

FAYETTEVILLE STATE UNIVERSITY
NON-SALARY AND DEFERRED COMPENSATION

- Authority:** Issued by the Board of Trustees. Changes or exceptions to administrative policies issued by the Board of Trustees may only be made by the Board of Trustees.
- Category:** Employment – EPA Faculty and EPA Non-Faculty
- Applies to:** ● Administrators ● Faculty ● Staff
- History:** Approved – September 23, 2007
Issued – October 3, 2007
- Related Policies:** *The Code of the University of North Carolina Non-Salary and Deferred Compensation* [UNC Policy #300.2.14]
- Contact for Info:** General Counsel (910) 672-1145
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I. INTRODUCTION

In order to remain competitive with other comparable institutions of higher education in its employment practices, it is the policy of Fayetteville State University (FSU) to make available to employees exempt from the State Personnel Act (EPA faculty and EPA non-faculty), on a case-by-case basis, certain reasonable and customary non-salary compensation in addition to the routine fringe benefits offered to all EPA employees. Athletic directors and head coaches are exempt from this policy, but remain subject to the University of North Carolina's (UNC) *Head Coaches' and Athletics Directors' Contracts* policy [UNC Policy #1100.3].

II. NON-SALARY COMPENSATION

A. Types of Non-Salary Compensation

1. **Items Not Considered as Non-Salary Compensation**

The following include, but are not limited to items that will not be considered as non-salary compensation examples:

- a. Reimbursement of professional or work-related travel;
- b. Equipment provided to perform the work of the position, even if the equipment is used at home (computers, cellular telephones, pagers, and similar work related items);
- c. Moving expenses reimbursed in accordance with the university's *Reimbursement of Moving Expenses* policy. The decision whether

- to include payment of moving expense in an employment offer does not require approval by the Board of Trustees; and
- d. Housing, when occupancy of the housing is required as a part of the job.

2. **Items Considered as Non-Salary Compensation**

The following include, but are not limited to examples of items considered as being non-salary compensation:

- a. Club membership (the club must have a policy prohibiting discrimination against groups protected by federal and North Carolina law);
- b. Housing (free or subsidized), when occupancy of the housing is **not** required as a part of the job; and
- c. Other special benefits provided for job - related reasons.

B. Justification

The awarding of non-salary compensation may be based on any reason or reasons considered relevant to attracting or retaining a faculty or staff members of the highest possible quality. Such recommendation or decision may not be based in whole or in part on discriminatory factors of the employee's race, color, national origin, gender, age, religion, creed, disability or veteran status.

C. Request and Approval Process

A Vice Chancellor desiring to offer non-salary compensation to a candidate or current employee shall make a written request to the Chancellor. The Vice Chancellor shall include a justification with the request. Upon receipt of the written request, the Chancellor shall consider the request and if supported by the Chancellor, the request shall be forwarded to the FSU Board of Trustees for approval. Under no circumstance shall the employee receive the requested non-salary compensation prior to final approval by the Board of Trustees.

D. Source of Funds and Reporting of Compensation

Unless permitted by the Office of State Budget and Management and approved by the FSU 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.

E. Compensation Reportable to Tax Authorities

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

III. 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 UNC Board of Governors, FSU 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 (a) directly to an employee, (b) to the employee's account or plan, or (c) 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.