I. Purpose

The UNC Board of Governors requires each campus of the UNC to have a policy on non-salary and deferred compensation. The purpose is to ensure a reasonable level of consistency regarding compensation packages provided to employees exempt from the State Personnel Act and that any such compensation is subjected to oversight and approval. The awarding of any such compensation is intended to attract and/or retain the highest quality personnel.

II. Applicability

This policy applies to Senior Academic and Administrative Officers (SAAO), faculty, and other EPA employees. Athletic directors and head coaches remain subject to UNC Policy 1100.3 and are therefore exempt from this policy.

III. Policy

A. Non-Salary Compensation

Non-salary compensation includes, but is not limited to, provision of a vehicle or vehicle allowance, provision of housing or a housing allowance, club memberships, and special campus benefits provided for job-related reasons. Any such compensation must be approved by the UNCW Board of Trustees, upon recommendation by the chancellor, prior to any non-salary compensation being granted to an employee. A record of approved non-salary compensation is maintained by HR and/or the Controller’s Office as appropriate.

1. Funding Sources
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 the UNCW Board of Trustees or the Board of Governors only when permitted by the Office of State Budget and Management.

2. Club Memberships

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.

3. Taxes

Non-salary compensation shall be appropriately reported to federal and state tax agencies.

4. Moving Expenses

The payment of moving expenses, within State of North Carolina policy, is a form of non-salary compensation according to UNC Policy 300.2.14.A.2. The decision to allow reimbursement for moving expenses is delegated to the chancellor and may be sub-delegated to the provost at the chancellor’s discretion.

5. Reimbursement not subject to this policy

a. 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 telephones, pagers, and similar work related items) are permissible and are not considered non-salary compensation as used in this policy.

b. The provision for and payment of housing, if required as part of job duties, is not subject to this policy. For example, if an assistant coach is required to live in a dorm as part of his or her job, Board of Governors approval and oversight is not required.

B. Deferred Compensation

1. The State of North Carolina and the University of North Carolina offer employees options for deferred compensation, including insurance programs. Unless expressly approved by the UNC Board of Governors, UNCW may not provide any other employer-paid or privately-paid options for deferred compensation to its employees.

2. For purposes of this policy, deferred (or delayed) compensation (or salary) shall be broadly defined to include, but not be 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 compensation also includes any retirement plans or accounts, annuities, life insurance that accumulates any cash value, and traditional 457 deferred compensation plans. This definition includes both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

IV. Non-Salary or Deferred Compensation of the Chancellor

Other than a State provided car or car of comparable value, required residence at Kenan House, work-related club memberships, reimbursement of moving expenses upon initial employment, and benefits uniformly provided to EPA employees, only the Board of Governors may approve non-salary or deferred compensation for the chancellor. The funding source for non-salary compensation for the chancellor, other than that specified in this paragraph, shall not be state funds. An exception may be considered by the Board of Governors; however, club memberships shall not be paid with State funds.

V. Non-Discrimination

Any decisions concerning non-salary or deferred compensation must be made without regard to an individual’s status in terms of the UNCW non-discrimination statement.

VI. Policy Review and Approval

The Board of Governors requires that this policy be submitted to the President for review and then subsequently submitted to UNCW Board of Trustees for approval. (The President’s approval was granted on December 18, 2006 in a letter from Dr. Harold Martin, Senior Vice President for Academic Affairs.) Subsequent changes must also be submitted to the President prior to UNCW Board of Trustees consideration. The President may, upon his or her discretion, forward policy changes to the Board of Governors for consideration.