considered residents pursuant to this provision. This provision does not apply to students receiving full scholarships for athletics.

III. A student who receives a “full” scholarship is one who receives a grant or grants that cover tuition, mandatory fees, room and board for the academic year in which the student is to be considered a resident.

IV. The scholarship must come from one or more entities recognized in the board of trustees’ resolution or recognized by the chancellor pursuant to delegated authority from the board of trustees. This list may include both entities with which the constituent institution has a formal relationship and entities which do not have a formal relationship with the constituent institution. If an entity is recognized by the board of trustees, all students receiving full scholarships from that entity must be treated as resident students in accordance with this provision.

V. An institution may phase in this provision by recognizing only a limited number of entities initially and then approving an amendment to add other recognized entities.

VI. Neither the constituent institution itself, nor a fund of the constituent institution, may be a recognized entity. However, the institution’s endowment may be a recognized entity if it is awarding scholarships that are derived totally from private funding sources.

VII. A full scholarship may not include grants from state or federal funds distributed by the constituent institutions or administered by the North Carolina State Education Assistance Authority.

VIII. Constituent institutions may include students considered residents pursuant to this section as in-state students in its enrollment funding request.

IX. Nonresident students considered residents pursuant to this section must be separately flagged for data collection purposes.

X. Other Matters
   A. Effective Date. The requirements of this guideline shall be effective on the date of adoption of this guideline by the president.
   B. Relation to Federal and State Laws and Policies. The foregoing guideline 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.


900.1[G]: Adopted 10/27/05, Amended 1/20/06, Renumbered and Amended 12/13/19[1], Amended 02/03/20
Chapter 1000 Tuition and Fees

1000.1 Tuition Rates

1000.1.1 Establishing Tuition and Fees

The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense. -North Carolina Constitution, Article IX, Section 9

I. Establishing Tuition

This citation from the North Carolina Constitution sets the parameters for establishing resident tuition rates at the constituent institutions of The University of North Carolina. The constitutional provisions for setting tuition are codified in General Statute 116-11(7), which states, in part, "The Board of Governors shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly." This statute governed the setting of tuition rates for both resident and nonresident students from 1971 through 1999 during which time the Board of Governors recommended no tuition increases except as required by statute. This policy outlines the framework to be followed by the Board in establishing tuition levels for constituent institutions commencing with academic year 2003-2004. Tuition is charged to students enrolled in academic programs during regular terms, summer sessions or through off-campus distance instruction and is used to partially defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits.

1. Board-initiated Tuition Rates
   A. Undergraduate Tuition – General Policy
   
The appropriate tuition policy at the undergraduate level encourages students to pursue academic and intellectual interests without regard to program costs. Accordingly, no difference in tuition between undergraduate programs will occur within an institution, and there will be only minimal differences in undergraduate tuition among campuses in similar institutional categories as defined by the Board to reflect both varying missions and contrasting costs of education. Deviation in undergraduate tuition among campuses in different institutional categories will be based upon institutional offerings and will be reasonable.

   B. Graduate and Professional Tuition – General Policy
   
The Board will attempt to extend the principle that tuition be set as low as practicable to graduate and professional students as well as those at the undergraduate level. The financial structure and educational purposes of graduate and professional education, however, are sufficiently different from undergraduate education that distinct tuition policies at the graduate and professional level will be permitted. The application of what is "practicable" varies by level of instruction for a number of reasons, and those differences will be reflected in the tuition policies associated with each.

   The Board will apply Article IX, Section 9 of the North Carolina Constitution to graduate and professional level students but with the realization that the costs, sources of funds and purposes of graduate and professional education are materially different from undergraduate education. Tuition for graduate and professional students will be set with an understanding that tuition revenues may be needed to maintain and increase the excellence of the University's graduate and professional programs. In setting tuition rates, the Board will consider the need to provide access to these programs for students irrespective of their financial capacity as well as the desire to attract and retain the best students to serve North Carolina's needs in each field.

   C. Tuition for Nonresident Students - General Policy
   
   Under General Statute 116-144, the Board of Governors is required to set tuition rates for nonresident students at levels "...higher than the rates charged residents of North Carolina and comparable to the rates charged nonresident students by comparable public institutions nationwide. ..." In complying with the statute, the Board will set tuition for nonresident students after considering the results of a review of rates set by comparable public institutions nationwide. The Board will further consider the need for tuition remissions for nonresident graduate students when setting tuition rates and tuition remission policies.

   D. Process for Setting Board-initiated Tuition Rates
      i. Proposed increases in general tuition rates are to be recommended by the President for consideration by the Board. The President will seek counsel from University Chancellors and a committee of campus representatives appointed by each chancellor, before making the recommendations for tuition changes. The committee of campus representatives appointed by each chancellor will include students.
      
      ii. The President, the chancellors and the committee of campus representatives will consider a number of factors in deciding whether to recommend changes to general tuition rates in any given year. After the President recommends any action to the Board of Governors, the Board will also consider those factors, which include:
          a. Availability of State general fund revenue to maintain quality and access within the campuses of the University of North Carolina;
          b. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;
          c. Analysis of the impact of tuition and fee charges on student access to the campuses of the University of North Carolina as measured by the college-going rate and other metrics so as not to limit access to the University;
          d. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index);
          e. The current level of student charges (tuition, fees, room and board) at UNC institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;
          f. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;
          g. Availability of financial aid and tuition remission and amount of unmet need. Financial aid should be reviewed in the context of the different missions of the institutions, the diverse capacities of the institutions to provide financial assistance and the contrasting needs of students attending the institutions.
      
      iii. In academic years ending in odd numbers (e.g., June 30, 2003, the long session of the General Assembly), the Board will act by
The Board will review each campus-based tuition request on an individual basis, within the context of the University's long range plan, the need for Board-initiated tuition increases, the state’s economic environment, and the financial impact on students. The Board is obligated to exercise its discretion in granting, modifying or denying a campus request.

2. Campus-initiated Tuition Rates

A. Campuses may request increases in tuition to provide revenue for specific purposes and programs. Revenue generated from a campus-initiated change in tuition rates will be accounted for in the budget of the originating campus and transferred within the institution by the chancellor in accordance with the priorities identified in the approved campus proposal.

B. Undergraduate Tuition

The Board recognizes that campuses may experience circumstances that suggest that an across-the-board change in undergraduate tuition may be needed at one or more institutions. In the event that circumstances lead a campus or campuses to the conclusion that a change in undergraduate tuition rates is needed, campuses are permitted to bring proposals for undergraduate tuition changes before the Board for its consideration. Campuses wishing to submit requests for undergraduate tuition changes will conduct a process that includes consultation with participation by students. A campus will consider the following factors when creating an undergraduate tuition proposal.

i. Availability of State general fund revenue to maintain quality and access within the campuses of the University of North Carolina;

ii. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;

iii. Analysis of the impact of tuition and fee charges on student access to the campuses of the University of North Carolina as measured by the college-going rate and other metrics so as not to limit access to the University;

iv. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index);

v. The current level of student charges (tuition, fees, room and board) at UNC institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;

vi. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;

vii. Availability of financial aid and tuition remission and amount of unmet need. Financial aid should be reviewed in the context of the different missions of the institutions, the diverse capacities of the institutions to provide financial assistance and the contrasting needs of students attending the institutions.

viii. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.)

3. Graduate and Professional Tuition

The Board of Governors will permit individual campuses to initiate requests for Board approval of different base or program tuition rates at the graduate and professional level. If a campus explores the possibility of developing such a request, it will present evidence to ensure that students in the affected graduate and/or professional programs have been consulted. Tuition for graduate and professional students will be set with an emphasis on maintaining and increasing the excellence of the campus' graduate and professional programs as well as ensuring access. To the extent possible, there should be full tuition remission for graduate assistants to improve a campus' competitiveness in recruiting and retaining highly qualified nonresident graduate students.

In reviewing potential criteria to recommend as a basis for deciding when specific graduate or professional tuition differentials may be appropriate at a particular institution, a flexible policy framework that allows judgments to be reached based on a number of factors is preferable either to cost-based formulas or to discipline or program typologies that treat all academic or professional programs the same. In particular, a flexible approach based on the unique factors associated with specific programs is desirable because of the potential mix of graduate and professional programs that one may find within any given school or college; e.g., a professional school may offer a Ph.D. program in addition to one or more professional degree programs. Therefore, the campuses will consider the following factors in developing graduate and professional school tuition proposals.

A. The anticipated impact of a proposed change on program quality;

B. The projected impact of a proposed change in tuition on access for North Carolina residents;

C. The availability of student financial aid for students with economic need and of tuition remission;

D. The extent to which current and prospective students can afford possible increases in tuition;

E. The relationship of projected tuition revenue to institutional and/or program costs;

F. Tuition and fees, net of remissions and waivers, charged by peer institutions or programs, as compared to tuition and fees, net of remissions, at the UNC institution or program (the public subsidy received by students at public institutions or programs in the peer set, including the UNC institution or program in question, will also be identified as part of the comparison);

G. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.); and

H. Assistantships or grant support for graduate students;

I. Analysis of student indebtedness levels within the University.

4. Timing and Review of Board Action

The Board will act by February of each year, or as soon as possible thereafter, to establish the University’s campus-initiated tuition rates for the next academic year. Setting campus-initiated tuition rates by February will permit students and their families to know in early spring what their tuition charges for the fall semester will be, assuming consistency between the actions of the Board of Governors and the General Assembly. Moreover, an institution is required to submit a one-time report at the end of the first full biennium following an approved campus-initiated tuition rate increase in order to confirm that the additional revenues were used as the Board intended in approving the campus request. This will ensure the accountability of a campus for its tuition proposals as well as enable the Board to maintain the University’s accountability to the State.

5. Tuition Requests in Context of Long Range Plans

All proposals for campus-based tuition increases will include the campus’ plan for other tuition increases for a prospective period of five years, including the year of the current application.

6. Individual Consideration of Campus Request

The Board will review each campus-based tuition request on an individual basis, within the context of the University’s long range plan, the need for Board-initiated tuition increases, the state’s economic environment, and the financial impact on students. The Board is obligated to exercise its discretion in granting, modifying or denying a campus request.
II. Establishing Fees.

The Board of Governors is responsible for establishing fees at the constituent institutions of the University consistent with the philosophy set forth in the North Carolina constitution. Fees will be charged only for limited, dedicated purposes and shall not be used to defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits. Consistent with the above citation, the Board will make every effort to keep fees for students as low as possible while providing the revenues needed to support the purposes for which the fees are charged.

Each year, the Board establishes the fees listed below. All fees established shall be based upon the recommendation of the chancellor, the institutional Board of Trustees, and following his or her review, the President. Excluding the application fee charged to prospective students, all fees set by the Board are annual fees. Once an annual fee has been established, semester rates, summer rates, and part-time rates shall be established by the President. It is the policy of the Board to act no later than February of each year to establish fees for the following fall semester.

1. Although the General Assembly provides for most of the instructional costs of institutions through State appropriations, institutions traditionally rely entirely on student fees to finance a number of activities, services, and facilities. Institutional Boards of Trustees are required to weight the benefits of the activity, facility, or service against the fee required to provide financial support. Orientation sessions for the Boards of Trustees will regularly include discussions of the process followed when establishing student fees.

   A. Application Fee. An application fee shall be established for each institution. Specific programs within an institution may require an application fee different from the fee charged for most students and the Board may set different fees according to program needs.

   B. General Fees. Fees generally applicable to all students shall be established by the Board of Governors. Four general fees are authorized: athletic fees, health services fees, student activity fees, and educational and technology fees.

   C. Fees Related to the Retirement of Debt Incurred for Capital Projects. Fees generally applicable to all students that provide revenues for the retirement of debt shall be fixed by the Board of Governors at the time of the borrowing. Indebtedness fees may not include components for operations and maintenance but shall reflect the cost of servicing the debt at the coverage levels required in Board resolutions and other documents authorizing the debt. Changes in fees required subsequent to the issuance of the debt may be approved by the President upon the request of the chancellor. Indebtedness fees expire when the related debt is retired.

   D. Special Fees. Fees applicable only to students engaged in particular activities or courses of study shall be established by the Board of Governors when needed. These fees will not be used to provide general academic revenues that will be provided for from campus-initiated tuition increases.

2. Each chancellor is authorized to establish miscellaneous service charges for such items as transcripts, diplomas, caps & gowns, special examinations, late registrations, and replacement of I.D. cards. A schedule of such charges shall be filed with the President prior to the beginning of each school year. [2]

3. The process for establishing fees shall be as follows:

   A. In academic years ending in odd numbers (e.g., June 30, 2003, prior to the short session of the General Assembly in 2004), the process shall be initiated at the beginning of the fall semester and contain the following steps:

      i. The Vice President for Finance shall issue instructions to the campus chancellors calling for them to initiate a review of fees.

      ii. Each chancellor shall establish a fee review committee with representatives of all aspects of campus life, including, but not limited to, representatives from Business Affairs, Student Affairs, the Financial Aid Office, and the student body. The Committee shall conduct a complete review of student fees from a zero-based budgeting perspective and shall make recommendations to the chancellor for establishing fees effective with the upcoming fall semester. The review will include an examination of alternative resources, including available institutional reserves, to determine if other funding is available to provide the services in lieu of establishing the fee. The review will include a reassessment of the existing operating methods to ensure that operations are performed in a cost-effective manner. If the committee determines that an increase in a fee is needed, the committee shall attempt to decrease another fee so that the total cost of education for students does not increase. In order to ensure that all students are able to meet the increased cost of education, the university’s financial aid officer, working with the committee, shall determine that sufficient financial aid is available, from whatever sources are possible.

      iii. The chancellor shall review the recommendations of the Committee and present recommendations to the Board of Trustees for review and approval. Before a chancellor makes recommendations to the Board of Trustees, the recommendations of the fee review committee will be shared with student government leaders so that students may inform the chancellor of their perspectives on the proposed changes.

      iv. The recommendations of the Board of Trustees will be forwarded to the President for review.

      v. When the review is completed, the President will present fee recommendations to the Budget and Finance Committee for consideration by the Board of Governors.

   Each step in the process shall be an iterative and comprehensive review of the previous step, resulting in changes to the fee recommendations as deemed appropriate.

   B. In academic years ending in even numbers (e.g., June 30, 2004, prior to the long session of the General Assembly in 2005), fee increase proposals submitted by the institutional Board of Trustees to the President may be approved by the President if the increase provides only for the following:

      i. Additional revenues equal to the amount required for funding compensation increases for fee-supported employees at a level equivalent to the previous years’ compensation increases authorized by the General Assembly.

      ii. Additional revenues for nonpersonnel items at a level equivalent to increases in the consumer price index.

If a campus requires other changes in fees in academic years ending in even numbers, the process that shall be followed is identical to that followed in academic years ending in odd numbers.

[1] Consistent with G.S. 116-143, no tuition or fees may be charged to students in the high school program at the North Carolina School of Science and Mathematics. Service charges may be established consistent with Section II.2. below.

[2] The Chancellor of the North Carolina School of Science and Mathematics shall transmit by July 1 of each year a schedule of service charges at that institution for approval by the President.

1000.1.1: Adopted 02/09/73, Amended 06/18/73, Amended 07/12/74, Amended 06/11/93, Amended 02/14/03, Amended 07/01/07

1000.1.2 Policy on Tuition with Respect To Student Exchange Programs with Institutions Abroad
On March 15, 1996, the Board of Governors approved the following recommendation, essentially reconfirming an already existing practice of one-on-one exchanges:

The constituent institutions are hereby authorized to enter into and extend or modify agreements with institutions in other countries to provide for a balanced exchange of students. A UNC student participating in such an exchange shall be charged tuition by the home UNC institution at a rate consistent with the residentiary status the student would otherwise have at the home institution and shall be counted in the official FTE of the home institution in that residentiary status. A foreign student participating in such an exchange agreement shall not be charged tuition by the host UNC institution and shall not be counted in the official FTE of the host UNC institution.

1000.1.2: Adopted 03/15/96

### 1000.1.3 Tuition Rates for Special Talent and Graduate Nonresident Students

WHEREAS, Chapter Seven, Section 701 of The Code of The University of North Carolina provides that "The Board of Governors shall set tuition and required fees at the constituent institutions, not inconsistent with actions of the General Assembly, in such amount or amounts as it may deem best;" and

WHEREAS, N.C.G.S. § 116-143 was amended by the 1981 General Assembly to authorize the Board of Governors to establish especially reduced tuition rate and to give tuition and fee waivers; and

WHEREAS, the 1981 General Assembly also revised N.C.G.S. § 116-143 by eliminating the special rate considerations established by the 1971 General Assembly for certain groups of nonresident students; and

WHEREAS, the 1981 General Assembly continued the requirement in N.C.G.S. § 116-143 that all budgeted funds expended for scholarships of any type including the granting of tuition and fee waivers and especially reduced rates, must be clearly identified in budget reports; and

WHEREAS, the 1983 General Assembly revised N.C.G.S. § 116-144 to direct the Board of Governors to fix the tuition and required fees charged nonresident students comparable to the rates charged nonresident students by comparable public institutions nationwide, except that a person who serves as a graduate teaching assistant or graduate research assistant or in a similar instructional or research assignment and is at the same time enrolled as a graduate student in the same institution may, in the discretion of the Board of Governors, be charged a lower rate fixed by the board, provided the rate is not lower than the North Carolina resident rate; and,

WHEREAS, the 1983 General Assembly specifically provided that the Board of Governors increase tuition so as to raise additional income of at least $10,000,000 for each year in the biennium, thus requiring changes in all tuition rates currently in effect.

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors that, effective with the fall term of 1983, the following groups of nonresident students are identified as eligible for special tuition rates:

Group 1: Undergraduate students deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least $250 per academic year. The North Carolina School of the Arts may identify categories within this group in accordance with established institutional practice.

Group 2: Graduate students who are awarded by the institution a graduate teaching or research assistantship and who are paid a stipend at a rate of at least $2,000 per academic year.

AND BE IT FURTHER RESOLVED by the Board of Governors that:

1. Effective with the fall term of 1983, the special tuition rates for the specific groups of nonresident students identified above are established, except as provided in Section 2 below, as follows:

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<thead>
<tr>
<th>Institution</th>
<th>Group 1</th>
<th>Group 2</th>
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<tbody>
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The University of North Carolina

Special Tuition Rates for Nonresident Students

UNC Policy Manual 259
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2. It is understood that, notwithstanding the foregoing provisions of this resolution, each institution shall limit the granting of these special tuition rates as set forth by the Board of Governors to conform with established budgetary limitations. The total tuition remission (defined as the sum of the difference between the regular nonresident rate and the special rate charged under the provisions of this resolution) shall not exceed the amount budgeted for each group at each constituent institution. Separate budgets will be established to record tuition remission for specially talented undergraduate students (Group 1) and for graduate assistants (Group 2).

3. The President shall provide appropriate administrative procedures and regulations for the constituent institutions in accordance with the terms of this resolution.

1000.1.3: Adopted 07/29/83

1000.1.3.1[G] Guidelines on Establishing Tuition Rates for Special Talent and Graduate Nonresident Students

The 1981 General Assembly amended N.C.G.S. § 116-143 to give to the Board of Governors the specific authority to establish especially reduced tuition rates and to give tuition and fee waivers. In addition, the part of N.C.G.S. § 116-143 which identified a specific group of nonresident students (*special talent* section) for reduced rates was deleted. As a result of these changes, special tuition rates can be established by the Board of Governors.

The 1983 General Assembly revised N.C.G.S. § 116-144 to direct the Board of Governors to fix the tuition and required fees charged nonresident students comparable with the rates charged nonresident students by comparable public institutions nationwide, except that a person who serves as a graduate teaching assistant or graduate research assistant or in a similar instructional or research assignment and is at the same time enrolled as a graduate student in the same institution may, in the discretion of the Board of Governors, be charged a lower rate fixed by the board, provided the rate is not lower than the North Carolina resident rate.

Also, the 1983 General Assembly specifically provided that the Board of Governors increase tuition so as to raise additional income of at least $10,000,000 for each year of the biennium, thus requiring changes in all tuition rates currently in effect.

On July 29, 1983, the Board of Governors adopted a resolution which sets forth the groups of students who are eligible for special nonresedent tuition rates, as authorized under N.C.G.S. § 116-143 as amended by the 1981 General Assembly, and N.C.G.S. § 116-144 as revised by the 1983 General Assembly. The following are instructions based on the board’s resolution, in reporting actions taken.

I. Authorized Groups Eligible for Special Tuition Rates

Group 1: Undergraduate students deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least $250 per academic year. The North Carolina School of the Arts may identify categories within this group in accordance with established institutional practice.

Group 2: Graduate students who are awarded by the institution a graduate teaching or research assistantship and who are paid a stipend at a rate of at least $2,000 per academic year.

II. Identification and Substantiation of Awards

1. Group 1 – Undergraduate Students

Group 1 pertains to those nonresident undergraduate students who are "deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least $250 per academic year."

   a. "Deemed by the institution to have special talents and qualifications" indicates that the institution has determined that the student has specific talents and qualifications that will be of benefit to the institution. Evidence of this institutional determination can be substantiated by a copy of a letter to the particular student making a monetary award.

   b. "Who are thereby awarded by the institution a scholarship or fellowship" shall mean a monetary award. Scholarships or fellowships for undergraduate students must be at least the equivalent of $250 per academic year. The granting of a special tuition rate does not in itself constitute a scholarship or fellowship.

2. Group 2 – Graduate Students

Group 2 pertains to those nonresident graduate students who serve as a graduate teaching assistant or graduate research assistant or in a similar instructional or research assignment, and who are paid a stipend at a rate of at least $2,000 per academic year.

III. Budgetary Limitations

Each institution has been informed of the amount of tuition remissions budgeted for each group of special rates, as a part of the budget allocations process. Internal administrative procedures to limit the granting of these special tuition rates within budgetary limitations established for each group must be established by each institution. The tuition remissions (defined as the sum of the difference between the regular nonresident rate and the special rate charged under the provisions of the resolution) must not exceed the amount budgeted for each group of special rates.

IV. Policies and Record Keeping Procedures

1. Each institution shall develop formal written policies and procedures for granting special rates, consistent with the policies and procedures established by the Board of Governors. Consideration should be given to keeping all necessary documentation in one designated central office.

2. A formal record must indicate that the institution has determined that the undergraduate student has specific talents and qualifications that will be of benefit to the institution. A copy of a letter from a duly authorized administrative official of the institution offering such a student a monetary award will meet this requirement.

3. A formal record is required of the award of a scholarship, fellowship, or assistantship which makes the student eligible for a special tuition rate. This notification shall include the amount of the award and, in the case of graduate students, the specific nature of the assistantship or assignment. This documentation shall be present for each special tuition rate given by the institution.

4. Established budgeting and accounting procedures require that all nonresident students shall first be charged the full nonresident tuition rate on institutional records. A separate offset, reflecting the appropriate tuition remission amount, may be processed only after documentation is present.

5. Tuition remission for summer term shall be administered on the same basis as regular term. If the institution wishes to utilize a portion of its
1000.1.5 Regulations on Tuition Surcharge

This regulation provides a framework for implementing a tuition surcharge on undergraduates as required by North Carolina General Statute § 116-143.7 as codified by Section 9.10(a) of Session Law 2009-451.

I. Surcharge

The Board of Governors of the University of North Carolina shall ensure that procedures are established that are necessary to impose a 25 percent tuition surcharge prior to the 2010-2011 academic year and a 50 percent tuition surcharge beginning with the 2010-2011 academic year on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 110 percent of the credit hours necessary to complete a baccalaureate degree in any program officially designated by the Board of Governors as a five-year program. The calculation of the credit hours taken at the constituent institution or accepted for transfer shall include courses failed by the student or that are not completed unless officially dropped by the student pursuant to the academic policy of the appropriate institution. The calculation of the credit hours taken shall exclude hours earned through the College Board’s Advanced Placement or CLEP examination, through institutional advanced placement or course validation, or through summer term or extension programs. No surcharge shall be imposed on any student who exceeds the degree credit hour limits within the equivalent of four academic years of regular term enrollment, or within five academic years of regular term enrollment in a degree program officially designated by the Board of Governors as a five-year program.

II. Waiver

Upon application by a student, the tuition surcharge shall be waived if the student demonstrates that any of the following have substantially disrupted or interrupted the student’s pursuit of a degree: (1) a military service obligation, (2) serious medical debilitation, (3) a short-term or long-term disability, or (4) other extraordinary hardship. (See Appendix A for the language and terms applicable to the waiver procedure.)

III. Effective Date

Effective beginning with the 2009-2010 academic year, all undergraduates seeking a baccalaureate degree at a constituent institution will be subject to the requirements listed herein.

Effective beginning with the 2010-2011 academic year, the tuition surcharge will be raised from 25 percent to 50 percent.

IV. "Counted Credit Hours"

The undergraduate credit hours to be counted for this requirement include: (1) those courses taken at the constituent institution or accepted for transfer, (2) failed courses, and (3) those courses not completed unless officially dropped by the student consistent with the academic policy of the appropriate constituent institution. All credit hours transferred after August 15, 2013, shall be included for tuition surcharge calculation purposes regardless of their application to the student’s major or minor, unless otherwise exempted consistent with this regulation. However, the following credit hours shall be excluded from the calculation: (1) those earned through the College Board’s Advanced Placement (AP) and College Level Examination Program (CLEP) or similar programs, (2) those earned through institutional advanced placement, course validation, or any similar procedure for awarding course credit, (3) those earned through summer session or extension programs on the campus or at another institution, (4) Military Science courses required to earn a military commission, and (5) credits earned from private and out of state colleges and universities transferred prior to August 15, 2013. In addition, and consistent with this regulation, credit hours taken while enrolled as a high school student shall be excluded from the tuition surcharge calculation.

V. Students Subject to the Surcharge

The surcharge shall be imposed on all counted credit hours in excess of the threshold defined below for each of the following three categories of undergraduates:

A. For students earning a first baccalaureate degree in a program that requires no more than 128 credit hours, the surcharge shall be applied to all counted credit hours in excess of 140.

V. Reporting Procedures

Each institution must maintain a record of all special tuition rates granted. These records shall list each individual action, classified by the group of special rates. These records should contain the following:

1. List of all individuals, categorized by group, who received a special nonresident rate, and including the title of the award, the monetary amount of the award, the nature of the special talents and qualifications for undergraduate students; and, in the instance of graduate assistants, the nature of the appointment or assignment.
2. An annual report by each constituent institution of special tuition rates granted and tuition amounts remitted thereby shall be required.

(This is a rewrite of Administrative Memorandum #181.)

1000.1.1(g): Adopted 07/29/83

1000.1.5: Adopted 01/10/14

1000.1.5[R] Regulations on Tuition Surcharge
B. For students earning a first baccalaureate degree in a board-approved program that requires more than 128 counted credit hours, the surcharge shall be applied to all credit hours that exceed 110 percent of the credit hours required for the degree. Such programs include those that have been officially designated by the Board of Governors as five-year programs, and combined bachelor's/master's degrees.

C. For students earning a baccalaureate degree other than their first, the surcharge shall be applied to all counted credit hours that exceed 110 percent of the minimum additional credit hours needed to earn the additional baccalaureate degree.

VI. Students Exempt from the Surcharge

The surcharge shall not be imposed on undergraduates who:

A. Complete a first baccalaureate degree program that has not been officially designated by the Board of Governors as a five-year program and whose counted credit hours were taken in eight (8) or fewer regular term semesters or the equivalent; or

B. Complete a first baccalaureate degree program that has been officially designated by the Board of Governors as a five-year program and whose counted credit hours were taken in ten or fewer regular term semesters or the equivalent.

VII. How to Calculate the Surcharge

The surcharge shall be imposed on tuition charged in the current semester and in subsequent semesters where a student’s cumulative credit hours total – with that semester’s course load included – exceeds the threshold. The surcharge does not apply to required fees.

Appendix A

Waiver Procedure

I. Definitions

With respect to the provisions of North Carolina General Statute § 116-143.7(c) the following terms are defined:

A. "Military Service Obligation" shall mean the performance of duty on a voluntary or involuntary basis in connection with service in the Armed Forces, Reserves, or National Guard including, but not limited to; active duty, active duty for training, initial active duty for training, and inactive duty training.

B. "Serious Medical Debilitation" shall mean an illness, injury, impairment, or physical or mental condition requiring; (a) inpatient care in a hospital, hospice, or residential medical care facility; or (b) continuing treatment by a health care provider; provided that such incapacity did not result from the student’s violation of University policy or the commission of a felony.

C. "Disability" shall mean a mental or physical incapacity that causes the performance of the student’s academic commitments to become impossible or impractical; provided that such incapacity did not result from the student’s violation of University policy or the commission of a felony.

D. "Other Extraordinary Hardship" shall mean a hardship of any kind which, despite responsible handling, resulted in the substantial disruption or interruption of the student’s pursuit of a degree.

II. Documentation Requirements

In order to demonstrate the applicability of a waiver category the student shall provide the following documentation:

A. Military Service Obligation: verification of the student’s voluntary or involuntary performance of a duty in connection with service in the Armed Forces, Reserves, or National Guard including, but not limited to; active duty, active duty for training, initial active duty for training, and inactive duty training.

B. Serious Medical Debilitation

Certification issued by the treating health care professional(s) stating each of the following:

1. The approximate date on which the Serious Medical Debilitation commenced.
2. The extent to which the serious medical condition has impacted the student’s pursuit of a degree.
3. The relevant and appropriate medical facts regarding the condition.

C. Short-Term Disability

Certification issued by the treating health care professional(s) stating each of the following:

1. The approximate date on which the Short-Term Disability commenced.
2. The extent to which the student’s physical or mental incapacity has impacted the student’s pursuit of a degree.
3. The relevant and appropriate medical facts regarding the condition.
4. That, to the best of the treating health care professional’s knowledge, the student’s disability is not permanent.

D. Long-Term Disability

Certification issued by the treating health care professional stating each of the following:

1. The approximate date on which the Long-Term Disability commenced.
2. The extent to which the student’s physical or mental incapacity has impacted the student’s pursuit of a degree.
3. The relevant and appropriate medical facts regarding the condition.
4. That, to the best of the treating health care professional’s knowledge, the student’s disability is likely to be permanent.

E. Extraordinary Hardship: verification of any circumstances which, despite responsible handling, resulted in the substantial disruption or interruption of the student’s pursuit of a degree.

III. Tuition Surcharge Waiver Process

A. Constituent Institution

A constituent institution shall:

1. Include with the student’s bill that applies the tuition surcharge: (1) a tuition surcharge waiver form including, at a minimum, the information contained in Attachment 1, and (2) a copy of this guideline.
2. Establish procedures by which the institution shall receive each tuition surcharge waiver request.
3. Establish procedures by which the waiver request shall be reviewed and determined by a committee of no fewer than three (3) members, excluding initial decision makers when reasonably possible, drawn from departments whose expertise is relevant to the waiver category.
B. Student

A student who wishes to request a tuition surcharge waiver shall:

1. Complete and submit a tuition surcharge waiver request form provided by the constituent campus, and
2. In a manner consistent with the UNC Policy Manual 1000.1.5[R] including Appendix A, and to the satisfaction of the constituent institution:
   a. Demonstrate that his/her pursuit of a degree has been substantially disrupted or interrupted and that the reason for such substantial disruption or interruption fits within one of the four waiver categories enumerated above and defined in Appendix A, and;
   b. Meet the necessary documentation requirements that accompany each waiver category as articulated in Appendix A, and;
   c. Successfully complete and submit the form to the institution within thirty (30) business days of receiving written notice of the tuition surcharge.

Written notification of the result of the waiver request shall be provided to the student within thirty (30) business days from the date of receipt by the institution. The determination of the institution shall be the final decision.

Attachment 1**

Minimum Content Required for the Tuition Surcharge Waiver Form

I. Student Information
   A. Student's Name and Address
   B. Student's Email Address
   C. Student's Identification Number
   D. Student's Major(s)/Degree Program
   E. Other

II. Basis for Waiver Request

The following four waiver categories constitute the only grounds for waiver of the tuition surcharge (select one of the following):

   A. Military Service Obligation
   B. Serious Medical Debilitation
   C. Short-term or Long-Term Disability
   D. Other Extraordinary Hardship

III. Documentation Requirements

Attach to this form the necessary documentation requirements that correspond with the waiver category selected in section II. Documentation not included with this form will not be considered.

IV. Form Completion and Submission

Once this form has been timely completed in its entirety, including the necessary information and documents listed in sections I, II, and III, the form shall be submitted to the institution for consideration.

1000.1.5[R]: Adopted 01/20/15

1000.1.7 Policy for the Tuition Guarantee Program

This policy provides a framework for implementing a fixed tuition program for North Carolina undergraduate residents at UNC constituent institutions as required by North Carolina General Statute § 116-143.9 (S.L. 2016-94, s. 11.4[a]).

I. Fixed Tuition

The Board of Governors of the University of North Carolina shall ensure that policies and procedures are established for a fixed tuition program beginning with the fall 2016 academic year and all subsequent years. The rate of tuition of any eligible first year, continuing or transfer undergraduate students who are admitted to any constituent institution of the University of North Carolina and deemed to be a North Carolina resident for purposes of tuition shall be guaranteed for a designated time period based on program length and classification. The tuition period shall be eight consecutive academic semesters for a first-time student seeking a baccalaureate degree in a program officially designated by the Board of Governors as a five-year program, not including any summer sessions. Transfer students shall receive fixed tuition for a period determined based on the balance of their designated program length after making the proper adjustments for a student who transfers to the constituent institution. Current undergraduates shall receive fixed tuition for a period determined based on the balance of their designated program length after making the proper adjustments for semesters already completed. The calculation to determine the balance of a designated program length will be determined by the Office of the UNC president.

The fixed tuition program is a guarantee that the rate of tuition approved by the Board of Governors will remain constant or decrease during the tuition period. Students must remain continuously enrolled at the constituent institution during the designated time period to receive this benefit. At the end of the tuition period, the cost of tuition for any additional academic semesters reverts to the amount of the current tuition for that constituent institution and a tuition surcharge may be imposed under G.S. 116-143.7, if applicable.

II. Students Subject to Fixed Tuition

Fixed tuition will be for all eligible students deemed to be a North Carolina resident for tuition purposes for the following three categories of degree-seeking undergraduates in four or five-year baccalaureate degree programs.

A. Baccalaureate degree-seeking students entering into an undergraduate four or five-year degree program as a first-time student.
B. New degree-seeking transfer students entering into an undergraduate four or five-year degree program.
C. Currently enrolled resident continuing students who are enrolled in an undergraduate four or five-year degree program.
Any program authorized by the Board of Governors to require 135 semester credit hours or more shall be officially designated as a five-year baccalaureate program. Fixed tuition applies to students enrolled in distance education and traditional on-campus programs.

III. Fixed Tuition Time Period

First-time degree-seeking students are eligible for fixed tuition for a maximum of eight consecutive semesters for a four-year program and 10 consecutive semesters for a five-year program as long as they are continuously enrolled. Continuous enrollment is defined as a student being consecutively enrolled at the same higher education institution in fall and spring semesters in courses creditable toward a baccalaureate degree. A break in continuous enrollment occurs when a student is not enrolled in consecutive semesters at the same constituent institution. Summer terms are not considered part of the fixed tuition time period.

New transfers and currently enrolling continuing students shall receive fixed tuition for a prorated time period calculated based on the number of enrolled semesters accumulated at the transferring or home institution(s).

Once a student breaks continuous enrollment at a UNC constituent institution he/she is no longer eligible for the current rate of fixed tuition at the home institution. If the student transfers to another UNC institution they will be treated as a new transfer student, as described above, and will be eligible for fixed tuition at that institution’s current rate for the remaining balance of his/her fixed tuition eligibility period.

Students who are originally classified as nonresident for tuition purposes and subsequently are reclassified as a resident for tuition purposes will be eligible for fixed tuition at the institution’s current rate for the balance of his/her remaining eligibility period.

Students, who withdraw from all classes at their home institution before the date of census, will have broken continuous enrollment and will no longer be eligible for fixed tuition at the current rate at their home institution. Students who withdraw from their home institution after the date of census and then subsequently enroll at the same institution in the next semester will not have broken continuous enrollment and will receive the benefit of fixed tuition at the rate they paid in the prior semester of enrollment.

Tuition will convert to the amount of the current tuition for that constituent institution for students who exhaust their eligibility period; are not continuously enrolled; or become ineligible as designated in Section IV., below.

IV. Students Exempt from Fixed Tuition

The fixed tuition shall not be implemented for the following students: continuing education, cooperative innovative high school/early college students while enrolled in high school, consortium, dual-enrollment program, second degree seeking, transient, nonresident students, non-degree seeking and graduate and professional students.

V. Fixed Tuition for Part-Time Students

Campuses shall establish fixed tuition rates for part-time enrollment for students eligible for fixed tuition.

VI. Cost of Attendance Calculation

Financial Aid Offices shall establish cost of attendance budgets that are realistic and reasonable.

VII. Effective Date

Effective beginning with the 2016-17 academic year, all eligible first-time, continuing and transfer students seeking a four- or five-year baccalaureate degree at a constituent institution will be subject to the fixed tuition requirements listed herein.

VIII. Waiver

Upon application by a student, the reversion to current tuition may be waived if the student demonstrates that any of the following have substantially disrupted or interrupted their continuous enrollment: (1) a military service obligation, (2) serious medical debilitation, (3) short-term or long-term disability, or (4) other extraordinary hardship.

IX. Tuition Surcharge

After the fixed tuition period has expired tuition surcharge shall be applied according to current regulation 1000.1.5 [R].

Students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than 110 percent of the credit hours necessary to complete a baccalaureate degree in any program officially designated by the Board of Governors as a five-year program shall be subject to a 50 percent tuition surcharge.

1000.1.7: Adopted 01/13/17

1000.1.7[R] Regulations on the Fixed Tuition Benefit

I. Purpose. Pursuant to N.C.G.S. § 116-143.9 and UNC Policy 1000.1.7, Policy for the Tuition Guarantee Program, the constituent institutions must provide a fixed tuition benefit to certain qualifying students. This regulation is intended to provide guidance to the constituent institutions regarding the implementation of this fixed tuition benefit.

II. Definitions

A. Fixed Tuition Time Period. The period during which a student’s tuition remains fixed, based on program length and student classification. The calculation of the fixed tuition period is described further below.

B. Continuously Enrolled. For the purposes of the fixed tuition benefit, a student is continuously enrolled at an institution if the student is enrolled for consecutive semesters (not including summer semesters) in courses creditable toward a baccalaureate degree.

C. Resident for Tuition Purposes. A student who has been determined to meet the criteria under N.C.G.S. § 116-143.1(b) and is therefore qualified to receive the in-state rate of tuition by virtue of having established appropriate residency in North Carolina. Students who are eligible to receive the in-state rate of tuition under an exception, without having established residency in North Carolina (e.g., military exception, university employees domiciled out of state, etc.), are not considered residents for tuition purposes. Recipients of full scholarships under N.C.G.S. § 116-143.6 are considered residents of North Carolina for all purposes, and therefore are eligible for the fixed tuition benefit.

D. Date of Census. The conclusion of the tenth (10th) class day of the fall and spring semesters as per 400.1.8[R] of the UNC Policy Manual.
E. Transfer Hours. Any transferable undergraduate credits from one or more regionally accredited, post-secondary institutions as described in 700.1.1.2[R] of the UNC Policy Manual and any other awarded academic credit (i.e., AP, IB, credits by exam) accepted by the constituent institution. The following scale will be used to determine semester-equivalents for transferable undergraduate credits:

- 1 to 15 transferable undergraduate credits shall count as one semester
- 16 to 30 transferable undergraduate credits shall count as two semesters
- 31 to 45 transferable undergraduate credits shall count as three semesters
- 46-60 transferable undergraduate credits shall count as four semesters
- 61 to 75 transferable undergraduate credits shall count as five semesters
- 76 to 90 transferable undergraduate credits shall count as six semesters
- 91 to 105 transferable undergraduate credits shall count as seven semesters
- 106 to 120 transferable undergraduate credits shall count as eight semesters
- 121 to 135 transferable undergraduate credits shall count as nine semesters
- 136 to 150 transferable undergraduate credits shall count as ten semesters

III. Fixed Tuition Benefit Applicability. The fixed tuition benefit applies to tuition charges only. All other fees and charges are not fixed, and may increase during the student's fixed tuition time period.

IV. Calculating the Fixed Tuition Time Period

A. First-Time Students. For first-time students at constituent institutions, the fixed tuition time period shall be for a maximum of eight (8) consecutive semesters for a four-year program and ten (10) consecutive semesters for a five-year program, regardless of the number of credits earned, not including summer semesters. Students must be continuously enrolled in order to maintain eligibility.

B. Currently Enrolled Students. Students who are currently enrolled at a constituent institution on the effective date of the fixed tuition policy (fall 2016 term) shall receive fixed tuition for a prorated time period based on the maximum length of their program, as described in subsection A., above, less the number of semesters they have already accrued at their current institution, and less the number of semester-equivalent transfer hours they have had accepted by their current institutions, if any.

C. Transfer Students. Transfer students shall receive fixed tuition for a prorated time based on the maximum length of their program, as described in subsection A., above, less the number of semester-equivalent transfer credit hours the receiving institution accepts.

D. Students Reclassified as a Resident for Tuition Purposes. Out-of-state students who are reclassified as "resident for tuition purposes" after their initial enrollment, will be eligible for the fixed tuition benefit starting the term in which the residency reclassification takes effect. Such students will have the balance of their fixed tuition time period prorated based on subsection B., above.

E. Students who Withdraw from Classes.
   1. If a student withdraws from all classes before the date of census, that student will be deemed to have broken continuous enrollment.
   2. Students who break continuous enrollment and then re-enroll at the same institution will be granted fixed tuition based on the current tuition rate, for a prorated fixed tuition time period calculated pursuant to subsection B., above.
   3. If a student withdraws from all classes after the date of census, and then re-enrolls the following semester (not including summer semesters), the student will not be deemed to have broken continuous enrollment, and may re-enroll at the same fixed tuition rate. The semester during which the student withdrew will be counted against the student's fixed tuition time period unless a waiver is granted.

V. Early College High School Students. Early College High School students are not eligible for fixed tuition benefits unless and until they enroll at a constituent institution after high school completion as degree-seeking college students. Students attended at the Early College High School shall not count in the calculation of the fixed tuition period.

VI. Study Abroad Students. Semesters spent in a study abroad program while continuously enrolled will count against a student's remaining tuition periods as would any other semester.

VII. Waivers. Students who have a break in enrollment and re-enroll at their original constituent institution may seek a waiver to allow them to retain their original fixed tuition rate. Additionally, students who withdraw from all classes after the date of census and subsequently re-enroll may seek a waiver to prevent the semester during which they withdrew from counting against their fixed tuition time period.

A. Grounds for Granting a Waiver. The grounds for granting a waiver are identical to the grounds for waiver from the tuition surcharge, as described in Section 1000.1.5[R] of the UNC Policy Manual (1) military service obligation, (2) serious medical debilitation, (3) short-term or long-term disability, or (4) other extraordinary hardship.

B. Policies and Procedures. The constituent institutions shall implement policies and procedures for considering waiver requests modeled on the tuition surcharge waiver process outlined in Appendix A, Section 1000.1.5[R] of the UNC Policy Manual.

1000.1.7[R]: Adopted 05/08/17

1000.2 Tuition Waivers

1000.2.1 Tuition Waiver for Certain Family of Deceased or Disabled Emergency Workers

The General Assembly has provided the privilege of tuition-free enrollment to certain family of deceased or totally disabled emergency workers of this State and directed that the Board of Governors of the University of North Carolina promulgate rules and regulations necessary for the implementation of the statute with respect to the constituent institutions of the University of North Carolina.

1. Definitions.
   a. "Educational program" means either:
      1. those courses taken within the University of North Carolina in fulfillment of requirements for a degree, certificate, or certification; or
      2. any course or aggregation of courses within the University of North Carolina not taken with respect to pursuit of a degree, certificate, or certification.
   b. "Emergency worker" means a firefighter, volunteer firefighter, law enforcement officer, or rescue squad worker.
   c. "Employer" means the State of North Carolina or any of its departments, agencies, and institutions; or a county, city, town, or other political
subdivision of the State.

d. "Firefighter" or "volunteer firefighter" means a fireman eligible under N.C.G.S. § 58-86-25 for membership in the North Carolina Firemen's and Rescue Squad Workers' Pension Fund.

e. "Law enforcement officer" means:
   1. an employee or volunteer of an employer who (a) possesses the power of arrest, (b) has taken the law enforcement oath administered under authority of the State as prescribed by N.C.G.S. § 11-11, and (c) is certified as a law enforcement officer under the provisions of N.C.G.S. Chapter 17C or is certified as a deputy sheriff under the provisions of N.C.G.S. Chapter 17E; or
   2. the sheriff of a county of this State.

f. "Legal resident" or "resident" means a domiciliary of North Carolina without reference to duration of domicile. The determination of legal residence shall be made in accordance with A Manual to Assist the Public Higher Education Institutions of North Carolina in the Matter of Student Residence Classification for Tuition Purposes, as amended. Determinations with respect to legal residence may be appealed as provided by the residence Manual and the Policies and Procedures of the State Residence Committee.

g. "Permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty" means a person who:
   1. as a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker suffered a disabling injury while in active service or training for active service; and
   2. at the time of active service or training was a North Carolina legal resident; and
   3. has been determined to be permanently and totally disabled for compensation purposes by the North Carolina Industrial Commission.

h. "Rescue squad worker" means any member of a rescue squad or an emergency medical services squad eligible under N.C.G.S. § 58-86-30 for membership in the North Carolina Firemen's and Rescue Squad Workers' Pension Fund.

i. "Survivor" means any person whose parent or spouse:
   1. was a law enforcement officer, a firefighter, a volunteer firefighter, or a rescue squad worker;
   2. was killed on or after October 1, 1997, while in active service or training for active service or died on or after October 1, 1997, as a result of a service-connected disability; and
   3. was a North Carolina legal resident at the time of active service or training for active service.

"Survivor" does not mean the remarried widow or widower of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker.

j. "Tuition" means the amount charged for registering for a credit hour of instruction and shall not mean any other fees or charges or costs of textbooks.

2. Eligible persons. The tuition waiver privilege of N.C.G.S. Chapter 115B shall be available only to the following persons:

a. Repealed.

b. A survivor who is a child of the deceased emergency worker, without regard to the survivor's legal residence or age.

c. A survivor who is the remarried widow or widower of a deceased emergency worker, without regard to the survivor's legal residence or age; however, the tuition waiver shall not be granted with respect to any academic term commencing after remarriage of the widow or widower, or be denied by reason of the child's age at remarriage.

d. The spouse of an emergency worker who became permanently and totally disabled on or after October 1, 1997, as a direct result of a traumatic injury sustained in the line of duty as an emergency worker. The tuition waiver shall not be denied by reason of the child's age at remarriage.

e. A child, at least age 17 but not yet 23, whose parent became permanently and totally disabled on or after October 1, 1997, as a direct result of a traumatic injury sustained in the line of duty as an emergency worker; provided, that the tuition waiver:
   1. shall not be extended beyond 48 consecutive academic calendar months incident to an educational program in pursuit of a baccalaureate degree;
   2. shall not be extended beyond the time period necessary to complete the relevant educational program through consecutive regular-term academic semesters, carrying a "normal" full academic load, if incident to an educational program in pursuit of a certificate, certification, or an associate degree other than the baccalaureate degree; and,
   3. shall be available for course enrollments after the student reaches age 23 only if the enrollments are part of an educational program in pursuit of a degree, certificate, or certification, that was begun before the student reached age 23 and all other pertinent requirements of N.C.G.S. Chapter 115B are met.

The legal residence of the child of the disabled parent is not material in determining the child's eligibility for tuition waiver.

3. Academic qualifications. To receive tuition waiver for a given course, a person shall first meet all institutional requirements with respect to institutional admission, course enrollment, and any other standards deemed appropriate by the enrolling institution; provided, that institutional requirements for course enrollment tuition-free under this policy shall include the requirement that there be space available for enrollment tuition-free in any course for which tuition waiver is sought.

4. Student status. This tuition waiver privilege may apply to courses taken under any student status recognized under institutional policy (e.g., degree candidate, special student, auditor); provided, that tuition waiver shall be available only for courses for which a tuition charge is set and normally levied.

5. Other scholarship awards. If a person who receives tuition waiver under N.C.G.S. Chapter 115B, spouse, student, or child of an emergency worker also receives a cash scholarship, from whatever source, paid or payable to the enrolling institution, the amount of the scholarship shall be applied to the credit of the person in payment of expenses incident to the person's attendance at the institution, and, if the terms of the scholarship permit, any balance shall be returned to the student.

6. FTE accounting. Persons attending classes under the tuition-waiver privilege of this policy shall be counted in the computation of institutional enrollment for funding purposes.

7. Implementation; proof of eligibility. The chancellor of each constituent institution, or the chancellor's delegate, shall have authority to make those determinations required under this policy for application of the tuition-waiver privilege; and the chancellor, or the chancellor's delegate, may require such proof as he or she deems necessary to insure that a person applying to the respective institution for tuition waiver is eligible for the benefits provided under this policy for the pertinent course(s).

With respect to applications for tuition waiver from spouses and children of disabled emergency workers and from survivors of emergency workers, each institution shall include in its required proof of eligibility, the following:

a. To demonstrate a parent-child relationship, submission of a birth certificate, legal adoption papers, or other documentary evidence deemed appropriate by the institution.

b. To demonstrate a marital relationship, submission of a marriage certificate or other documentary evidence deemed appropriate by the institution.

c. To evidence the cause of death of an emergency worker, submission of certification of death from the records of (1) the Department of State Treasurer, (2) the appropriate city or county law enforcement agency that employed the deceased, (3) the administrative agency for the fire...
I. Definitions.

appropriate regulations.

on the Waiver of Tuition and Fees for Faculty and Staff, the Board of Governors has delegated to the p

1000.2.1 Regulations on the Waiver of Tuition and Fees for Faculty and Staff

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. 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, to be used by faculty and staff of any constituent institution of the University of North Carolina, the North Carolina School of Science and Mathematics, the University of North Carolina Health Care System, and General Administration;

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

3. 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.

1000.2.2 Policy on the Waiver of Tuition and Fees for Faculty and Staff

N.C.G.S. § 116-143(d) 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.

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:

The terms of the employee’s authority to issue necessary and appropriate guidance. The President is authorized to issue such additional guidelines and regulations, not inconsistent with this policy, as the President may deem appropriate to assist the institutions to implement N.C.G.S. Chapter 115B.

1000.2.2.1[R] Regulations on the Waiver of Tuition and Fees for Faculty and Staff

North Carolina General Statute § 116-143(d) 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, the Board of Governors has delegated to the president the authority to issue necessary and appropriate regulations. The following regulations are hereby adopted.

I. Definitions. With respect to the provisions of North Carolina General Statute § 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 Teachers’ and State Employees’ Retirement System or the UNC Optional Retirement Program. 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 as a permanent change of station; and

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

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

C. Enrolling Institution. Enrolling Institution shall mean a constituent institution of the University of North Carolina 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 of fees for receipts-supported
courses. Pursuant to North Carolina General Statute § 116-143.1(m), an Employee of the University of North Carolina 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.

The waiver of tuition for an Employee shall be limited to three (3) 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.

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 (SPA) or separated for budgetary reasons (EPA) 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 Enrolling 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 these 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.

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

1000.3.1[G] Guidelines for Refunds of Tuition and Fees for Students Serving in the Military or in Case of National Emergency

These Guidelines are intended to assist the UNC constituent institutions in situations in which students request refunds of tuition or fees because of involuntary or voluntary service in the military or because of circumstances related to national emergencies.

1. All constituent institutions are authorized to issue a full refund of tuition and required fees to students who are involuntarily called to active duty in the military after a semester or term begins.

2. It is recommended that all constituent institutions have a process for determining on a case by case basis whether to grant a full refund of tuition and required fees to students who volunteer for military service or who request to withdraw because of circumstances related to national emergencies.

3. Constituent institutions should determine under what circumstances students who withdraw because of military service or circumstances related to national emergencies should be given the option of receiving incompletes in their courses instead of receiving tuition and fee refunds.

4. Constituent institutions should determine whether or not to give full or pro rata refunds of housing, parking and other optional fees to students to whom they give tuition and required fee refunds.

5. Constituent institutions that offer courses on military bases should defer to their contracts with the military in making determinations concerning withdrawal from courses due to changes in assignments of military personnel.
It is recommended that every campus review its policy on tuition refunds and make modifications necessary to cover the circumstances described in these guidelines.

The United States Department of Education has issued guidance with regard to federal student loans that institutions should be alert to when dealing with students withdrawing because of military service.

1000.3.1[G]: Adopted 10/12/01

1000.4.1 Policy on Auditing Courses for Persons Who are At Least 65 Years Old

I. Purpose. N.C. Gen. Stat. § 115B-2.2 (hereinafter G.S.), requires that the University of North Carolina Board of Governors adopt a policy permitting any person who is at least 65 years old to audit courses offered without payment of any required registration fee or tuition.

II. Eligibility Requirements

A. A senior auditor is any person who is:
   1. at least 65 years old as of the start of the applicable term; and
   2. a North Carolina resident, as determined by the institution.

B. Senior auditors must be in good standing with the institution of higher education[1] and must not have any financial holds on any institutional accounts.

C. The constituent institutions may require senior auditors to provide documentation necessary to prove eligibility, for example, proof of age and residence through a driver’s license, state identification card, or other government-issued document. While senior auditors must have domicile in North Carolina, they do not need to be “residents for tuition purposes” as defined in G.S. 116-143.1(b), and do not need to seek a determination through the Residency Determination Service (RDS).

D. A constituent institution may prohibit a senior auditor from auditing courses if it determines that the auditor poses a threat to the health and safety of the campus community. In making such a determination, constituent institutions may make reasonable and appropriate inquiries into the senior auditor’s criminal and school disciplinary background. Such inquiries may include a criminal background check, with the senior auditor’s consent.

III. Course Availability. Senior auditors shall be allowed to audit courses only if there is space available after regularly enrolled students are placed. Audit requests will be accepted according to the institutional calendar of registration dates and will be processed after the institution can confirm space will be available in the requested course. Registration will be held until such time as space available can be determined by the institution.

IV. Course Standards. Senior auditors must comply with all current constituent institution course audit policies. Senior auditors shall be held to the same performance standards set by the institution and instructor for similarly classified students, including meeting course prerequisites and other applicable course restrictions.

V. Types of Courses Covered and Exempted. Auditing of courses under this policy is permitted only in lecture-based courses and not in courses that require laboratories, studios, or performances. Auditing is not permitted in online distance education courses, independent studies courses, internships, special topics, or other special courses as outlined in institutional policies.

VI. Academic and Conduct Requirements. Senior auditors are expected to comply with the institution’s academic and student conduct policies, rules and regulations. Failure to adhere to these rules and regulations may lead to dismissal from the audited course(s) or other sanctions, including prohibition from campus.

VII. Fees. Constituent institutions may not charge senior auditors application or registration fees. Senior auditors will be required to pay for all associated course material fees and books. Several student-fee generated services, such as use of an institution’s student recreation center, could be limited or require an additional cost.

VIII. Funding. Senior auditors shall not be counted in the calculation of enrollment for funding purposes.

IX. North Carolina Immunization Requirements. Senior auditors will need to comply with the immunization requirements required under G.S. 130A-155.1, as well as any applicable institutional immunization policy requirements.

X. Other Matters

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

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 from time to time by the president.

[1] This policy does not apply to courses offered at the North Carolina School of Science and Mathematics or through the high school program at the University of North Carolina School of the Arts.

1000.4.1: Adopted 05/24/18
1100.1 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 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 be administered by appropriate academic offices in cooperation with athletic 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 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. 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 and Regulation 700.1.1[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.
14. The chancellors shall report to the Board of Trustees the student-athlete exceptions to the institution's undergraduate admissions criteria.
15. 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]

1100.1: Adopted 10/11/85, Replaced 05/09/03

1100.1.1[R] Financial and Other Reporting for Intercollegiate Athletics

I. Purpose

Consistent with the University of North Carolina's commitment to ensuring integrity and transparency in its financial and other operations, this regulation establishes financial and other reporting requirements for the intercollegiate athletics programs of the constituent institutions. These requirements ensure that the chancellors, the boards of trustees, the president, and the Board of Governors receive and review the information needed to guide the resources that contribute to the athletics budget, monitor institutional expenditures, and objectively consider the balance between athletics and the academic mission of each constituent institution within the University.

II. Athletically Related Financial Reporting Requirements

A. Reports to the Chancellor

1. Reports to the U.S. Department of Education and the National Collegiate Athletic Association. The chancellor of each constituent institution with an intercollegiate athletics program shall review and approve the athletically related financial information required by and reported to the National Collegiate Athletic Association ("NCAA"), the U.S. Department of Education, and the Board of Governors through applicable University policy and regulations including, but not limited to, the financial information contained in the constituent institution's Equity in Athletics Disclosure Act ("EADA") Report and in its NCAA Operating and Capital Financial Data Report.

2. Review of Financial Indicators. The chancellor of each constituent institution with an intercollegiate athletics program shall annually receive and review the most recent year's data and five-year trend data for the financial indicators contained in the NCAA Dashboard "Presidential View" for the constituent institution's NCAA division.

   a. The financial indicators reviewed for Division I institutions must include, at a minimum, the following:
      - (1) NCAA Academic Progress Rate;
      - (2) Generated Revenues/Total Athletics Revenue (%);
      - (3) Net Athletics Revenues ($);
      - (4) Total Athletics Expenditures ($);
      - (5) Salaries and Benefits (%) as a share of Total Athletics Expenditures;
      - (6) Athletics Expenditures/Student-Athlete ($);
      - (7) Athletics Expenditures/Institutional Expenditures (%) and
      - (8) Athletics Expenditures Rate of Change vs. University Expenditures Rate of Change (%).

   b. The financial indicators reviewed for Division II institutions must include, at a minimum, the following:
      - (1) Student Fees Revenue/Total Athletics Revenue (%);
      - (2) Total Athletics Revenue ($);
      - (3) Athletic Student Aid/Total Athletics Expenses (%);
(4) Coaches Compensation/Total Athletics Expenses (%);  
(5) Administrative Staff Compensation/Total Athletics Expenses (%); and  
(6) Team Travel Expenses/Total Athletics Expenses (%); and  
(7) Average Academic Success Rates.

3. Review and Approval of Annual Intercollegiate Athletics Budget. The chancellor of each constituent institution with an intercollegiate athletics program shall review and approve the annual institutional budget for intercollegiate athletics, including:
   a. Major sources of revenue and expenses;  
   b. Athletically related student fees data, including the institution's current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics; and  
   c. Any relevant financial reports pertaining to the operation of the institution's intercollegiate athletics program.

4. Chancellor’s Role in the Annual Report. The chancellor shall ensure that the annual report required by Policy 1100.1 incorporates the information included in this regulation, including the indicators from the NCAA Dashboard "Presidential View" and the athletically related student fees data. The chancellor shall also ensure that the 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 chancellor.

B. Reports to the Boards of Trustees
1. The board of trustees of each institution, through the chancellor, must annually receive and review the financial indicators contained in the NCAA Dashboard "Presidential View" for the institution as described in Section II.A.2., above. This "Presidential View" data should be reported on an annual basis and shall include the most recent year's data as well as five-year trend data.
2. The board of trustees shall also receive and review the annual institutional budget for intercollegiate athletics, including major sources of revenue and expenses. This budget report shall include, at a minimum:
   a. Major sources of revenue and expenses;  
   b. Athletically related student fees data, including the institution's current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics; and  
   c. Any relevant financial reports pertaining to the operation of the institution's intercollegiate athletics program.

C. Reports to the President and the Board of Governors
1. The president and, through the president, the Board of Governors shall annually receive and review the financial indicators contained in the NCAA Dashboard "Presidential View" for each institution as described in Section II.A.2., following review by the chancellor and the board of trustees. This information shall be provided by each institution as part of its annual report described in Policy 1100.
2. The president and Board of Governors shall also receive and review the athletically related student fees data for each institution, including each institution’s current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics.

III. Other Athletically Related Reporting Requirements
A. Additional Information to be Included in the Annual Report

Section 13 of Policy 1100.1 requires that chancellors submit an annual report to the board of trustees of the constituent institutions with a copy to the president, who will provide an appropriate summary to the Board of Governors. The annual report from the constituent institutions shall be designed according to criteria and format defined by the president and must include all the elements listed in the policy and the elements listed in this regulation, including the following elements:

1. As part of the discussion of the organization and philosophy of athletics programs (Section 13.a.), the chancellor shall include:
   a. An explanation of the institution’s reporting structure for athletics compliance and whether and to whom the athletics compliance director reports outside of the department of athletics;  
   b. Any especially effective practices the institution has adopted that reinforce the integral connection between academics and athletics;  
   c. The indicators from the NCAA Dashboard "Presidential View" as described in this regulation; and  
   d. Athletically related student fees data, including the institution’s current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics.

2. As part of the information about the admission policy for student-athletes including the definitions utilized for exceptions to campus-based criteria (Section 13.b.), the chancellor shall include:
   a. Any recruited student-athlete exceptions to the Board of Governors’ minimum admissions requirements, listed by sport.

3. As part of the provision of academic progression information for student-athletes (Section 1f.), the chancellor shall include:
   a. Information related to academic integrity and academic success measures such as the APR and six-year graduation rates;  
   b. A summary of student-athlete GPA comparison information as set out in Policy 700.6.1[R].  
   c. Course-clustering information as set out in 700.6.1.1[G].

4. As part of the information about “booster” club organizations (Section 13.g.), the chancellor shall include:
   a. Information related to any associated entity that supports its intercollegiate athletics program, including financial information, operating procedures, and annual audit reviews.

5. The institution’s financial indicators contained in the NCAA Dashboard "Presidential View" as described in Section II.A.2., of this regulation, following review by the chancellor and the board of trustees.

IV. Effective Date
These review and reporting requirements shall take effect with and be incorporated in the annual reports due in 2014.

1100.1.1[R]: Adopted 06/25/14

### 1100.3 Head Coaches’ and Athletic Directors’ Contracts

The Board of Governors recognizes the importance of intercollegiate athletics to the University's constituent institutions. The Board emphasizes that a constituent institution's athletic program must be (1) consistent with and complementary to the academic mission of the university, (2) fiscally sound such that the athletic program does not take resources away from the academic program of the institution and the institution does not undertake any financial obligation for which it does not have funds available from appropriate sources to fulfill, and (3) under the control of the chancellor of the constituent institution.

Consistent with the requirements set forth in the Delegations of Duty and Authority to the Boards of Trustees contained in the Appendix to the Code, no contract of employment between an institution and a head athletic coach or an athletic director which is for a term longer than one year shall be valid unless
and until all terms and conditions of the contracts have been approved by the Board of Trustees.

A. Required Element of Contracts.

While determination of the terms and conditions of contracts for head coaches and athletic directors lies in the discretion of the boards of trustees, the Board of Governors seeks to assure the priority of academics in the athletic program, the fiscal soundness of the program, and sufficient institutional control of the program free from undue influence of outside sources. In all instances, contracts with head coaches and athletic directors must have provisions that comply with the following principles:

1. Academic Values. Fostering educational values and maintaining a program of integrity must be an integral part of the contracts of all coaches and athletic directors. In particular, contracts must address the constituent institution's policy on the recruitment and retention of qualified student athletes and the necessity that athletes progress toward a degree in a defined academic program. The coach and athletic director must have a clear obligation to contribute to the academic progress of team members under his or her supervision.

2. Compliance with NCAA Rules. Each contract must clearly acknowledge that the athletic program under the direction of the coach, or the programs under the direction of the athletic director, must comply with the policies of the constituent institution and of the NCAA and that the failure of the program to so comply will, at the option of the institution, be deemed a violation of the provisions of the coach's or athletic director's contract that is grounds for termination of the contract.

3. No Automatic Extensions. "Roll-over" or "evergreen" contracts, by which the term of the contract is automatically renewed on an annual or other periodic basis, are contrary to sound personnel policies. Any renewal of a contract must be advertent, based upon a deliberate assessment of performance by the chancellor and board of trustees, and not automatic.

4. Outside Compensation. Employment contracts must clearly define the rights and obligations of a coach or athletic director who enters into outside agreements for compensated services, while addressing the interests of the constituent institution. Every contract must require the coach or athletic director to have the approval of the chancellor before entering into an agreement to earn athletically-related income or benefits from sources outside the constituent institution and to report all such income annually through the athletic director, to the chancellor. Coaches and athletic directors must comply with the Board of Governors and constituent institution policies on external activities for pay for any outside income that is not athletically related.

5. Source of Funding. Student athletic fees may be used to pay a coach or athletic director's base salary. State general funds and tuition may be used to pay only the instructional portion of a coach's base salary. Funds available for paying the salaries EPA non-faculty personnel may be used to pay the base salary of an athletic director.

6. Contracts as Public Records. Every head coach and athletic director contract must state that, upon execution, it is a public record subject to disclosure under North Carolina's Public Records Law.

B. Contract Terms that Require Board of Governors' Approval.

Certain terms in head coach and athletic director contracts have become common in the marketplace. While including these terms in an employment contract may be necessary to obtain the services of the candidate deemed to be the best qualified individual to serve the needs of the constituent institution, those terms may create additional financial risk for constituent institutions. In light of this risk, if a constituent institution proposes to include any of the following terms in a coach or athletic director contract, approval of the terms of the contract must be approved by the constituent institution's board of trustees, and before executing the contract, the constituent institution must obtain approval of the terms of the contract by the president, and if the president approves the terms, on the president's recommendation, by the Board of Governors:

1. Deferred Compensation. A provision to pay deferred compensation, including, for example, a direct deferred payment or an annuity. In considering a contract including deferred compensation, the constituent institution must provide the Board of Governors with the following information:
   a. The source of the funds that the constituent institution will use to pay the deferred compensation. Neither State funds, tuition, nor student fees may be used for such deferred compensation.
   b. Whether the funding for deferred compensation will come from an outside entity. If so, the outside entity must provide the funds to the constituent institution, not directly to the coach or athletic director.
   c. If an outside entity is to be the source of funds, whether the funds have already been provided, whether the funds have been raised or pledged, or whether the funds remain to be raised. If such funds are not to be provided in advance, the constituent institution's obligation to pay the deferred compensation must be contingent on the constituent institution's receipt of the funds from the outside entity.

2. Buyout Clauses. Any buyout clause which obligates the constituent institution to pay more than the balance of the base salary the coach or athletic director would have earned during the remaining term of the contract had he or she remained employed plus any bonuses or deferred compensation already earned or vested in accordance with the terms of the contract. The amount of the payment required by such a clause must bear a clearly discernible relationship to the actual financial loss that would likely be incurred by the coach or athletic director if the contract were terminated without cause during its term.

3. Damage Mitigation Waiver. A provision waiving a requirement that the coach or athletic director mitigate his or her damages and set off actual earnings against the amount to be paid by the constituent institution.

4. Loss of Outside Income. A provision which obligates the constituent institution or any party related to the constituent institution to replace the loss of any outside compensation to the coach or athletic director.

C. Considerations for Approval by the Board of Governors.

When considering contract terms identified in Part B of this policy, the Board of Governors will consider, among other relevant factors:

1. The constituent institution's ability to pay the compensation, benefits, or possible buy-out amounts provided for in the agreement.
2. The sources of funding the constituent institution will use in paying the compensation, benefits and buy-out amounts provided for in the contract.
3. If payments are to be made using funds from an outside entity, whether or not the outside funds have already been raised or whether or not pledges of funding have been committed.
4. Whether the constituent institution's commitment to pay the required buy-out amount on termination is likely to have a significant financial impact on the athletic department or the constituent institution.

A chancellor is encouraged to consult with the president if the chancellor has any question about or desires any clarification of this policy.

Chancellors will forward to the president a copy of each contract entered into with a head coach or athletic director promptly after the contract is executed.

Effective date: This policy applies to contracts entered into after its adoption. It also applies to contract terms which have been substantively modified in contracts renewed, extended, or modified after its adoption.

1100.3: Adopted 05/11/90, Amended 10/12/07
Chapter 1200 Affiliated Entities

1200.1 Establishment of the Center for Public Television

WHEREAS, the 1979 session of the General Assembly authorized and directed the Board of Governors to establish the University of North Carolina Center for Public Television, to establish the Board of Trustees of the Center and to delegate to the Board of Trustees "such powers and duties as the Board of Governors deems necessary or appropriate for the effective discharge of the functions of the Center"; and

WHEREAS, at its meeting on November 9, 1979, the Board of Governors appointed eleven persons to serve on the Board of Trustees of the Center; and

WHEREAS, the Governor has appointed four persons to serve on the Board of Trustees, the President of the Senate has appointed one person and the Speaker of the House of Representatives has appointed one person, all pursuant to authority given by statute:

NOW, THEREFORE, BE IT RESOLVED THAT:

1. There is hereby established, effective May 1, 1980, the University of North Carolina Center for Public Television.[N.C.G.S. § 116-37.1(a)]

2. There is hereby established, effective May 1, 1980, the Board of Trustees of the University of North Carolina Center for Public Television[See N.C.G.S. § 116-37.1(b)]

   a. The Board of Trustees shall be composed of twenty-two persons chosen as follows:

      1. Eleven appointed by the Board of Governors;
      2. Four appointed by the Governor;
      3. One senator appointed by the President of the Senate [changed in 1983 by statute];
      4. One member of the House of Representatives appointed by the Speaker of the House [changed in 1983 by statute];
      5. The secretary of the Department of Cultural Resources, ex officio;
      6. The superintendent of Public Instruction, ex officio;
      7. The State President of the Community College System, ex officio; and
      8. The President of the University of North Carolina, ex officio. [See N.C.G.S. § 116-37.1b(1)][a]

   b. Six of the eleven persons initially appointed by the Board of Governors shall serve for two-year terms, and five shall serve for four-year terms. [See N.C.G.S. § 116-37.1b(1) and see minutes of the Board of Governors dated November 9, 1979]

   c. Two of the four persons initially appointed by the Governor shall serve for two-year terms and two for four-year terms.[See N.C.G.S. § 116-37.1b(1)]

   d. The person appointed by the President of the Senate shall serve for a term of four years and shall be eligible for reappointment, but if he ceases to be a member of the Senate, he shall be deemed to have resigned from the board [changed in 1983 by statute][See N.C.G.S. § 116-37.1b(1)]

   e. The person appointed by the Speaker of the House of Representatives shall serve for a term of four years and shall be eligible for reappointment, but if he ceases to be a member of the House of Representatives, he shall be deemed to have resigned from the board. [changed in 1983 by statute][See N.C.G.S. § 116-37.1b(1)]

   f. After the initial appointments, all persons appointed by the Board of Governors, by the Governor, by the President of the Senate and by the Speaker of the House of Representatives shall be eligible for appointment for four-year terms, provided that, if a vacancy occurs during a term, the vacancy shall be filled for the remainder of the unexpired term by appointment of the original appointing authority for the vacant seat.[See N.C.G.S. § 116-37.1b(1)]

   g. Any person appointed by the Board of Governors who has served two full four-year terms in succession shall, for a period of one year, be ineligible for reappointment.

   h. In making appointments to the Board of Trustees the appointing authorities shall give consideration to promoting diversity among the membership, to the end that, in meeting the responsibilities delegated to it, the Board of Trustees will reflect and be responsive to the diverse needs, interests and concerns of the citizens of North Carolina[See N.C.G.S. § 116-37.1b(1)]

   i. No person shall be appointed to the Board of Trustees who is an employee of the State or of any constituent institution; a public officer of the State as defined in N.C.G.S. §§ 147-1, 147-2, and 147-3(c); a member of the Board of Governors; a trustee of a constituent institution; or the spouse of any of the foregoing; provided, however, that the President of the Senate may appoint a senator and the Speaker of the House of Representatives may appoint a member of the House, in accordance with the provisions of the statutes [changed in 1983 by statute]. Any other appointed member of the Board of Trustees who after appointment becomes any of the foregoing shall be deemed to have resigned from the Board of Trustees.[See N.C.G.S. § 116-37.1b(1)]

   j. Each ex officio member of the Board of Trustees may designate in writing a proxy for specified meetings which the ex officio member finds he or she is unable reasonably to attend.[See N.C.G.S. § 116-37.1b(1)][a]

   k. Each appointive member of the Board of Trustees who falls, for any reason other than ill health or service in the interest of the State or the nation, to attend three consecutive regular meetings of the Board of Trustees, shall be deemed to have resigned from the Board of Trustees[See N.C.G.S. § 116-37.1b(4)]

   l. Whenever a vacancy occurs during the term of an appointive member the chairman of the Board of Trustees shall promptly notify the secretary of the University of North Carolina of the vacancy, and the secretary shall give written notice of the vacancy to the appropriate appointing authority.[See N.C.G.S. § 116-37.1b(5)]

   m. At the first meeting after May 1 of each even-numbered year the Board of Trustees shall elect from its appointive membership a chairman and a vice chairman to serve for terms of two years. No ex officio member shall be eligible to serve as chairman or vice chairman. No person shall serve as chairman for more than two full two-year terms in succession. The director of the Center shall serve as secretary of the board. Copies of all minutes, papers, and documents of the board may be certified by the secretary.

   n. The Board of Trustees shall prepare by-laws that deal, to the extent the Board of Trustees sees fit, with such topics as regular and special meetings of the board, the organization of the board for the conduct of its business and the procedures to be followed in handling its business. The by-laws, and any amendments thereto, shall become effective upon approval by the Board of Governors.

   o. The Board of Trustees shall prepare by-laws that deal, to the extent the Board of Trustees sees fit, with such topics as regular and special meetings of the board, the organization of the board for the conduct of its business and the procedures to be followed in handling its business. The by-laws, and any amendments thereto, shall become effective upon approval by the Board of Governors.

   p. As of June 30 of each year the director shall prepare for the Board of Trustees and the President and the Board of Governors, a report on the operation of the Center for the preceding year. He shall make such additional reports to the Board of Trustees, the President and the Board of Governors as they may from time to time request.

   q. The Board of Trustees shall promote the sound development of the University of North Carolina Center for Public Television, helping it to serve the people of the State and aiding it to perform at a high level of excellence in every area of endeavor. More specifically, the Board of Trustees is charged, working with the director of the University of North Carolina Center for Public Television, to do the following:

      a. To review, on a continuing basis, the status of public television in North Carolina;
      b. To advise the President and Board of Governors with respect to whether the programming and other activities of the Center are meeting the special educational and cultural needs of the State;
c. To recommend to the President ways through which public television can improve and expand its service to potential viewers;
d. To assist, as needed, in the raising of non-State funds for the support of the activities of the Center;
e. To give advice to the President on the structure and organization of the Center;
f. To help define, on a continuing basis, the program goals of the Center;
g. To advise on program standards for the Center;
h. To help coordinate the efforts of volunteers and community interest groups who are concerned with public television;
i. To advise on and assist with the public relations of the Center;
j. To assist, on request of the President and with his leadership, in the development and maintenance of good relations between the Center and appropriate State and federal agencies; and
k. To advise and assist in the development and maintenance of long-range plans for the Center.

7. The Board of Trustees shall serve as the “community advisory board” to the licensee as required by the Federal Public Telecommunications Financing Act of 1978.
8. The Board of Governors shall not be deemed by any of the provisions of this resolution, or otherwise, to have delegated any responsibility it may have as licensee of the broadcast facilities of the University of North Carolina.[See N.C.G.S. § 116-37.1b]]
9. The chief administrative officer of the Center shall be a director, who shall be elected by the Board of Governors upon recommendation of the President and who shall be responsible to the President.[See N.C.G.S. § 116-37.1c]]

1200.1: Adopted 04/17/80

1200.1.1 By-Laws of the University of North Carolina Center for Public Television

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By-Laws

The University of North Carolina Center for Public Television

I. Membership
   A. Appointed and Ex Officio

The Board of Trustees shall be composed of twenty-two persons chosen as follows:

Eleven appointed by the Board of Governors

Four appointed by the Governor

Two by the General Assembly, one upon the recommendation of the Speaker of the House of Representatives, and one upon the recommendation of the President of the Senate in accordance with N.C.G.S. § 120-121. [Amended by Board of Trustees on August 5, 1983, to conform to statutory changes.]

The secretary of the Department of Cultural Resources, ex officio

The secretary of the Department of Human Resources, ex officio

The superintendent of Public Instruction, ex officio

The State President of the Community College System, ex officio
B. Diversity

In making appointments to the Board of Trustees, the appointing authorities shall give consideration to promoting diversity among the membership, to the end that, in meeting the responsibilities delegated to it, the Board of Trustees will reflect and be responsive to the diverse needs, interests, and concerns of the citizens of North Carolina. [N.C.G.S. § 116-37.1(f)(1)]

C. Exclusions

No person shall be appointed to the Board of Trustees who is an employee of the State or of any constituent institution; a public officer of the State as defined in N.C.G.S. §§ 147-1, 147-2, and 147-3(c); a member of the Board of Governors; a trustee of a constituent institution; a member of the General Assembly [amended by Board of Trustees on August 5, 1983 to conform to statutory changes]; or the spouse of any of the foregoing.Any appointed member of the Board of Trustees who after appointment becomes any of the foregoing shall be deemed to have resigned from the Board of Trustees. [N.C.G.S. § 116-37.1(b)(1) and (2)]

II. Terms

A. Initial Appointees

1. Six of the eleven persons initially appointed by the Board of Governors shall serve for two-year terms, and five shall serve for four-year terms.
2. Two of the four persons initially appointed by the Governor shall serve for two-year terms and two for four-year terms.
3. The initial person appointed by the General Assembly shall serve for terms expiring June 30, 1983, and their successors shall be appointed in 1983 and biennially thereafter for two-year terms. [Amended by Board of Trustees on August 5, 1983 to conform to statutory changes.] [N.C.G.S. § 116-37.1(b)(1)]

B. Subsequent Appointees

After the initial appointments, all persons appointed by the Board of Governors and the Governor shall be appointed for four-year terms, and persons appointed by the General Assembly shall be appointed for two-year terms, provided that, if a vacancy occurs during a term, the vacancy shall be filled for the remainder of the unexpired term by appointment of the original appointing authority for the vacant seat. [Amended by Board of Trustees on August 5, 1983, to conform to statutory changes.] [N.C.G.S. § 116-37.1(b)(1) and (5)]

Any person appointed by the Board of Governors who has served for two full four-year terms in succession shall, for a period of one year, be ineligible for reappointment.

C. Resignations

Each appointive member of the Board of Trustees who fails, for any reason other than ill health or service in the interest of the State or the nation, to attend three consecutive regular meeting of the Board of Trustees, shall be deemed to have resigned from the Board of Trustees. See also II.A.3 and 4. [N.C.G.S. § 116-37.1(b)(5)]

D. Vacancies

Whenever a vacancy occurs during the term of an appointive member the chairman of the Board of Trustees shall promptly notify the secretary of the University of North Carolina of the vacancy, and the secretary shall give written notice of the vacancy to the appropriate appointing authority. [N.C.G.S. § 116-37.1(b)(5)]

III. Officers

Elections and Terms

At the first meeting after May 1 of each even-numbered year, the Board of Trustees shall elect from its appointive membership a chairman and a vice chairman to serve for terms of two years. No ex officio member shall be eligible to serve as chairman or vice chairman.

The director of the Center shall serve as secretary of the board. No person shall serve as chairman for more than two full terms in succession.

IV. Committees

The board shall have the right to create such committees as it deems appropriate, and the chairman shall have the authority to appoint the members thereof. All actions of the committees shall be subject to approval by the board.

V. Meetings

A. Regular Meetings

Regular meetings of the Board of Trustees shall be held on the first Friday in the months of February, May, August, and November [amended by Board of Trustees on October 1, 1982]. Each regular meeting shall be held at such time and place as the chairman may designate, with notice concerning the time and place to be mailed to each member of the board by the director at least twenty days in advance of the meeting date. Either by action of the board or upon fifteen days written notice by the chairman, the date herein specified for a regular meeting may be changed to another date within the designated month.

B. Special Meetings

Special meetings of the Board of Trustees shall be called (1) at the discretion of the chairman or (2) by a majority vote of the quorum present at a regular meeting or (3) by the director upon the written request of not fewer than seven members of the board. A special meeting thus called by the director shall be held within fifteen days of receipt by the director of the seventh written request for such a special meeting.

A notice specifying the time and place of a special meeting shall be mailed by the director to each member of the board at least ten days in advance of the meeting date; but notice of three days may be given by telephone or telegraph when, in the judgment of the chairman, an emergency exists.

C. Agenda

The agenda for a regular or special meeting of the board shall be prepared by the director upon consultation with the chairman. All requests for
inclusion of a given item on the agenda of any meeting shall be filed with the director twenty days in advance of the scheduled meeting. A copy of the agenda and supporting documents shall be mailed not less than five days in advance of each regular or special meeting of the board. Any member of the board may request consideration by the board at any regular or special meeting of an item not on the agenda. However, such an item shall not be acted upon without the approval of a majority of the members present at such a meeting.

VI. Conduct of Business
   A. Quorum

   A quorum for the conduct of business shall consist of a majority of the authorized membership of the board.

   B. Presiding Officer

   The chairman shall preside at all regular and special meetings of the board. In the absence of the chairman, the vice chairman shall preside. In the absence of both, a presiding officer shall be elected from the appointed membership by those present at the meeting.

   C. Power to Vote

   All members of the board may vote on all matters coming before the board for consideration. Appointive members may not vote by proxy, but each ex officio member may designate in writing a proxy for specified meetings which the ex officio member is unable reasonably to attend. No votes may be cast in absentia.

   D. Rules of Order

   Except as modified by specific rules and regulations enacted by the Board of Trustees, the latest edition of Robert’s Rules of Order shall constitute the rules of parliamentary procedure applicable to all meetings of the board and its committees.

VII. Minutes

The director shall keep minutes of all meetings and shall file, index, and preserve all such minutes and other documents pertaining to the business and proceedings of the board.

Within 20 days after each meeting of the board, the director shall mail a copy of the minutes of the meeting to each member of the board.

Copies of all minutes and other documents of the board may be certified by the director.

VIII. Open Meetings

All meetings of the board shall be open to the public unless, consistent with the requirements of state law, a meeting is closed to the public by majority vote of a quorum of the board membership.

IX. Powers and Duties

A. Board of Trustees

1. The Board of Trustees shall promote the sound development of the University of North Carolina Center for Public Television, helping it to serve the people of the State and aiding it to perform at a high level of excellence in every area of endeavor. More specifically, the Board of Trustees is charged, working with the director of the University of North Carolina Center for Public Television, to do the following:
   a. To review, on a continuing basis, the status of public television in North Carolina;
   b. To advise the President and Board of Governors with respect to whether the programming and other activities of the Center are meeting the special educational and cultural needs of the State;
   c. To recommend to the President and Board of Governors ways through which public television can improve and expand its service to potential viewers;
   d. To assist, as needed, in the raising of non-State funds for the support of the activities of the Center;
   e. To give advice to the President on the structure and organization of the Center;
   f. To help define, on a continuing basis, the program goals of the Center;
   g. To advise on program standards for the Center;
   h. To help coordinate the efforts of volunteers and community interest groups who are concerned with public television;
   i. To advise on and assist with the public relations of the Center;
   j. To assist, on request of the President and with his leadership, in the development and maintenance of good relations between the Center and appropriate State and Federal agencies; and
   k. To advise and assist in the development and maintenance of long-range plans for the Center.

2. The Board of Trustees shall serve as the “community advisory board” to the licensee as required by the Federal Public Telecommunications Financing Act of 1978.

3. The Board of Governors shall not be deemed by any of the provisions of these by-laws, or otherwise, to have delegated any responsibility it may have as licensee of the broadcast facilities of the University of North Carolina. [N.C.G.S. § 116-37.1(b)]

B. Chief Administrative Officer

1. The chief administrative officer of the Center shall be the director, who shall be elected by the Board of Governors upon recommendation of the President and who shall be responsible to the President. [N.C.G.S. § 116-37.1(c)]

2. As of June 30 of each year the director shall prepare for the Board of Trustees and the President, and through him for the Board of Governors, a report on the operation of the Center for the preceding year. He shall make such additional reports to the Board of Trustees, the President and the Board of Governors as they may from time to time request.

X. Amendment of By-Law Provisions

Subject to the approval of the Board of Governors, any provisions of these By-Laws (except those required or governed by statute) may be amended by a vote of two-thirds of the authorized membership of the board; provided that no amendment may be adopted unless its substance first has been introduced at a preceding regular or special meeting of the board.

1200.1.1: Adopted 11/14/80

1200.3 The University of North Carolina Center for School Leadership Development

UNC Policy Manual
On January 10, 1997, the Board of Governors approved a proposal establishing the University of North Carolina Center for School Leadership Development, which will be responsible for the ongoing professional development of school administrators, teachers, school board members and others.

Board of Trustees

Membership

The governing board of the Center shall be called the “Board of Trustees of the UNC Center for School Leadership Development” and shall be responsible to the University of North Carolina Board of Governors. The membership of the Board of Trustees of the Center shall include persons who have demonstrated a commitment to school improvement in North Carolina and shall be constituted as follows:

Chair, to be appointed by the Board of Governors

Member of the Board of Governors

Member of the State Board of Education

Superintendent of Public Instruction (or a designee)

1 dean of a School of Education of a UNC institution that offers an initial preparation program for school administrators

1 professor of educational administration

1 representative of independent colleges and universities

1 superintendent

1 school principal

1 teacher

5 at-large members.

The chair of the Board of Trustees, the members of the Board of Governors and the State Board of Education, and the Superintendent of Public Instruction (or a designee) shall serve as ex officio voting members. The remaining appointments shall be the responsibility of the Board of Governors of the University of North Carolina in collaboration with the North Carolina State Board of Education.

Initial appointments shall be for one, two, and three year terms. Succeeding terms shall be for three years each. No appointed members may serve more than two consecutive three-year terms. Appointments to the board shall be representative of the geographic, race and gender, and urban and rural make-up of the State.

The membership shall not exceed fifteen (15) members. The Board of Trustees shall appoint committees/sub-committees as necessary to complete tasks. These committees shall be chaired by a member of the Center’s board.

Responsibilities

The initial responsibility of the Board of Trustees will be to:

1. Develop a long range plan for coordinated professional development in consultation with the Professional Development Advisory Council;
2. Submit a Professional Development Plan for approval to the Board of Governors and the State Board of Education; and
3. Share the plan with the Governor, General Assembly, and the public.

Executive Director

An executive director of the UNC Center for School Leadership Development will be appointed by the President of the University subject to approval by the Board of Governors. The executive director will report directly to the Associate Vice President for Academic Affairs (for public school liaison) at the University of North Carolina General Administration. The executive director will exercise direct responsibility on behalf of the President and the Board of Governors of the University of North Carolina for the following programs:

1. An Executive Leadership Academy whose target audience will be superintendents, assistant/associate superintendents, central office personnel, and school boards;
2. The Principals’ Executive Program whose target audience will be principals and assistant/associate principals;
3. The Principal Fellows Program whose target audience will be recipients of the Principal Fellows Scholarship-Loans;
4. The North Carolina Center for the Advancement of Teaching;
5. The North Carolina Center for the Prevention of School Violence;
6. The North Carolina Mathematics and Science Education Network; and,
7. The North Carolina Teacher Academy.

The executive director will also chair a Professional Development Advisory Council. In order to ensure coordination between the Center, initial preparation programs, and other public school outreach initiatives of the University of North Carolina, the Board of Trustees of the Center shall initiate a Professional Development Advisory Council. The Advisory Council will include the Associate Vice President for Academic Affairs (for public school liaison) of UNC General Administration; a representative of the deans’ Council on Teacher Education; and the directors of the Executive Leadership Academy, North Carolina Center for the Advancement of Teaching, North Carolina Center for the Prevention of School Violence, North Carolina Mathematics and Science Education Network, North Carolina Teacher Academy, North Carolina School of Science and Mathematics, Principals’ Executive Program, and Principal Fellows Program. The directors of the Standards Board for Public School Administration and the Teaching Standards Commission will also be invited to participate. The advisory council will ensure that high quality, collaboratively developed programs will be offered in geographically dispersed locations at existing University and program sites.

UNC Center for School Leadership Development Facility

There shall be a new facility in a central location for the Center which shall include state-of-the-art instructional, office, and residential space, and provide the latest instructional and communications technology. The director of the UNC Center for School Leadership Development and the chair of the Board of
Trustees will have joint responsibility for coordinating the design of the facility with UNC General Administration and with potential occupants of the facility.

Other Related Issues

The Education Consortia and the Model Clinical Teaching Programs are located within Schools/Colleges of Education and should be governed and directed by them. They will not become part of the Center nor come under the administrative oversight of the director, nor be a part of the Professional Development Advisory Council.

The Model Clinical Teaching Programs will serve a research and development function for the Schools/Colleges of Education. Their models for extended internships for teacher preparation students have led to the development of University-School Teacher Education Partnerships. Future areas of focus might include induction, mentoring, and/or collaborative team training of teachers and administrators, school psychologists, school social workers and others.

The Education Consortia have a broad-based mission including improving education practices but also enhancing economic development in a region. The consortia conduct a wide variety of seminars and workshops for educators and business leaders with many activities being conducted as partnerships programs with other agencies.

1200.3: Adopted 01/10/97

1200.4 Policy Authorizing the University of North Carolina Hospitals at Chapel Hill to Initiate and Settle Lawsuits

WHEREAS, it has been alleged that the University of North Carolina Hospitals at Chapel Hill, as a legal entity, has no authority independent of the University of North Carolina to initiate, prosecute, or settle lawsuits in its own name for the collection of unpaid patient accounts; and

WHEREAS, any such questions about the legal capacity of said agency to prosecute lawsuits is to conveniently resolved by an enabling resolution of the Board of Governors;

NOW, THEREFORE, be it resolved by the Board of Governors, that the Attorney General of the State of North Carolina is authorized, under the provisions of N.C.G.S. § 116-3, to initiate any lawsuit on behalf of the University of North Carolina Hospitals at Chapel Hill, in the name of the Board of Governors of the University of North Carolina, as the Attorney General may deem appropriate for the collection of any unpaid patient account. The president of the University of North Carolina Hospitals at Chapel Hill, or his delegate, is authorized to settle these lawsuits.

1200.4: Adopted 06/08/90, Amended 05/14/04

1200.5 Policy Authorizing the Initiation of Lawsuits on Behalf of the University of North Carolina at Chapel Hill for the Benefit of UNC Physicians and Associates and on Behalf of East Carolina University for the Benefit of the ECU Medical Faculty Practice Plan

WHEREAS, UNC Physicians and Associates is a unit of the School of Medicine of UNC-CH which administers collection of accounts for providing professional services, including patient care within clinics maintained at the University of North Carolina Hospitals at Chapel Hill; and

WHEREAS, ECU Medical Faculty Practice Plan is a unit of the School of Medicine of ECU which administers collection of accounts for providing professional services, including patient care within clinics operated by ECU and at Pitt County Memorial Hospital; and

WHEREAS, from time to time it is necessary to initiate lawsuits for the collection of unpaid accounts for the rendering of such professional services; and

WHEREAS, neither the University of North Carolina at Chapel Hill nor East Carolina University has independent authority to initiate, prosecute, or settle lawsuit in its own name for the collection of unpaid accounts; and

WHEREAS, it would expedite collection efforts if the Attorney General were authorized to initiate such lawsuits on behalf of the University of North Carolina at Chapel Hill and East Carolina University without requiring that each such lawsuit be authorized by the Board of Governors;

NOW, THEREFORE, be it resolved by the Board of Governors, that the Attorney General of North Carolina is authorized, under the provisions of N.C.G.S. § 116-3, to initiate lawsuits in the name of the University of North Carolina, on behalf of the University of North Carolina at Chapel Hill, for the collection of any unpaid account administered by UNC Physicians and Associates, and is authorized to initiate lawsuits in the name of the University of North Carolina, on behalf of East Carolina University, for the collection of any unpaid account administered by the ECU Medical Faculty Practice Plan, as the Attorney General may deem appropriate, and the chancellors of the University of North Carolina at Chapel Hill and East Carolina University, or their respective designees, are authorized to settle these lawsuits.

1200.5: Adopted 11/08/91, Amended 05/14/04
Chapter 1300 Matters of University-Wide Significance

1300.1 Policy on Illegal Drugs

I. Purpose. Illegal drugs endanger the health and safety of members of higher education communities and imperil the integrity of the pursuit of learning. The institutions of the University of North Carolina System are not immune to this threat. Illegal drugs constitute such a serious problem nationwide that within the University System certain specific and uniform University policies are warranted. Success in combating the problem depends ultimately on the cooperative efforts of members of governing boards, students, faculty members, administrators and all other employees. Thus, it is on each campus of the University that a properly balanced program of educational efforts and punitive sanctions must be achieved. Accordingly, to support and assist the constituent institutions of the University of North Carolina System in their continuing efforts to meet this threat, the Board of Governors adopts this policy.

II. Policies Applicable University-Wide. Each board of trustees shall adopt a policy on illegal drugs applicable to all students, faculty and staff. The Board of Governors recognizes that each such policy must address the circumstances and needs of the particular campus. However, the president shall ensure that the policy of each institution incorporates and is fully consistent with the following basic requirements.

A. Education, Counseling, and Rehabilitation

1. Each constituent institution shall establish and maintain a program of education designed to help all members of the University community avoid involvement with illegal drugs. This educational program shall emphasize these subjects:
   a. The incompatibility of the possession, use or sale of illegal drugs with the goals of the University;
   b. The legal consequences of involvement with illegal drugs;
   c. The medical implications of the use of illegal drugs; and
   d. The ways in which illegal drugs jeopardize an individual's present accomplishments and future opportunities.

2. Each constituent institution shall provide information about drug counseling and rehabilitation services available to members of the University community either through campus-based programs or through community-based organizations. Persons who voluntarily avail themselves of University services shall be assured that applicable professional standards of confidentiality will be observed.

B. Enforcement and Penalties

1. University institutions shall take all actions necessary, consistent with state and federal law and applicable University policy, to eliminate illegal drugs from the University community. The institutional policy on illegal drugs shall be publicized in catalogues and other materials prepared for all enrolled and prospective students and in materials distributed to faculty and staff.

2. Students, faculty, and staff are responsible, as citizens, for knowing about and complying with the provisions of North Carolina law that make it a crime to possess, sell, deliver, or manufacture those drugs designated collectively as "controlled substances" in Article 5 of Chapter 90 of the General Statutes. Any member of the University community who violates that law is subject both to prosecution and punishment by the civil authorities and to disciplinary proceedings by the University. It is not "double jeopardy" for both the civil authorities and the University to proceed against and punish a person for the same specified conduct. The University will initiate its own disciplinary proceeding against a student, faculty member, or staff member when the alleged conduct is deemed to affect the interests of the University.

3. Penalties will be imposed by the University in accordance with procedural safeguards applicable to disciplinary actions against students, faculty, and staff, as required by Sections 502 D(3) and 603 of The Code, by Board of Governors policies applicable to other employees exempt from the State Human Resources Act, and by regulations of the State Human Resources Commission.

4. Penalties to be imposed by the University will vary depending upon the nature and seriousness of the offense, and may include a range of disciplinary actions up to and including expulsion from enrollment and discharge from employment. The University may also refer matters to law enforcement for prosecution.
   a. For second or other subsequent offenses involving illegal drugs, progressively more severe penalties shall be imposed.
   b. A student, faculty member, or staff member found to have violated applicable law or University policies concerning illegal drugs may be required to participate in a drug education and counseling program, consent to regular drug testing, and accept such other conditions and restrictions, including a program of community service, as the chancellor or the chancellor's designee deems appropriate. Refusal or failure to abide by such conditions and restrictions may result in additional disciplinary action, up to and including expulsion from enrollment and discharge from employment.

5. Suspension pending final disposition. When a student, faculty member, or staff member has been charged by the University with a violation of policies concerning illegal drugs, he or she may be suspended from enrollment or employment before initiation or completion of regular disciplinary proceedings if, assuming the truth of the charges, the chancellor or the chancellor's designee concludes that the person's continued presence within the University community would constitute a clear and immediate danger to the health or welfare of other members of the University community; provided, that if such a suspension is imposed, an appropriate hearing of the charges against the suspended person shall be held in accordance with applicable campus judicial policy.

III. Implementation and Reporting

A. Each board of trustees shall adopt a policy on illegal drugs, the provisions of which shall be consistent with the requirements of section II., above.

B. Each chancellor shall designate a coordinator of drug education. This person, acting under the authority of the chancellor, will be responsible for overseeing all actions and programs relating to the campus policy.

C. University institutions must comply with applicable state and federal law regarding illegal drugs including, without limitation, the Drug-Free Workplace Act of 1988; and the Drug-Free Schools and Communities Act Amendments of 1989, as articulated in the Code of Federal Regulations, Title 34, Education, Part 86, Drug and Alcohol Abuse Prevention. In accordance with the latter, each institution must conduct a biennial review of the effectiveness of its educational programs regarding illegal drugs and the consistency of sanction enforcement, and maintain the results of such reviews on file.

34 C.F.R.§ 86.

1300.1: Adopted 01/15/88. Amended 06/15/12, Technical Corrections 01/03/20

1300.2[R] Regulations on Publications and Mailing Lists

North Carolina General Statutes §§ 143-168 through 143-170.4 establishes State policy for agency publications and public document mailing lists. All State

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agencies, including the constituent institutions, must generate and distribute their "public documents" according to these policies.

The policies apply to "public documents" as defined in N.C.G.S. § 143-169.2 to mean "any annual, biennial, regular and special report or publication of which at least 200 copies are printed, but shall not include intra-agency communications nor agency correspondence." The Attorney General has ruled that "public documents" are only those documents "printed at State expense," that is, published using State appropriated funds. Therefore, to fall within the requirements of the statute a document must be an annual, biennial, regular or special publication, 200 or more copies of which are printed using State appropriated funds and excluding (a) intra-agency communications (such as this policy) and (b) agency correspondence. Agency correspondence is understood to be any written communication whose address label and content speak to an identifiable person or organization or group of identifiable persons or organizations.

A. Printing Requirements for Public Documents
1. The statute requires that annual and biennial reports be compact, concise, and lucid. [N.C.G.S. § 143-168]
2. The act prohibits the use of multicolor [full color] process printing except for (1) scientific illustrations when the illustrations would be unintelligible if published in black and white and (2) in those instances when approval is given in advance by the Department of Administration. [N.C.G.S. § 143-169]
3. The statute requires that every publication published at State expense be prepared in accordance with the paper recycling and reuse requirements set forth in N.C.G.S. § 130A-309.14(i). Those requirements, to be established in further detail by the Department of Administration, generally promote use in "reports published by State agencies" of recycled and recyclable paper where practicable and printing on both sides of publication sheets. [N.C.G.S. § 143-169(c)]

When a public document is printed on recycled paper, the document must contain a statement or symbol indicating that it was printed on recycled paper. [N.C.G.S. § 143-170.1(a2)]

4. The statute requires that each public document, unless "published for the principal purpose of sale to the public" show on the document near the identification of its issuer, the following statement:

"[Number of copies] copies of this publication were printed at a cost of $_______, or $_______ per copy."

The statute prohibits the mailing or distribution at public expense of any public document lacking this statement.

"Cost" is defined to include printing costs in the form of labor, materials, and other identifiable design, typesetting and binding costs. [N.C.G.S. § 143-170.1]

The Office of State Budget and Management does not consider personnel manuals, State salary schedules, departmental accounting system manuals and budget manuals to be subject to this section of the act. These, however, would also seem to be intra-agency communications exempt by definition.

5. The act requires State agencies issuing public documents to review, update, and correct the mailing list for each public document at least every 12 months and that the agency certify to the director of the budget (the Governor) on or before July 1 of each year that the mailing list has been updated and corrected. [N.C.G.S. § 143-169.1(a)] Excluded from this requirement are documents that are hand-distributed or State-courier distributed. Also excluded are documents distributed on a one-time basis or distributed multiple times within the 12-month period before the annual certification but where it is not contemplated that the document will be mailed again after the annual certification. Further, mailing lists of alumni of a constituent institution of the University of North Carolina, used or maintained by the constituent institution, are not subject to this requirement.

To update and correct the mailing list, the statute requires that the agency include on the list only those persons or organizations who, within the previous 12 months, have either requested that they be included on the mailing list or have renewed a request that they be included, or are on the mailing list by express provision of statute or judicial order.

B. Compliance
1. Each chancellor is considered the "chief administrator of the agency authorizing the printing" and is, therefore, responsible for compliance with the act.
2. Each chancellor shall be the certifying officer for all mailing lists generated at the institution.
3. In rendering the certification to the director of the budget, the certifying officer should use the following wording:

I certify that all mailing lists of [name of institution] subject to the provisions of N.C.G.S. § 143-169.1, have been carefully reviewed, updated, and corrected within the 12-month period ending June 30, 19____, and were, therefore, in compliance with the requirements of the act as of June 30, 19____.

4. This certification should be sent directly to the director of the budget by July 1 of each year.
5. Each chancellor should provide for the cost accounting of public documents as set forth in A.3., above.
6. When an agency fails to insert in a public document the cost statement and/or the notice or symbol concerning use of recycled paper when required, "the agency's printing budget for the fiscal year following the violation shall be reduced by ten percent (10%)." [N.C.G.S. § 143-170.1(a3)]

This is an update to Administrative Memorandum #278.

1300.2(r): Adopted 09/27/89

1300.4[G] Guidelines on Defining “Public Body” within the Meaning of the Open Meetings Act

Each campus shall use the following as a guide in determining what authorities, boards, commissions, committees, councils or other multi-person bodies are deemed to be "public bodies" within the meaning of the Open Meetings Act.

The statutorily created governing boards of the University, and the committees of such boards, are "public bodies" subject to the requirements of the Open Meetings law. In addition, "public body" shall be deemed to include an authority, board, commission, committee, council or other multi-person body of the University that satisfies all of the following criteria:

1. It is established by or at the direction of:
It is the policy of the University of North Carolina that the social security account number shall be used within the university only in a manner consistent with the laws of the United States. Such usage shall be understood to include the following:

- For the acceptance of the number for admissions applications, tuition billing, grade reporting, infirmary records, and data reporting to external agencies will fall.
- The individual has the option of disclosure or nondisclosure.
- Use of the number for disclosure is mandatory or voluntary, what statutory or other authority supports the request, and what uses will be made of the number.
- Effective December 31, 1974, the federal Privacy Act of 1974 conditioned use of the “social security account number” of an individual by any “Federal, State or local governmental agency.” The basic requirements of the act were two-fold:
  1. That no governmental agency could “deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number” except refusal to disclose after a request pursuant to requirements of pre-existing federal statutes or pursuant to pre-existing federal or state statutes or regulations through which a system of records had already (before January 1, 1975) been set up.
  2. That solicitation by a governmental agency of an individual's social security number be accompanied by the agency's statement of whether the disclosure is mandatory or voluntary, what statutory or other authority supports the request, and what uses will be made of the number.

When first enacted, the Privacy Act had no penalty for its violation nor statutory enforcer of its provisions. Through the Tax Reform Act of 1976 (94 P.L. 455), violation of the act was made a misdemeanor. Then, through enactment in 1981, of the Omnibus Reconciliation Act (97 P.L. 123) Congress raised violation of the act to a felony for which the convicted violator “shall be fined not more than $5,000 or imprisoned for not more than five years, or both.” However, with these changes, four specific uses of the social security number were made permissible bases for requiring disclosure of the social security number. These were “the administration of any tax, general public assistance, driver’s license, or motor vehicle registration law within [the requesting or using agency's] jurisdiction.”

Particular uses of the Social Security Number by the University

The social security number is a convenient, established personal identifier for keeping track of extensive administrative information. The number can be used to process tuition bills, announce and record grades, keep track of campus vehicles, maintain infirmary records, process graduate school applications, and report data to federal and state authorities, to name a few applications. However, only some of the foregoing can be accomplished through coerced disclosure of the social security number and none can be accomplished without disclosure of the use to which the number is put, without creating the elements of a felony crime.

For example, a student may be requested to disclose on the application for resident tuition status the student's social security number. The model application at Appendix B of the residence Manual, though, conforms to statutory requirements by placing the word “voluntary” beside the appropriate blank on the form and setting forth on the form the following acknowledgment of the resident status applicant:

I hereby acknowledge that completion of Item 2 (Social Security number) is voluntary, is requested by the institution solely for administrative convenience and record-keeping accuracy, and is requested only to provide a personal identifier for the internal records of this institution.

On the other hand, N.C.G.S. § 116-44.4(f) authorizes the Boards of Trustees of each constituent institution to enact ordinances for the registration of vehicles on campus. This is an express statutory grant of authority under which a campus traffic ordinance could require that vehicle owners disclose their social security numbers as a means for recording and tracking vehicle ownership. Use is expressly authorized. Furthermore, if a campus traffic ordinance requiring such use of the social security number had been enacted and the consequent record system was functioning prior to January 1, 1975, this use would be authorized by the Privacy Act as originally passed by Congress.

Similarly, mandatory disclosure of the social security number to trace debtors and collect debts owed the institution by set-off against state income tax refunds under N.C.G.S. Chapter 105A (Set-Off Debt Collection Act) is authorized. This is because the set-off process, as stated by the North Carolina Attorney General, is incident to the administration of a tax, a use authorized by the Tax Reform Act of 1976. (The Attorney General has also issued an opinion that disclosure by an institution pursuant to debt collection under the State Employee Debt Collection Act, N.C.G.S. Chapter 143, Article 60, is permissible provided that the disclosure be treated as a voluntary disclosure to be accompanied by the requisite institutional statement to the individual.)

In general, institutional use of the social security number must be accomplished by the prior institutional statement of basis (voluntary/mandatory), authority for disclosure, if any, and intended use. More often than not, the individual has the option of disclosure or nondisclosure. It is in this typical context that use of the number for admissions applications, tuition billing, grade reporting, infirmary records, and data reporting to external agencies will fall.

Administrative Action

It is the policy of the University of North Carolina that the social security account number shall be used within the university only in a manner consistent with the laws of the United States. Such usage shall be understood to include the following:
1. That any University use of the social security number shall fall within those uses authorized by federal law for mandatory disclosure or be uses where the individual is requested to voluntarily disclose the number.

2. That uses of the social security number authorized by federal law for mandatory disclosure from the individual consist only of the following:
   a. disclosure required by federal statute.
   b. disclosure to a federal, state, or local governmental agency maintaining a system of records in existence and operating before January 1, 1975, if such disclosure was required under statute or regulation adopted prior to January 1, 1975.
   c. disclosure to any state, political subdivision, or agency to establish personal identification pursuant to administration of a tax law within the jurisdiction of the state or political subdivision.
   d. disclosure to any state, political subdivision, or agency to establish personal identification pursuant to administration of a general public assistance law within the jurisdiction of the state or political subdivision.
   e. disclosure to any state, political subdivision, or agency to establish personal identification pursuant to administration of a driver's license law within the jurisdiction of the state or political subdivision.
   f. disclosure to any state, political subdivision, or agency to establish personal identification pursuant to administration of a motor vehicle registration law within the jurisdiction of the state or political subdivision.

3. That request by an employee of the University of North Carolina for disclosure and release of a social security number with respect to University business for a use not previously authorized shall be supported by a University statement to the individual indicating (a) whether the disclosure is mandatory or voluntary, (b) what statutory or other authority supports the disclosure, and (c) what use will be made of the disclosure.

4. That a constituent institution, in lieu of soliciting disclosure of a social security number may establish a "dummy" social security number or other identifier for an individual, provided that the constituent institution does not have an affirmative duty, established by federal law, to obtain the actual social security number.

5. That a constituent institution in lieu of soliciting use of a social security number already disclosed to it, may translate or encode the number into a form in which the social security number is not personally identifiable except by application of a decoder and then may use the number as transformed without reference to restriction under federal law, provided that the institution does not have an affirmative duty, established by federal law, to use the actual social security account number.

[This is a rewrite of Administrative Memorandum #172.]

1300.5(G): Adopted 08/23/82

1300.6 Policy on Efficiency and Effectiveness

The Board of Governors, consistent with its responsibility for the general direction and control of the University of North Carolina System (UNC System), is committed to fostering continuous improvement in the consistency, efficiency and effectiveness of the operations of the UNC System, including the constituent institutions. It shall be the policy of the Board of Governors, the UNC System Office, and the constituent institutions to identify and implement efficiencies that strengthen processes and productivity, that compete favorably with our peers and that generate cost or resource savings that may be reinvested to support key initiatives, approved by the Board of Governors, within the University's core mission of teaching, research, and public service.

The Board of Governors delegates to the president authority and responsibility to lead the University in the identification, implementation, and realization of academic and non-academic efficiencies in any area including, but not limited to, expanded shared services, strategic sourcing, non-instructional or instructional positioning, credit hour production, information technology infrastructure, utilization of facilities, energy consumption and such other areas as recommended by the Board of Governors. The Board of Governors shall, on recommendation of the president or on its own initiative, adopt metrics to track operational performance and shall use its best efforts to ensure that the University has the resources and expertise necessary to identify and implement efficiencies. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president consistent with this policy.

1300.6: Adopted 08/01/14, Amended 03/23/18, Technical Corrections 01/03/20

1300.7 University Enterprise Risk Management and Compliance

I. Purpose. This policy directs the president to establish and oversee enterprise risk management and compliance processes for 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. "Senior officer" means an individual who reports to the president in a senior officer position as designated by the Board of Governors, and who exercises University-wide responsibilities to assist the president and the Board of Governors in administering the affairs and executing the policies of the University of North Carolina.

E. "University" means the University of North Carolina, a body politic and corporate defined as a single public multi-campus University composed of 17 diverse constituent institutions and other educational, research, and public service organizations.

III. Establishment and Oversight of Enterprise Risk Management and Compliance Processes. The Board of Governors monitors system-wide risk and compliance through the Committee on Audit, Risk Management and Compliance (CARMC). The president, with assistance from the chief audit officer of the University, the senior vice president and general counsel of the University, and other senior officers and staff, shall establish and oversee University-wide processes to address enterprise risk management, including risks related to compliance with laws and ethical standards at the system level, and to complement and support the risk management and compliance processes and activities of the constituent institutions.

A. The system-wide processes should include components focused on the following:

1. Developing, implementing, evaluating, and monitoring a University system-wide enterprise risk management process;
2. Promoting the establishment of and collaboration among the risk management, ethics, and compliance programs at the constituent institutions;
3. Advising, assisting, and supporting the constituent institution risk management and compliance processes, and providing other advice and counsel for these purposes;
4. Promoting a culture that supports board goals for risk management and compliance;
5. Promoting a uniform approach to measuring the University resources expended on regulatory compliance;
6. Supporting training and educational efforts;
7. Providing regular reports to the board’s CARM;
8. Referring matters to the chancellors of the constituent institutions, the president’s staff, or other University officers, divisions, and units, as appropriate; and
9. Performing such other duties as directed by the president.

B. Subject to the direction of the president, each constituent institution shall establish an enterprise risk management process that aligns with the institution’s programs, activities, and management systems and that supports the institution’s strategic and other goals. The enterprise risk management processes established at each constituent institution shall include components and appropriate procedures for:
1. Identifying risks that impact the constituent institution’s goals;
2. Developing plans to monitor and mitigate risks;
3. Providing periodic updates to the chancellor and the board of trustees; and
4. Reporting significant enterprise risks to the president and, with the president’s guidance, to the Board of Governors.

IV. Other Matters
A. Effective Date. This policy shall be effective March 4, 2016, upon adoption by the Board of Governors.
B. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.

1300.7: Adopted 03/04/16

1300.8 Policy on Free Speech and Free Expression Within the University of North Carolina System

I. Purpose

Consistent with Article 36 of Chapter 116 of the North Carolina General Statutes, the Board of Governors adopts this policy to support and assist the constituent institutions of the University of North Carolina System in their continuing efforts to embrace the free speech and free expression rights of the members of their campus communities, and balance those rights with protections against unlawful activity. This policy supplements other University policies, regulations, and guidelines related to free speech and free expression.

II. Statement of Commitment

As the nation’s first public university, the University of North Carolina affirms its long-standing commitment to free speech and free expression for its students, faculty members, staff employees, and visitors under the First Amendment of the U.S. Constitution and Article 1, Section 14 of the North Carolina Constitution. The University and its constituent institutions protect and promote these freedoms, consistent with First Amendment jurisprudence.

The University’s mission includes the transmission and advancement of knowledge and understanding, the pursuit of which is dependent upon the ability of our faculty and students to remain free to inquire, to study and to evaluate, to gain new maturity and understanding. The University 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. The University has explicitly stated that faculty and students of the University share 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. Academic freedom has indeed been acknowledged by the Supreme Court as "of transcendent value to all of us" and "a special concern of the First Amendment, which does not tolerate laws that cast a pall of orthodoxy over the classroom." Through its policies, the University has expressly established that no employment decision or academic decision shall be based on the exercise of these constitutional rights.

The General Assembly has recognized the University’s commitment to upholding free speech and free expression, and has reinforced the importance of these rights as well. Through G.S. 116-300, the General Assembly has affirmed that the primary function of the University of North Carolina and each of its constituent institutions is the discovery, improvement, transmission, and dissemination of knowledge by means of research, teaching, discussion, and debate. To fulfill this function, each constituent institution must strive to ensure the fullest degree of intellectual freedom and free expression. It is not the proper role of any constituent institution to shield individuals from speech protected by the First Amendment, including, without limitation, ideas and opinions they find unwelcome, disagreeable, or even deeply offensive.

III. University’s Role in Public Policy Controversies

The University’s role in supporting and encouraging freedom of inquiry requires assuring opportunities for the expression of differing views regarding many issues in multiple areas of study, research, and debate, including current political and social issues. The constituent institutions serve an essential role in encouraging and broadly protecting freedom of thought and expression. In support of the essential role universities hold, the constituent institutions may not take action, as an institution, on the public policy controversies of the day in such a way as to require students, faculty, or administrators to publicly express a given view of social policy.

IV. Free Expression at UNC System Constituent Institutions, Including Access to Campus

Students, staff, and faculty have the freedom to discuss any problem that presents itself, as the First Amendment permits and within the limits of viewpoint- and content-neutral restrictions on time, place, and manner of expression that are necessary to achieve a significant institutional interest. The constituent institutions must assure that any such restrictions are clear, published, and provide ample alternative means of expression.

Students, staff, and faculty shall be permitted to assemble and engage in spontaneous expressive activity as long as such activity is lawful and does not materially and substantially disrupt the functioning of the constituent institution, subject to the requirements of this policy. A “material and substantial disruption” includes, but is not limited to, any or all of the following:

A. Any action that qualifies as disorderly conduct under G.S. 14-288.4;
B. Any action that qualifies as a disruption under G.S. 143-318.17;
C. Any action in violation of a chancellor’s designation of a curfew period pursuant to G.S. 116-212;
D. Any action that results in the individual receiving a trespass notice from law enforcement.

Access to campus for purposes of free speech and expression shall be consistent with First Amendment jurisprudence regarding traditional public
forums, designated public forums, and nonpublic forums. Consistent with First Amendment jurisprudence, including any reasonable time, place, and manner restrictions adopted by a constituent institution, campuses of the constituent institutions are open to any speaker whom students, student groups, or members of the faculty have invited.

Even so, all real property on the campus of any constituent institution or the UNC System Office, including without limitation all campus grounds, buildings, facilities, stadiums, or other improvements, that is owned, leased, used, or otherwise controlled by the University or one of its constituent institutions ("University Property"), is dedicated for the specific purpose of furthering the educational, research, and/or service missions of the institution. Consistent with the First Amendment, many areas of University Property are not open for general public use. University Property is routinely utilized for institutional activities and events which can present safety and security issues for the institution. Therefore, all persons on University Property must abide by all applicable laws and regulations as well as policies of the constituent institution and the Board in order to further the missions of the institution and for the protection of the students, faculty members, staff employees and guests of the institution. Thus, a constituent institution may deny or condition entrance onto or into University Property or remove from the same, any person whose presence substantially interferes with or materially and substantially disrupts the institution’s missions, including interfering with or disrupting the classroom environment, laboratory or research environments, or patient care environments, or any person who violates or refuses to comply with any Board or institutional policy or applicable law or regulation. Under no circumstances shall University Property be utilized to carry out unlawful activity.

V. Speech and Expression Not Protected by Policy

Except as further limited by this policy, constituent institutions shall be allowed to restrict speech and expression for activity not protected by the First Amendment under State or federal law, including but not limited to, all of the following:

A. Expression that a court has deemed unprotected defamation.
B. Unlawful harassment.
C. True threats, which are defined as statements meant by the speaker to communicate a serious expression of intent to commit an act of unlawful violence to a particular individual or group of individuals.
D. An unjustifiable invasion of privacy or confidentiality not involving a matter of public concern.
E. An action that materially and substantially disrupts the functioning of the UNC System Office, a constituent institution, or any other unit or entity of the University, or that substantially interferes with the protected free expression rights of others.
F. Reasonable time, place, and manner restrictions on expressive activities, consistent with G.S. 116-300(4).
G. Speech that interferes with the treatment of patients.

VI. Dissemination of Information About Institutional Policies

A. Information for Students. All constituent institutions of the University of North Carolina System shall include in any new student orientation programs a section describing their institutional policies regarding free speech and free expression consistent with this policy and with Article 36 of Chapter 116 of the North Carolina General Statutes. Any information provided also should include the name and contact information of the institutional officer, office, or department with responsibility for ensuring compliance with this policy and for answering any related questions or concerns.

The constituent institutions are required to periodically provide this same information to all students, including returning undergraduate students, transfer students, and graduate and professional students.

B. Information for Faculty and Staff. All constituent institutions of the University of North Carolina System are required to periodically provide to faculty and staff information describing their institutional policies regarding free speech and free expression consistent with this policy and with Article 36 of Chapter 116 of the North Carolina General Statutes. Any information provided should also include the name and contact information of the institutional officer, office, or department with responsibility for ensuring compliance with this policy and for answering any related questions or concerns.

C. Information for Outside Parties. All constituent institutions of the University of North Carolina System are encouraged to make available to outside parties information describing their institutional policies regarding free speech and free expression consistent with this policy and with Article 36 of Chapter 116 of the North Carolina General Statutes. Any information provided should also include the name and contact information of the institutional officer, office, or department with responsibility for ensuring compliance with this policy and for answering any related questions or concerns.

VII. Consequences for Violation of Policy

The right to dissent is the complement of the right to participate in expressive activity, but these rights need not occupy the same forum at the same time. The constituent institutions are encouraged to work with students, faculty members, and staff employees to develop alternative approaches so as to minimize the possibility of disruptions and support the right to dissent.

A. Disciplinary Sanctions. The UNC System Office and each constituent institution shall implement and enforce a range of disciplinary sanctions, up to and including dismissal or expulsion, for anyone under the jurisdiction of the UNC System Office or the constituent institution who materially and substantially disrupts the functioning of the UNC System Office, a constituent institution, or any other entity or unit of the University, or substantially interferes with the protected free expression rights of others.

A "material and substantial disruption" or "substantial interference" is any action that qualifies under section IV of this policy. Such actions include protests and demonstrations that materially infringe upon the rights of others to engage in and listen to expressive activity when the expressive activity (1) has been scheduled pursuant to this policy or other relevant institutional policy, and (2) is located in a nonpublic forum. In determining whether an action is a "material and substantial disruption" or "substantial interference," the UNC System Office or the constituent institution should consider the degree to which the disruptive activity impedes access to or from any scheduled institution events or the degree to which the activity impedes an audience’s ability to see and hear the expressive activity.

For example, when an expressive activity event is closed to the public, dissent by non-attendees should be limited to activity outside the event that does not impede access or departure from the meeting or substantially interfere with communication inside. When the event is open to the public, whether the dissenters’ actions constitute a substantial disruption or interference will depend upon whether the dissenter is inside or outside the event, and on whether the dissenter is acting before or after the event or during the event. However, it is a substantial disruption or interference for such dissent to interfere substantially with the free flow of traffic into or out of the event or to interfere substantially with the expressive activity.

Anyone who substantially interferes with acceptable forms of dissent is also considered in violation of this policy in the same way as a dissenter who violates the rights of the speaker or the audience.
1. Any University student, faculty member, or staff employee who is found to have materially and substantially disrupted the functioning of the UNC System Office, a constituent institution, or any other unit or entity of the University, or substantially interfered with the protected free expression rights of others shall be subject to a full range of disciplinary sanctions according to the appropriate disciplinary procedures for misconduct, including suspension, or, as appropriate, expulsion or dismissal. Any second finding of a material and substantial disruption or substantial interference shall presumptively result in at least a suspension as provided by the appropriate disciplinary procedures; however, the institution may impose a different sanction if warranted. Any third finding of a material and substantial disruption or substantial interference shall presumptively result in an expulsion of the student or dismissal from employment of the faculty member or staff employee; however, the institution may impose a different sanction if warranted.

2. Any guest or other individual on the campus who is alleged to have substantially disrupted the functioning of the UNC System Office or the constituent institution or substantially interfered with the protected free expression rights of others may be temporarily or permanently barred from all or part of the campus along with facing any other criminal charges, as determined by appropriate law enforcement authorities.

3. Any individual who disrupts a meeting of a public body, including University boards, may be temporarily or permanently barred from all or part of the campus or from future meetings of that public body, and/or may face criminal charges. If such individual is a student or faculty member or staff employee of the University, he or she shall also be subject to discipline according to the appropriate disciplinary procedures for misconduct by his or her constituent institution even if the disruption occurs at a meeting of a public body of a constituent institutions other than the institution which the individual is affiliated.

B. Procedural Safeguards for Students Involved in Expressive Speech or Conduct Disciplinary Cases. In all student disciplinary cases where disciplinary action is proposed for materially and substantially disrupting the functioning of the UNC System Office, a constituent institution, or any other entity or unit of the University, or substantially interfering with the protected free expression rights of others, students are entitled to a disciplinary hearing under published procedures and Section 700.4.1 of the UNC Policy Manual, including, at a minimum:
1. The right to receive advance written notice of the charges;
2. The right to review the evidence in support of the charges;
3. The right to confront witnesses against them;
4. The right to present a defense;
5. The right to call witnesses;
6. A decision by an impartial arbiter or panel;
7. The right of appeal; and
8. The right to active assistance of counsel, consistent with G.S. 116-40.11.

C. Procedural Safeguards for Faculty Members Involved in Expressive Speech or Conduct Disciplinary Cases. In all faculty disciplinary cases where a demotion, suspension, or dismissal is proposed for materially and substantially disrupting the functioning of the UNC System Office, a constituent institution, or any other entity or unit of the University, or substantially interfering with the protected free expression rights of others, faculty members are entitled to the procedural protections provided by Sections 603, 604, and 609 of The Code.

D. Procedural Safeguards for EHRA Non-Faculty Employees Involved in Expressive Speech or Conduct Disciplinary Cases. In all EHRA non-faculty disciplinary cases where a demotion, suspension, or dismissal is proposed for disrupting the functioning of UNC General Administration, a constituent institution, or any other entity or unit of the University, or substantially interfering with the protected free expression rights of others, EHRA non-faculty employees are entitled to the procedural protections provided by Sections 300.1.1 and 300.2.1 of the UNC Policy Manual and any additional protections established by the UNC System Office or the constituent institution's relevant disciplinary and grievance policies.

E. Procedural Safeguards for SHRA Employees Involved in Expressive Speech or Conduct Disciplinary Cases. In all SHRA employee disciplinary cases where a demotion, suspension or dismissal is proposed for materially and substantially disrupting the functioning of the UNC System Office, a constituent institution, or any other entity or unit of the University, or substantially interfering with the protected free expression rights of others, SHRA employees are entitled to the procedural protections provided by the University SHRA Employee Grievance Policy and any state or institutional disciplinary policies.

VIII. Designation and Duties of Responsible Officer and/or Office or Department
A. Designation. Each constituent institution must identify the officer(s), office, or department with responsibilities for ensuring compliance with this policy and Article 36 of Chapter 116 of the North Carolina General Statutes (“Responsible Officer” or “Responsible Officers”), and for answering any related questions or concerns from students, faculty members, staff employees, or others. The president or a chancellor of a constituent institution may choose to designate more than one Responsible Officer or to designate a Responsible Officer with Deputy Responsible Officers in other offices or departments as may best assist the constituent institution.

B. Training. Any officer(s) with these responsibilities will receive training on ensuring compliance. Such training will be developed and provided by the UNC School of Government.

C. Duties. Any officer(s) with these responsibilities shall be the primary point of contact for any student, faculty member, staff employee, or other individual’s questions or concerns about compliance with the law or policy or to assist with interpretation of the law or policy. The Responsible Officer(s) shall also coordinate any additional campus-based training or educational opportunities for students, faculty members, staff employees, or others on issues related to free speech and free expression.

In addition, the Responsible Officer(s) and/or appropriate office or department also may be designated by the chancellor to be the primary point of contact for any institutional information requested by the UNC Board of Governors Committee on Free Expression (Committee on University Governance) to meet its annual reporting requirements, including information related to:
1. Any barriers to or disruptions of free expression within the constituent institution;
2. The administrative handling and discipline relating to these disruptions or barriers, consistent with the federal and state confidentiality protections for personnel information and student education records;[14]
3. Any substantial difficulties, controversies, or successes in meeting the requirements of this policy, as described in section III, above; and
4. Any assessments, criticisms, commendations, or recommendations the committee sees fit to include.

Each chancellor or chancellor’s designee shall notify the senior vice president and general counsel of the Responsible Officer(s) and/or appropriate office or department and provide prompt notification of any changes in this designation.

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

B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.
1. Purpose. The Board of Governors adopts this policy to assure that University and constituent institution boards receive campus safety and security presentations on a regular basis to inform their decision making on policy matters related to safety and security at their institutions.

II. Annual Presentations to Boards of Trustees. The chancellor of each constituent institution or the chancellor’s designee shall provide an annual presentation to the constituent institution’s board of trustees with relevant data and information concerning campus security, the safety of students and others, sexual assault, alcohol and drug use, risk management, and associated institutional policies.

III. Annual Presentation to the Board of Governors. The president or the president’s designee shall provide an annual campus safety and security presentation to the Board of Governors, which may include information presented to boards of trustees and any other relevant information.

IV. Other Matters
   A. Effective Date. The requirements of this policy shall be effective on the date of its adoption by the Board of Governors.
   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 from time to time by the president.

1300.9: Adopted 07/27/18

1300.10 Policy on Protection of Minors on Campus

I. Purpose. The University of North Carolina is committed to the protection of minors who participate in activities on the campuses of, and/or conducted by, its constituent institutions. To ensure the safety of minors participating in UNC-affiliated Covered Programs and to ensure consistency across the UNC System, constituent institutions shall adopt policies with minimum standards applicable to their Covered Programs, as defined herein. Such policies shall address screening requirements for employees, contractors, and volunteers who interact with minors in Covered Programs, including background checks; advance registration and approval requirements for proposed Covered Programs; and training requirements for employees, contractors, and volunteers regarding the mandatory reporting of suspected abuse, as well as additional training expectations for Covered Individuals regarding policies and issues relevant to working with minors. The intention of this policy is to describe the minimum requirements for institutional policies, while allowing the constituent institutions the flexibility to adopt more expansive policies and procedures that reflect their own administrative systems and needs.

II. Definitions
   A. Covered Programs. Activities or programs primarily serving or including minors and either:
      1. Conducted by the constituent institution, whether located on university property or elsewhere; or
      2. Conducted by a third-party individual or organization on university property.
Examples of Covered Programs include, but are not limited to: academic camps, athletic camps, and other enrichment programs, whether daytime only or overnight programs. Constituent institutions have discretion in determining whether a program or activity is a Covered Program, after considering the nature of the program, the duration and location of the program, and the nature and level of interaction with minors. University employees, volunteers, or contractors will have with the minors participating in the program or activity.

Covered Programs generally do not include externally sponsored field trips or visits that bring minors to University property; programs or events that are open to the general public, such as concerts or theatrical performances; or programs designed exclusively for students enrolled or matriculated at the constituent institution.

B. Covered Individuals. All individuals 18 years old or older, including employees, volunteers, and students of the constituent institution and owners, employees, and volunteers of third-party entities operating a Covered Program, who work closely with, supervise, instruct, or otherwise come into direct, non-incidental contact with minors in a Covered Program.

Invited guest speakers, guest lecturers, or guest instructors whose interaction with minors is limited and only in the presence of a Covered Individual, are not required to be considered Covered Individuals.

C. Minors. For the purposes of this policy, minors are defined as individuals who are younger than 18 years of age and are participating in a Covered Program. With the exception of the mandatory reporting requirements in section V., below, this policy does not apply to students under the age of 18 who are enrolled or matriculated at the constituent institution, or who are enrolled in a co-operative innovative high school pursuant to G.S. 115C-238.50 et seq.

D. University Property. All campus grounds, buildings, facilities, stadiums, or other improvements, that are owned, leased, used, or otherwise controlled by the University or one of its constituent institutions.

III. Registration and Approval. All Covered Programs must be registered and approved by the constituent institution prior to the initiation of the program or activity. All programs continuously or periodically operating must be re-registered and approved by the constituent institution at least annually. The registration should include, at a minimum:

A. A description of the proposed Covered Program;
B. A responsible party or sponsor for the proposed Covered Program (Sponsor);
C. The designated university administrator or officer supporting the program;
D. The period of time for which the Covered Program will operate;
E. The expected number of employees and/or volunteers involved and minors served;
F. An acknowledgment of relevant institutional policies, including requirements for background checks, training, insurance, parking access, and facilities use;
G. An acknowledgment of state mandatory reporting requirements related to suspected abuse or neglect of a minor;
H. For third party vendors, a statement acknowledging that the constituent institution may monitor compliance with requirements for operating a Covered Program, and
I. The name or position of the university administrator or officer with responsibility for approving the proposed Covered Program.

IV. Background Checks. Background checks should be conducted for all Covered Individuals. Policies should provide for subsequent background checks at reasonable intervals, as determined by the constituent institution, for all Covered Individuals.

A. Nature and scope of background checks. Constituent institutions may use their standard background check process for their own employees and volunteers. Third-party providers must use a qualified background check vendor, according to reasonable industry standards as determined by the constituent institution, and must provide certification that for all Covered Individuals under their control, a background check has been conducted that includes searches for criminal convictions (federal and in all states and counties in which the individual has lived), searches against the national and state sex offender registries, and, if the individual’s responsibilities include transporting minors, a mandatory driver’s license check. Background and driver’s license checks should look back at least five years or since the Covered Individual reached the age of 18, whichever is shorter.

B. Results of background checks. Policies must provide that, at a minimum, Covered Individuals whose background check reveals a prior criminal conviction for a sex offense, a crime against children, or a serious violent crime involving assault or injury to others may not participate in a Covered Program. Additionally, Covered Individuals whose background checks reveal other prior criminal convictions may be prohibited from participating in a Covered Program after consideration by the constituent institution of the nature of the conviction and its relevance to the position. Covered Individuals whose background check reveals serious driving-related convictions should not be permitted to transport minors as part of their duties.

V. Mandatory Reporting. Policies must refer to the requirements for the mandatory reporting of suspected abuse or neglect of a minor under North Carolina state law (G.S. 7B-301), include procedures for internal reporting of suspected abuse or neglect of a minor to the proper administrator, and provide for periodic notification of the obligation to report to institutional employees and Covered Program Sponsors. Mandatory reporting requirements apply to all persons, whether or not defined as Covered Individuals under this policy.

VI. Training. Policies shall require that Covered Individuals receive at least annual training on institutional policies pertaining to minors on campus, including mandatory reporting requirements. Third-party providers should be responsible for training Covered Individuals under their control and for providing certification to the constituent institution that the appropriate training has occurred.

VII. Special Programs. Some programs involving minors on campus, including but not limited to laboratory schools created pursuant to Article 29 of Chapter 116 of the General Statutes, cooperative innovative high schools created pursuant to Part 9 of Article 16 of Chapter 115C of the General Statutes, and day care centers, may be subject to differing or additional statutory or regulatory requirements regarding background checks and training. This policy is not intended to supersede such program-specific requirements.

VIII. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.
B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

1300.10: Adopted 05/22/19
Chapter 1400 Information Technology

1400.1 Information Technology Governance

I. Purpose. The University of North Carolina and each of the constituent institutions depend on strategic and coordinated governance and management of information technology to fulfill the University’s mission. The University’s information technology and information resource needs continually evolve as new challenges, opportunities, and technologies emerge. Consistent with the governance and oversight responsibilities of the Board of Governors, the executive and administrative responsibilities of the president and the chancellors of the constituent institutions, and the role of the boards of trustees, as described in The Code of The University of North Carolina, the Board adopts this policy delegating and allocating authorities and responsibilities concerning information technology governance within the University of North Carolina System.[1]

The purpose of this policy is to foster the efficient development and maintenance of strategically aligned information technology within known and acceptable levels of risk; to ensure an effective and consistent governance and management of information technology at each of the constituent institutions; and to encourage collaboration and shared service arrangements in areas of information technology management, where appropriate, among and between the constituent institutions and the University of North Carolina System Office (UNC System Office).

II. Definitions

A. "Board of Governors" or "Board" means the Board of Governors of the University of North Carolina.
B. "Board of trustees" means a board of trustees of a constituent institution of the University of North Carolina System.
C. "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.
D. "Constituent institution" means one of the 17-degree/ diploma-granting institutions that comprise the University of North Carolina.
E. "Information resources" means information owned or possessed by the University, or related to business of the University, regardless of form or location, and the hardware and software resources used to electronically store, process, or transmit that information.
F. "Information technology (IT)" means the hardware and software resources owned, leased, or used by the University and its partners to store, process, or transmit University information. Information technology is a subset of the University’s information resources.
G. "Information technology governance" within the UNC System refers to the framework, policies, standards, structures, and processes established to ensure that the University’s information technology supports the missions, goals, and objectives of the UNC System and each constituent institution; that information technology and information resources are managed in accordance with rules and policies; and that risks and threats to information technology and information resources are appropriately and effectively identified and addressed. IT governance encompasses the planning, prioritization, funding, evaluation, auditing, and security of information technology and information resources at each constituent institution and across the UNC System.
H. "Periodic" means occurring at a frequency deemed appropriate based on an on-going assessment of associated risks.
I. "President" means the chief administrative and executive officer of the University of North Carolina, as described in Section 501 of The Code, who reports to the Board of Governors. The president is responsible for executing the board’s policies directly, through the chancellors, and through the staff who report to the president.
J. "University" or "University of North Carolina System" or "UNC System" means the University of North Carolina, a body politic and corporate defined as a single public multi-campus University composed of 17 constituent institutions, the UNC System Office, and other educational, research, and public service organizations.

III. UNC System IT Governance Program Development; Principles and Guidelines

A. The president shall oversee the information technology governance program applicable to the UNC System and the constituent institutions.
B. The UNC System information technology governance program shall be developed, implemented, and maintained, subject to the president’s approval, by the UNC System’s chief information officer, who shall establish and update the program principles and guidelines on a regular basis in consultation with the UNC Chief Information Officer Council. The details of the information technology governance program shall be confidential and not considered a public record to the extent permitted by North Carolina law.
C. The UNC System’s information technology governance programs shall follow the UNC System requirements, which will include:
   1. A defined framework or frameworks to guide the development and implementation of the governance programs; and
   2. A set of principles and guidelines addressing planning, prioritization, funding, evaluation, auditing, disaster recovery, privacy, and security of information technology and information resources, risk assessments, risk management, oversight of distributed IT resources, organizational and staffing models, reporting and lines of authority, and such other areas as may be appropriate for the UNC System and the constituent institutions.
D. The chief information officer, in consultation with leadership at the UNC System Office and the constituent institutions, shall make recommendations to the president at least annually concerning collaborations, shared services arrangements, staffing structures, and additional resources needed to assure that constituent institutions are able to achieve and maintain consistent and effective information technology governance programs.

IV. Information Technology Governance Program. Each constituent institution and the UNC System Office shall establish an information technology governance program consistent with the UNC System’s information technology governance program framework and principles.

A. The chancellor, or the president in the case of the UNC System Office, shall designate the institution’s chief information officer or other member of the chancellor’s senior staff, who will be responsible to the chancellor for oversight of information technology governance at the institution and implementation of the information technology governance framework and program as required by this policy.
B. The institution’s chief information officer shall be vested with such authority as is necessary to successfully oversee the information technology governance program and ensure the establishment and proper implementation and operation of the information technology governance program framework and principles.

V. Oversight of Information Technology Governance

A. The UNC System Office chief information officer shall work with the UNC System Office finance, audit, and legal staff, and the Chief Information Officers Council, to establish the process and criteria by which each constituent institution and the UNC System Office shall demonstrate that it is operating in accordance with the UNC System’s information technology governance program. The minimum criteria will include:
   1. Demonstration of a comprehensive information technology governance program that encompasses both centralized IT and distributed IT consistent with the framework, principles, and guidelines established in accordance with Part III of this policy and include:
      a. A set of principles and guidelines concerning information technology matters necessary to the teaching, research, and service missions of the UNC System and the constituent institutions, including but not limited to: security and encryption standards; software standards; hardware standards; acquisition of information technology consulting and contract services; disaster recovery standards; risk management and compliance; networking; wireless technologies; and personal devices; and
      b. Guidelines and priorities for decision-making for information technology that align with the University’s strategic objectives.
   2. Periodic self-monitoring and external monitoring of the institution’s compliance with all principles, standards, and guidelines;

3. Periodic audits of information technology and information resource issues by qualified auditors with specialized expertise;
4. Regular information technology risk assessments;
5. Periodic consideration of information technology matters by the audit/compliance/risk management committee of the institution's board; and
6. Effective systems of accountability to identify and correct deficiencies.

B. The Board of Governors and the board of trustees of each constituent institution shall assign responsibility for oversight of IT governance to a standing committee of the board with audit responsibility.
1. Annual audit plan. The annual audit plans of the constituent institutions shall consider, as appropriate, audit activity focused on information technology matters, based on annual risk assessments.
2. Audits. The assigned committee with responsibility for IT governance shall review and discuss audit activity relating to information technology matters, and address issues of importance in information technology governance on a regular basis at its scheduled meetings.
3. Reporting. The assigned committee with responsibility for IT governance may request information and reporting related to the institution's IT governance program. All audit reports involving information technology governance matters will be shared with the Committee on Audit, Risk Management, and Compliance (CARMC).

VI. Other Matters
A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.
B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.


1400.1*: Adopted 05/24/18

1400.2 Information Security

I. Purpose. This policy directs the UNC System Office and the constituent institutions of the University of North Carolina to establish an information security program and designate a senior officer, accountable to the president or chancellor, who is responsible for information security. This policy also requires the Board of Governors and constituent institution boards of trustees to oversee information security.

II. Definitions
A. "Information security program" means policies, assessments, protocols, and trainings designed to govern the storage, accessibility, and security of information resources.
B. "Information resources" means information owned or possessed by the University, or related to business of the University, regardless of form or location, and the hardware and software resources used to electronically store, process, or transmit that information.

III. Establishment of Information Security Program. The UNC System Office and each constituent institution shall develop and maintain an information security program to preserve the security, confidentiality, accessibility, and integrity of information resources of the UNC System Office or the constituent institution. The programs developed by the UNC System Office and the constituent institutions must comply with the prevailing information security standard adopted by the Board of Governors standing committee assigned with audit responsibility. At a minimum, this program must include policies on the storage, use, and accessibility of information resources, regular risk assessments of existing information resources, a strategy statement setting forth priorities for managing identified information security risks, and incident response planning and notification procedures.

IV. Designation of Senior Officer with Information Security Responsibility. The UNC System Office as well as each constituent institution shall identify a senior officer accountable for overseeing implementation and periodic evaluation of the information security program. The identified senior officer shall be responsible for identifying and deploying all reasonable measures to maintain the security, confidentiality, accessibility, and integrity of information resources of the UNC System Office or the constituent institution. The senior officer, as an essential component of the officer's designation, shall possess all necessary authority to implement and evaluate all aspects of the information security plan. The senior officer shall be accountable to the president or chancellor and responsible for reporting to the Board of Governors or the constituent institution's board of trustees on matters related to information security upon request.

V. Oversight of Information Security. The Board of Governors and the board of trustees of each constituent institution shall assign responsibility for oversight of the institution's information security program to a standing committee of the appropriate board with audit responsibility.
A. Audit Planning and Risk Assessment. Each institution's internal auditor shall address information security in annual audit planning and risk assessment. The assigned committee shall ensure that information security is addressed in the annual audit planning and risk assessments that are conducted by the institution's internal auditor.
B. Agenda Item at Regular Meetings. The assigned committee shall periodically include an agenda item for emerging information security matters at its regularly scheduled meetings.
C. Annual Report. The designated senior officer with information security responsibility shall present a report to the assigned committee, at least annually, on the institution's information security program and information technology security controls.

VI. 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 policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

1400.2: Adopted 01/26/18, Technical Corrections 04/25/19

1400.3 User Identity and Access Control

I. Purpose. The security, privacy, and integrity of data and information systems is an operational priority for the University of North Carolina. Identity confirmation and access control techniques help mitigate the risk of unauthorized access to University data and information systems. This policy directs all University of North Carolina System constituent institutions to evaluate and conduct risk-based implementation of appropriate identity confirmation and access control techniques, such as multi-factor authentication, to control access to University data.
II. Risk-Based Implementation of Identity Confirmation and Access Control Measures. The UNC System chief information officer shall, in consultation with the Chief Information Officers Council, develop, maintain, and update standards for risk-informed identity confirmation and access control, such as multi-factor authentication, for use by constituent institutions and the UNC System Office. In the absence of multi-factor authentication, constituent institutions shall identify, implement, and document other appropriate measures to control access to sensitive data. Based on evaluation of the constituent institutions’ identity confirmation and access control techniques, the University chief information officer may identify constituent institutions that require additional resources or consultation to implement and maintain adequate measures and meet the requirements of this policy.

A. Each constituent institution and the UNC System Office shall implement and maintain risk-informed techniques to confirm user identity and control access to University information systems and resources, in accordance with the standards developed and maintained by the UNC System chief information officer.

B. The chancellor, or the president in the case of the UNC System Office, shall designate the institution’s chief information officer or other member of the senior staff, who will be responsible for the oversight of the implementation and maintenance of user identity confirmation and access control techniques as required by this policy. The institution’s chief information officer shall be vested such authority as is necessary to successfully oversee all aspects of the user identity confirmation and access control program as it applies to staff, faculty, students, and other individuals with access to the institution’s information technology systems and information resources.

C. Each institution’s user identification and access control measures must sufficiently control access to sensitive University data such as personally identifiable information, personal health information, and information subject to state or federal laws or regulations.

D. The timing and application of user identification and access control measures, such as multi-factor authentication and other techniques, shall be conducted in accordance with the standards maintained by the UNC System chief information officer, and guided by a risk-based evaluation of university data and information systems.

E. The standards developed and maintained by the UNC System chief information officer and the standards and measures established by the constituent institutions in accordance with those policies shall be confidential and not considered a public record to the extent permitted by North Carolina law.

F. The UNC System Office chief information officer shall work with the UNC System Office finance, audit, and legal staff, and the Chief Information Officers Council, to establish the process and criteria by which each constituent institution and the UNC System Office shall demonstrate that it is operating in accordance with the requirements of this policy.

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 policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

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

1400.3: Adopted 05/24/18