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North Carolina  
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University of  
North Carolina  
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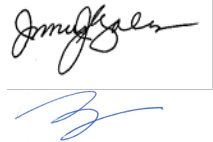
**MEMORANDUM**

**DATE:** March 9, 2016

**TO:** Chief Academic Officers  
Chief Financial Officers  
Chief Human Resources Officers

**FROM:** Junius J. Gonzales, Senior Vice President for Academic Affairs  
Matthew S. Brody, Vice President for Human Resources

**SUBJECT:** Updates to EHRA Salary Adjustment Pre-Authorization Guidelines



At their March 4, 2016 meeting, the Board of Governors (BOG) approved a return to the salary adjustment pre-authorization threshold of 15% and \$10,000 as codified in UNC System Policy.

This guideline will replace the previous legislative requirement of obtaining BOG pre-authorization for salary adjustments of 10% or greater, which recently sunset as part of the 2015 Appropriations Act. Based on this BOG action, the following criteria will now be used with respect to proposed EHRA employee salary adjustments:

1. *Permanent Base Salary Adjustments*
  - a. Chancellors or their authorized designees may approve base salary adjustments up to 15% **and** \$10,000, cumulatively fiscal year to-date, based on the prior June 30 base salary. As before, Chancellors may continue to approve salary adjustments for faculty academic rank promotions or any EHRA FTE or appointment conversion changes with no net change in annualized compensation. Also, salary adjustments implemented under the provisions of an approved special faculty incentive pay plan also require no further BOG pre-authorizations.
  - b. Any permanent base salary adjustments exceeding these amounts must be pre-authorized by the Committee on Personnel and Tenure with the exception of external competitive events, which will be approved by the President or her designee.
  - c. Any salary adjustment resulting from an approved request for support through the University of North Carolina Faculty Recruitment and Retention Fund requires no further BOG pre-authorization.

2. *Temporary Salary Adjustments (Salary Supplements, Interim/Acting Appointments, Temporary Additional Duties)*

- a. Chancellors or their authorized designees may approve temporary salary adjustments that do not exceed 25% cumulatively fiscal year to-date on the basis of temporary compensation that was active as of the prior June 30 **or** that do not to exceed 9 months in duration.
- b. The President or her designee must pre-authorize temporary salary adjustments that exceed the above threshold but are not more than 30% cumulatively fiscal year to-date **and** do not exceed 13 months in duration.
- c. The Committee on Personnel and Tenure must pre-authorize all other temporary salary adjustments.

3. *Critical Retention Adjustments*

- a. In the event of a documented job offer or verifiable active employment negotiations by a current employee with an outside entity, the President or her designee may pre-authorize any permanent base salary retention adjustment that is above 15% and \$10,000, but not to exceed 30% cumulatively of the prior June 30 base salary.
- b. The Committee on Personnel and Tenure must pre-authorize all other retention adjustments.

Several additional procedural notes associated with these changes include:

- Effective immediately, all faculty salary pre-authorization requests will be processed by the Classification and Compensation unit in the Division of Human Resources instead of the Division of Academic Affairs.
- Pending the assignment of a new staff member in Human Resources who will be focused on faculty compensation matters, Keith Dupuis will handle both faculty and non-faculty pre-authorization requests with the assistance of Jessica Moore and Samantha McAuliffe-Raynor. Going forward, the Division of Academic Affairs will continue to be consulted on Faculty-related appointment and compensation matters, including any proposed policy exceptions, and they will also continue to manage all faculty recruitment and retention fund requests.
- All remaining procedures with respect to processing UNC General Administration/BOG salary pre-authorization requests remain unchanged.

Concurrent with all of these changes, the BOG has also directed General Administration to review all salary pre-authorization policies and procedures, and return to them with recommendations for other permanent changes in the near future. We will be consulting with the Chancellors and their staffs in developing these newly proposed guidelines.

All of the above changes have no impact on SHRA salary adjustment pre-authorization criteria, which remain at 20% of the June 30 base salary amount per the rules of the Office of State Human Resources.

Please contact either of our offices if you have questions regarding these changes.

Cc: President Margaret Spellings  
Chancellors