

**EAST CAROLINA UNIVERSITY
POLICY ON NON-SALARY AND DEFERRED COMPENSATION FOR
EMPLOYEES EXEMPT FROM THE HUMAN RESOURCES ACT**

I. PURPOSE AND APPLICABILITY

A. Purpose

The UNC Board of Governors Policy 300.2.14 requires each campus of the University of North Carolina to develop a policy on non-salary compensation and deferred compensation for personnel exempt from the State Human Resources Act. This policy establishes guidelines and procedures for non-salary and deferred compensation at East Carolina University (ECU).

B. Applicability

This policy applies to most employees of East Carolina University holding positions exempt from the State Human Resources Act. Exempt from this policy are members of faculty medical practice plans, such as physicians, dentists and veterinarians; and Athletic Directors and head coaches, who remain subject to Policy 1100.3 and its guidelines. Board of Governors Policy 300.2.14 addresses non-salary and deferred compensation for the Chancellor.

C. Related Policies

UNC General Administration Policy Number 300.2.14 is the basis for this campus policy.

II. NON-SALARY COMPENSATION

A. Definitions Except as is otherwise noted, non-salary compensation includes, but is not limited to, the provision of a vehicle or vehicle allowance¹, club memberships², provision of housing³ or a housing allowance⁴, and special campus benefits provided for job-related reasons. Non-salary compensation may only be provided consistent with UNC and State of North Carolina policies and procedures and IRS regulations. Non-salary compensation is in addition to other standard fringe benefits available to all EHRA employees.

B. Exclusions 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 not considered non-salary compensation as used in this policy.

C. Source of Funds and Compensation Unless permitted by the Office of State Budget and Management (OSBM) and approved by the Board of Trustees, State Funds shall not be used to provide non-salary compensation. Funding may be provided directly by a university associated foundation, if permitted by foundation policy and approved by the Board of Trustees.

D. Moving Expenses Paid as Part of the Hiring Process The hiring approval process may include payment of reasonable moving/relocation expenses in accordance with authority from OSBM. The

¹ The provision for vehicle or vehicle allowance is governed by the separate Automobile Policy and Allowances, approved by the ECU BOT on July 19, 2005 and by UNC-GA on May 2, 2006, and rates revised/approved as necessary. (<http://www.ecu.edu/cs-admin/hr/upload/AutomobileAllowance-2.pdf>.)

² 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 As interpreted by the Board of Governors, provision of housing, when occupancy of housing is a job requirement, is not considered non-salary compensation under the terms of this policy.

⁴ Housing allowance is subject to "ECU's Guidelines for Housing Allowance Provisions".

decision of whether to include reimbursement of moving expenses in an employment offer may be delegated no lower than the Provost/Vice Chancellor⁵. Reimbursements of moving expenses in an amount greater than fifteen thousand dollars must be approved by the Chancellor and the Board of Trustees.

E. Approval Requirements/Procedures The appropriate Provost/Vice Chancellor should submit a written statement of justification for non-salary compensation to the Assistant Vice Chancellor for HR. After appropriate screening, the Assistant Vice Chancellor for HR shall provide these requests, along with recommendations, to the Chancellor for review. Upon receipt of a written statement of justification provided by a Provost/Vice Chancellor, the Chancellor shall consider requests for the non-salary compensation of any EHRA employee of ECU covered under this policy. If endorsed by the Chancellor, requests must subsequently be approved by the Board of Trustees before the employee is eligible to receive the requested non-salary compensation.

III. DEFERRED COMPENSATION

A. Definitions For purposes of this policy, deferred (or delayed) compensation (or salary) shall be broadly defined to include, but is 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 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. This policy is not intended to prohibit the university from making any permitted employer contributions to the Optional Retirement Program or the Teachers' and State Employees' Retirement System.

B. Basic Programs offered by the State and University 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 Board of Governors, ECU may not provide any other employer-paid or privately-paid options for deferred compensation to its employees.

IV. RESCISSION OR REDUCTION OF NON-SALARY OR DEFERRED COMPENSATION

The approving authority reserves the right to rescind, reduce or alter the terms of non-salary or deferred compensation at the termination of the incumbent's tenure in the position for which the compensation was granted; or during the incumbent's appointment if there is evidence that such non-salary or deferred compensation has been awarded in violation of established policies and procedures; or has been determined to be in excess of usual and customary business practices; or due to unavailability of continued funding in the position for which the non-salary or deferred compensation was granted.

V. NONDISCRIMINATION CLAUSE

The decision to award, rescind or reduce non-salary compensation and deferred compensation shall not be based in whole or in part upon discriminatory factors of the employee's race, color, gender, religion, creed, national origin, age, disability, sexual orientation, or veteran status.

⁵ Relocation Expense Reimbursement for the Brody School of Medicine is governed by the "Brody School of Medicine Policy Regarding Reimbursement of Moving Expenses", dated September, 2003.

VI. EFFECTIVE DATE

This policy is effective upon approval of the Board of Trustees.

Approvals:

Chancellor/Executive Council: July 16, 2007
Board of Trustees: September 12, 2007