

Review History: Last reviewed by the Policy Review Committee 04/28/14.

ELIZABETH CITY STATE UNIVERSITY Non-Salary and Deferred Compensation Policy

Preamble

It is the policy of Elizabeth City State University (ECSU) to make available to employees exempt from the State Personnel Act (EPA employees), on a case-by-case basis, certain reasonable and customary non-salary compensation in addition to the regular fringe benefits offered to all EPA employees in order to remain competitive with other comparable institutions of higher education in its employment practices. To the extent that any provisions of this policy conflicts with the UNC Board of Governors' policy statement on Non-Salary and Deferred Compensation, the UNC version shall control.

I. Coverage

This policy applies to employees exempt from the State Personnel Act.

II. Approval Provisions

- A. The Board of Governors may approve non-salary or deferred compensation for the Chancellor, other than a State provided car or a car of comparable value, a chancellor's residence, work related club memberships, reimbursement of moving expenses upon initial employment, and benefits uniformly provided to all employees exempt from the State Personnel Act.
- B. The provision of non-salary compensation to an individual must be approved in advance by the ECSU Board of Trustees, upon recommendation by the Chancellor. Decisions concerning non-salary compensation shall not be based in whole or in part upon discriminatory factors of the employee's race, color, national origin, sex, age, religion, creed, disability, or veteran's status.
- C. ECSU shall not provide any employer-paid options for deferred compensation other than the permitted employer contribution to the Optional Retirement Program or the Teachers' and State Employees' Retirement System unless approved by the ECSU Board of Trustees and the UNC Board of Governors.

III. Definitions

The following definitions shall apply under this 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

Review History: Last reviewed by the Policy Review Committee 04/28/14.

allowance, club memberships, and special campus benefits provided for job-related reasons. Provision of housing, when occupancy of housing is a job requirement, is not considered non-salary compensation under this policy.

B. Deferred Compensation

Deferred Compensation shall be broadly defined to include, but not be limited to, any employer payment or contribution paid directly to an employee, to the employee's account or plan or 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. Deferred compensation also includes traditional 457 deferred compensation plans, any retirement plans or accounts, annuities, and life insurance accumulating any cash value. Deferred compensation also includes both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

IV. Funding Source for Non-Salary Compensation

The funding source for non-salary compensation shall not be State funds. Non-salary compensation may be provided directly by an associated foundation. An exception permitting non-salary compensation to be funded from State funds, when permitted by the Office of State Budget and Management, may be approved by the Board of Trustees.

V. Reporting of compensation

The University shall report any non-salary compensation provided under the terms of this policy to the Internal Revenue Service on the employee's W-2 form for income tax purposes.

VI. 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.

VII. Exclusions

- 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 shall not be considered non-salary compensation as used in this policy.
- B. Moving expenses shall be paid in accordance with the authority from the Office of State Budget and Management. The decision of whether to

Review History: Last reviewed by the Policy Review Committee 04/28/14.

include payment of moving expenses in an employment offer rests with the Chancellor. Approval by the Board of Trustees is not required for moving expenses.

VIII. Employees exempt from this policy

The Athletic Director and head coaches remain subject to UNC Policy 1100.3 and its guidelines, and are exempt from this policy.