

## 2015 BOG APPROVAL PROCESS

### Current Salary Codes

- 1a:** Internal Competitive Event - Employee applies for an internally recruited job vacancy, is selected competitively, and changes jobs to a different position.
- **NEW** – Previously called “Internal Competitive Promotion,” and changed wording of code to read “changes jobs to a different position” instead of “higher classification.”
  - Faculty RANK promotions awarded through the promotion and tenure process do NOT require Board of Governors Approval for Campuses WITH Management Flexibility. Salary increases related to faculty rank promotions **do not** count cumulatively towards the permanent base salary exception process.
  - Internal promotions and waivers of recruitment for a position are reported here. Search waivers must be explained in the justification.
- 1b:** External Competitive Event - Employee applies for an externally recruited job vacancy, is selected competitively, and changes jobs to a different position.
- **NEW** – Previously called “External Competitive Promotion”, and changed wording of code to read “changes jobs to a different position” instead of “higher classification.”
  - EXTERNAL POSTINGS ONLY.
  - SPA Competitive events that involve an employee being hired from another state agency, or an employee at one campus accepting a position at another campus, fall under the 10% review process.
- 2a:** Increase in job duties or responsibilities; includes reallocation or reclassification of job.
- **NEW** -- OSHR has recently made changes to the Career Banding Salary Administration policy, which will be finalized with the State HR Commission in December 2014. Going forward, SPA reallocations from one competency to another within a class will be classified Career Progression Adjustments (code 4). Code 2A should only be used when an SPA employee is being reallocated from one banded class to another.
- 2b:** Temporary adjustment related to an increase in job duties or responsibilities; salary will revert when temporary duties cease.
- Per the EPA Salary Administration Instructions, salary review is not needed on temporary or interim increases that last less than 9 months OR result in an increase below 25%.
  - Faculty Department Head/Chair appointments are not considered temporary increases, even if the stipend reverts, UNLESS the position will be held for a year or less in an interim capacity.
  - Temporary salary increases do not count cumulatively towards the permanent base salary exception process.
- 3:** Retention.
- SPA Retentions must comply with OSHR policy & procedure.
  - EPA Retentions must comply with BOG policy.
- 4:** Career progression adjustments for demonstrated employee or position competencies within the same/current level.
- **NEW** -- OSHR has recently made changes to the Career Banding Salary Administration policy, which will be finalized with the State HR Commission in December 2014. Going forward, SPA reallocations from one competency to another within a class will be classified Career Progression Adjustments (code 4). Code 2A should be used when an SPA employee is being reallocated from one banded class to another.

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- 5:** University Cancer Research Fund
- 6:** Distinguished Professors Endowment Fund
- 7:** Faculty Recruiting and Retention Fund (Specific allocation from UNC-GA)
  - Increases approved by the President through the Faculty Recruitment and Retention Fund do not require additional BOG preapproval but **DO** count cumulatively towards the permanent base salary exception process.
- 12:** Other (must explain in comments).
  - Includes prevailing wage adjustments for foreign national employees
  - Includes market, equity, and merit adjustments.

### Related Links/Contacts:

1. Salary Guidelines for FY2014-2015 [[http://old.northcarolina.edu/hr/unc/classcomp/2014-2015\\_EPA\\_Salary\\_Administration\\_Instructions.pdf](http://old.northcarolina.edu/hr/unc/classcomp/2014-2015_EPA_Salary_Administration_Instructions.pdf)]
2. Salary Increase Template: [[http://old.northcarolina.edu/hr/hr\\_council/BOG\\_Approval\\_Template\\_-\\_2014\\_Version\\_-\\_UPDATED.xlsx](http://old.northcarolina.edu/hr/hr_council/BOG_Approval_Template_-_2014_Version_-_UPDATED.xlsx)]. Please refer to the “Guidance” tab on the spreadsheet for help in filling out the document.
3. Salary Approval Email: [bogapproval@northcarolina.edu](mailto:bogapproval@northcarolina.edu).
4. Questions on EPA Faculty increases: Samantha McAuliffe [[slmcauliffe@northcarolina.edu](mailto:slmcauliffe@northcarolina.edu)].
5. Questions on EPA Non-Faculty/SPA Increases: Keith Dupuis [[kedupuis@northcarolina.edu](mailto:kedupuis@northcarolina.edu)].

### Definitions:

*Appointment Conversions:* If there is no change to the pay rate (e.g., monthly salary rate or hourly rate), pre-approval is not required, and does not need to be calculated as part of the cumulative salary increase (examples include routine 9-to-12-month conversions and FTE adjustments).

*Campus Approval:* All salary increases submitted through the BOG approval process must be approved by chancellors. Chancellor designees are not permitted.

*Clinical Faculty Pay Plans:* Since it is commonplace that substantial components of salaries of full-time faculty members in clinical departments of schools of medicine derive from receipts for patient care by approved institutional clinical practice plans, it is acknowledged that the total salary of faculty members for full-time service in these disciplines should reflect their levels of productivity. Thus, it is consistent that the salary of a faculty member in a clinical department be subject to a positive adjustment if there is a substantial increase in the individual’s level of participation in the practice plan. These increases are exempt from the pre-approval process as they are contractual obligations.

*Competitive Events.* Salary Code 1A; to be considered an internal competitive event, the position must have been posted internally. Salary Code 1B; to be considered an external competitive event, the position must have been posted externally.

*Course Overloads.* Course overloads are considered task-based compensation and are not included in the 10% approval process.

*Cumulative Increase.* The salary pre-approval process is based upon the cumulative increase for the fiscal year, not the increase between the current & proposed salary. The June 30,

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2014, salary typically consists of all compensation being received on that date -- whatever amounts would have been reported as W-2 “wages, tips and other compensation” (not including overtime pay). Please note that for the 2014-2015 period, the June 30, 2014 salary for SPA employees should also include the \$1,000 legislative increase for that year.

*Department Head/Chair Stipends:* Department Head/Chair stipends that will last longer than 9 months are not considered temporary payments and require pre-approval if they result in a salary that is at or above 10% of the June 30, 2014 salary. Stipends for individuals serving as an interim head/chair are subject to the rules regarding temporary increases.

*Effective Dates.* Approved EPA increases will be allowed an effective date as early as the 1<sup>st</sup> of the calendar month in which approval is given. Approved SPA increases will be allowed an effective date as early as the date approved by the President’s Office. Retroactive approval is not permitted for SPA actions except in extraordinary circumstances; retroactive approval -- earlier than the first of the month in which approved -- for EPA increases will be at the discretion of the BOG’s Personnel & Tenure Committee (P&T). Advise your Chancellor that the BOG may ask him/her why a retroactive increase is needed.

*Employee:* Any permanent (benefits-eligible) full-time or permanent part-time employee with a recurring appointment of at least 9 months, a total FTE of .50 or more, and eligibility to participate in the State Health Plan. For this purpose, temps, student workers, post-docs (if not considered regular EPA employees) and part-time, per-course adjuncts/lecturers do not fall under these protocols.

*Equity.* Current legislation allows for equity increases regardless of funding source. Please use the “Other” salary code, and provide a detailed justification.

*Faculty Rank Promotions:* Increases resulting from an academic rank promotion for tenured faculty do not require BOG Approval and should not be calculated as part of the cumulative increase.

*FTE Adjustments.* If there is no change to the pay rate, pre-approval is not needed and should not be calculated as part of the cumulative increase.

*Market.* Current legislation allows for market increases regardless of funding source. Use the “Other” salary code, and provide a detailed justification.

*Merit.* Current legislation allows for merit increases regardless of funding source. Use the “Other” salary code, and provide a detailed justification.

*Other Code.* Any salary increases using the “12” Other code must be accompanied by a detailed justification.

*P&T.* The BOG Personnel & Tenure Committee.

*Retentions.* SPA and EPA increases must comply with applicable SPA and EPA policies, respectively. Salary adjustments will not be considered until policy requirements are satisfied. SPA retention requests or a given amount may require approval from the Office of State Human Resources (OSHR).

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*Retroactive Increases:* Retroactive approval is not permitted for SPA actions except in extraordinary circumstances; retroactive approval for EPA increases will be at the discretion of the P&T. Your Chancellor should be prepared to support the request in front of P&T, if needed.

*SPA Policy/Increases.* As a general reminder, SPA increases must comply with established OSHR policy in order to be considered for salary adjustments. As authorized by the Board of Governors, the President's office will review all appropriate SPA increases at or above 10% once policy requirements are satisfied.

*SPA Rehires.* Previously, there was a two year look-back period on SPA rehires (meaning that a former SPA employee rehired within two years would fall under the BOG salary review policy). That restriction is no longer active.

*SPA Transfers.* Previously, staff who transferred from one SPA position to another at the same or lower level were not eligible for an increase in pay. This restriction is no longer active.

*Summer Courses.* Summer courses are considered tasked-based compensation and are not included in the 10% approval process.

*Temporary Increases.* Temporary increases *at or above* 9 months or *at or above* 25% of the June 30, 2014 salary (June 30 plus the \$1,000 LI for SPA employees) require P&T review.

*Temporary Employees.* An employee in a temp job who is selected in an open, competitive search for a 'permanent' (benefits-eligible) position is not considered a salary increase as restricted by these guidelines, and no BOG preapproval is required.

### Examples of Good Justifications:

1. **Competitive Promotions:** Justifications should state that the employee meets all requirements of the proposed position; and that equity concerns have been taken into consideration. If there has been a search waiver, please state that clearly. Include the employee's education and experience if the employee is being promoted to a new classification. Example of a solid Justification:

*Ms. Jane Smith is the selected candidate of an internal search. The position was posted internally; 17 people applied, and 6 were interviewed. She is being recommended for a promotion from a Study Abroad Advisor (EPA) in Study Abroad within Office of International Affairs to an Assistant Director (EPA) in the same department. Ms. Smith meets the requirements for the position. She possesses a Master's in International Studies and five years of directly-related experience. The salary is equitable to similarly-situated positions within the department and University. Due to the criticality of the position, compounded by several other vacancies in the department, an EPA search waiver was approved.*

2. **Retention:** Please make sure to explain why the employee is valued, and how the loss would impact the university.

*For instance, please add: "Professor Andrewson has received an external offer from Stark Industries for \$132,000. He is recognized nationally as an extremely valuable member of*

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*our Department. He is a leading scholar in social movement studies who has distinguished himself through the collection and sharing of primary data, the testing of theory-driven and substantively significant hypotheses, the use of novel methods of data analysis, and a highly effective collaborative working style. The research endeavors and grants would be significantly harmed by the loss of Dr. Andrewson's contributions."*

3. Additional Duties: Please add clear details demonstrating the difference between the current & proposed responsibilities.

*For instance: "Position is being reclassified from a Study Abroad Advisor to Assistant Director. Current duties include managing faculty-led programs in Northern, Central, and Eastern Europe including budget oversight, creating marketing materials, advising students on preparations for study abroad, and serving as the liaison for the Study Abroad Office with other on-campus units (University Housing, Student Health Center, and the Office of International Services). New duties will include coordinating the team of regional advisors to ensure each individual is managing his/her portfolio of semester and year-long programs, student advising, and faculty-led programs in a consistent manner that adheres to office policy and procedures. The proposed salary is equitable to similarly-situated positions within the department and University."*

4. **NEW** – Reclassifications: Add clear details demonstrating the difference between the current & proposed responsibilities. Justifications should state that the employee meets all requirements of the proposed position. Include the employee's education and experience if the employee is being promoted to a new classification. Example of a solid Justification:

*This position was reviewed and is being recommended for reclassification from Accounting Technician (Journey) to Accountant (Contributing). When last reviewed, this subject position posted payments (75%), applied federal and state guidelines to review student account balances, placed holds on accounts, processed and filed 1098T forms, and provided account information to students, parents, faculty, and staff in compliance with all regulations. The position now entails autonomous management of the in-house Tuition Payment Plan system, including related financial analysis, reconciliation, auditing, and reporting. This position updates and tests the Banner system IRS Form 1098T file generation process and is also responsible for setup and testing of the tuition, fees, housing and meals rate table. This position researches and resolves problems related to any of these system processes by contact with third party vendors and IT personnel. Ms. Jean Grey, the current employee in the role, holds an accounting degree and ten years of experience at the university, and meets all the requirements of the proposed position. The proposed salary is equitable to similarly-situated positions within the department and University."*

5. Temporary additional duties: Please be sure to state how long the temporary duties are expected to last; and that the employee will revert to former salary when done.

*For instance: "Due to retirement of current Head Lacrosse Coach, employee has been temporarily assigned as the interim Head Coach until a permanent appointment is made. He will continue to serve as Head Lacrosse Coach. Employee's salary will revert when temporary duties cease. We expect this interim appointment to last at least 10 months."*

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6. Competency adjustments: This code should be used when the employee competency is changing. If the position competency is changing, the action should be coded under Additional Duties (Salary Code 2A).

*For instance: "Ms. Miller has been assigned the financial management of a variety of accounts for two different academic departments--Public Policy and Biology. Ms. Miller's training and recent certification as a CPA has enabled her to independently manage these accounts. Due to the complexities involved with managing the financial needs of two diverse departments, we have assessed the remaining two contributing competencies as journey. This salary increase is requested to more closely align her salary to the journey market rate. The salary is equitable to similarly-situated positions within the department and University.*
7. Reorganization: If an employee's additional duties are the result of a campus reorganization, address the increased efficiencies of job eliminations/repurposing/consolidation.
8. Salary Min/Max: If the salary max is exceeded, the exception *must* address it in the justification. Any increase that exceeds the max for the range received would be rare.
9. **NEW** – Equity: in every instance where equity should be a consideration in determining a salary, provide a clear statement that the proposed salary is equitable to similarly-situation positions within the department and University. We would expect to see equity statements on all competitive events, reclassifications, additional duties, retentions, competency adjustments, and market/merit/equity adjustments.

### Common Issues that Delay Approval

1. Campus emails the request to an individual rather than the BOG approval email box. Please use: [bogapproval@northcarolina.edu](mailto:bogapproval@northcarolina.edu). ***If a submission is not sent to this email box, it will not be uploaded.***
2. Campus fails to provide details on a competitive event (Salary Code 1A or 1B), or campus fails to explicitly state that a competitive event was posted internally or externally.
3. The change in job indicates advanced education or experience requirements, but no details on employee's E&E is referenced.
4. Campus requests a retroactive effective date without justifying.
5. Campus fails to provide a salary range. Salary ranges are needed for all requests. If you have any questions about ranges or justifications for non-tenure track faculty, please contact Samantha McAuliffe for assistance [[slmcauliffe@northcarolina.edu](mailto:slmcauliffe@northcarolina.edu)].
6. The salary request does not attest that (a) the chancellor has reviewed the document, and/or (b) that all appropriate campus policies have been followed. (These are Yes/No questions in the Salary Approval template.) Without confirmation that these two conditions have been met, the request must be returned to campus.
7. Campus checks the "YES" flag that indicates there is an FTE adjustment or appointment conversion, but doesn't reference it in justification. "YES" should only be indicated where the salary increase contains or relates to an FTE adjustment or appointment conversion.
8. Campus does not indicate the current and new title. If the title does not change, please list the current title as the proposed title as well. Do not say "Same" or leave the field blank.

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9. The current salary is different from the June 30 salary, but no explanation for this earlier increase is provided in justification. Please remember that the \$1,000 Legislative Increase for SPA employees should be added to the June 30 salary.
10. Non-state fund sources are indicated, but campus fails to provide the non-state fund source.

### Miscellaneous Notes:

11. Do not override the gray-shaded preset calculations on the Submission Template.
12. Do not add or delete columns on the Submission Template. The template is uploaded directly into an MS Access database, and missing columns will corrupt the submission.
13. Review your spelling, calculations, and grammar. These requests are presented to the Board of Governors and it reflects poorly on the campus when there are spelling, grammatical, or calculation mistakes in the form.
14. For FY2015, we've added a third Yes/No attestation. If FTE adjustments and/or appointment conversions are factors in the request, campuses should check Y. Campuses should also follow up with specific comments about the FTE adjustment or appointment conversion in the Justification field.

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### BOG Salary Review Sheets

The submission spreadsheets which campuses submit are compiled and uploaded into an MS Access database. MS Access then produces a 1-page, detailed form on each individual salary request. An example of that form is reproduced below.

GA will make the MS Access database available to any campus that would like to use it. The BOG members, in particular, find it to be a very efficient way to evaluate salary increases.

#### BOG Salary Pre-Approval / Salary Range Exception Form

<b>Name of Employee:</b>	<b>Current Rank/Title:</b>
<b>Institution:</b> UNC General Administration	
<b>Employee Type:</b>	
<b>College/School:</b>	<b>Proposed Rank or Title:</b>
<b>Department:</b>	
<b>Department #:</b>	
<b>Proposed Approval Date</b> 1/1/2015	

<b>June 30 Salary:</b>	<b>Proposed Salary Range Min:</b>
<b>Current Salary:</b>	<b>Proposed Sal Range Max:</b>
<u>Source:</u> <b>State Funds (\$):</b>	<b>Non-State Funds (\$)</b>
<b>Source of Non-State Funds:</b>	

<b>Proposed Salary:</b>	
<u>Source:</u> <b>State Funds (\$):</b>	<b>Non-State Funds (\$)</b>
<b>Source of Non-State Funds:</b>	

<b>Increase from June 30 Salary:</b>	<b>Increase from Current Salary</b>
<b>Percent of Increase from Current Salary:</b>	
<b>Percent of Increase from June 30 Salary:</b>	

**Salary Code**            1a - Internal Competitive Event - Employee applies for an internally recruited job vacancy, is selected competitively, and changes jobs to a different position

**Justification for Salary Increase or Exceeding Range (please be clear):**

By checking this box, the preparer certifies that the Chancellor (or President for General Administration increases) has approved this request.

The preparer certifies all existing UNC system-wide and institutional policies and procedures have been followed for employment and classification decisions (ex., tenure, promotion, employment approvals, BOG Management Flexibility Agreements, OSHR Delegation of Authority Agreements).

By marking Y, the preparer is indicating that an FTE change or appointment conversion is a factor in the salary increase.

UNC General Administration

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### **BOG Submission Schedule (FY2015-FY2016)**

Deadline – 12PM on Following Dates:	Meeting Date:
Tuesday, February 10, 2015	2/26/2015
Tuesday, March 24, 2015	4/9/2015
Tuesday, May 5, 2015	5/21/2015
Tuesday, July 21, 2015*	8/6/2015
Tuesday, September 1, 2015	9/17/2015
Tuesday, October 13, 2015	10/29/2015
Tuesday, November 24, 2015	12/10/2015
Tuesday, January 5, 2016	1/21/2016
Tuesday, February 16, 2016	3/3/2016
Tuesday, March 29, 2016	4/14/2016
Tuesday, May 10, 2016	5/26/2016

*\* Note – There is no scheduled BOG meeting in June/July 2015. P&T will consider an off-cycle meeting if needed.*

**Please note:**

EPA Non-Faculty increases that are competitive events or under \$10,000 will be reviewed on a weekly basis. Please submit increases by **12pm on Tuesdays**. Except when a state holiday shortens our work week, we will attempt to have a response by the following Friday.

SPA Increases will be reviewed on a weekly basis. Please submit by **12pm on Tuesdays**. Except when a state holiday shortens our work week, we will attempt to have a response by the following Friday.

EPA Faculty increases that are competitive events or under \$10,000 will be reviewed on a semimonthly basis. Please submit increases by **12pm on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday**. Except when a state holiday shortens our work week, we will attempt to have a response by the following Friday.