

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL INCENTIVE COMPENSATION PLAN FOR THE VICE CHANCELLOR FOR DEVELOPMENT**

**INTRODUCTION:** Pursuant to Section V.12 of the University's Policy on Non-Salary and Deferred Compensation for Faculty and EPA Non-Faculty Employees, approved by the Board of Trustees (BOT) in June 2013, the Chancellor seeks approval of an Incentive Compensation Plan for the University position of Vice Chancellor for Development.

**BACKGROUND:** The market for experienced development and fundraising professionals within the higher education community is extremely competitive. Recruiting talent is especially challenging for Research I institutions with the scope and scale of fundraising operations as exists at UNC-Chapel Hill. The University is presently engaged in a national search for a new Vice Chancellor for Development, who serves as the institution's Chief Development Officer and reports directly to the Chancellor. This position is critical to the establishment and execution of a strategic fundraising program for the University, and is especially important at a time when a major new campaign is soon to launch, and other major sources of University revenue (e.g., State appropriations, federal contracts) continue to be at risk.

It is essential that the Chancellor be positioned to offer a competitive total compensation package to the successful candidate that includes base salary (not to exceed the UNC General Administration salary maximum for the position, currently \$395,874), along with the opportunity to receive additional annual non-base incentive compensation. This proposed Incentive Compensation Plan is a necessary and important recruitment and retention tool to attract the highest order development and fundraising talent to this critical senior officer position.

**INCENTIVE COMPENSATION PLAN:** Under this Plan, the Chancellor is authorized to provide annual non-base incentive compensation to the Vice Chancellor for Development, not to exceed **twenty-five percent (25%)** of the base salary in effect on July 1 **(or the date of hire, if after July 1)** of the fiscal year for which performance is being rewarded. Any non-base incentive compensation payment will be based on demonstrated performance, subject to the achievement of specific performance goals as determined by the Chancellor. The payment will be awarded annually in August of each year, unless the Chancellor, at his/her discretion, determines otherwise. The Chancellor is required to annually report to the Board of Trustees the amount of incentive compensation awarded under this plan, as well as the specific performance criteria on which the non-base compensation is based.

**RECOMMENDED ACTION**

It is recommended that the Board of Trustees approve the Incentive Compensation Plan authorizing the Chancellor to award annual non-base incentive compensation to the Vice Chancellor for Development in accordance with the above guidelines.