

Memorandum

To: Chief Human Resources Officers
Chief Finance Officers

From: Michael Vollmer
Chief Operations Officer
UNC System

Date: July 17, 2025

Subject: Updated guidance regarding university personnel actions sent July 1, 2025

On July 1, 2025, initial implementation guidance was issued to the University for a pause on certain salary actions taken while operating under the continuing budget authority as outlined in the memo from the Office of State Budget Management also dated July 1, 2025.

As a reminder, the earlier guidance provided that this pause does not preclude processing the following salary actions:

- Promotional increases (e.g., internal hires) for existing budgeted positions and/or titles.
- Recruitment and retention bonus agreements established and in effect prior to June 30, 2023, are eligible to be paid by an institution if funds are available to the university for payment under the certified recurring budget authority in Subsection 1 of the attached OSBM memorandum.
- Offers extended to external candidates for existing budgeted positions, including any positions funded by external contracts and grants.
- Critical retention increases in situations where there is either a documented recruitment effort or an outside offer letter.
- Increases for individuals assuming an acting or interim appointment for an existing vacant position or for an increase in job responsibilities directly related to the reduction or abolishment of a permanently budgeted position that result in a net salary savings.
- Increases required by contractual agreements, legal settlements, or any other increase mandated by federal or state law that cannot be delayed.

Further, our guidance is updated to reflect that the pause does not preclude the following actions.

- **Critical actions using institutional trust funds for salary adjustments and bonuses as allowed by policy.** These actions support important trust fund supported activities such as research, patient care, and athletics. These essential actions must be pre-approved by the chancellor. All existing institutional approval processes and compensation-related requirements remain in effect. Constituent institutions may not use institutional trust funds with the expectation to reimburse trust accounts for the salary adjustment with state funds following the adoption of a budget.

Actions taken under this new exception should be reported to the System Office, quarterly, for the duration of the pause. A template will be provided.

If you have any questions, please contact Chris Chiron at 919-843-4121 or email at cschiron@northcarolina.edu.