

EMPLOYMENT SECURITY COMMISSION OF NORTH CAROLINA
RALEIGH, NORTH CAROLINA

INTERPRETATION NO. 146

TO: R. F. Martin, Director
FROM: R. B. Billings, Attorney
RE: Interpretation of Section 96-8 (g) (1) of the Employment Security Law of North Carolina - Status of Bank Directors Required by Statute to Serve on Committees

We have been asked to discuss the status of directors of banks under the Act.

General Statutes, Section 53-78, provides for certain committees to be appointed by the Board of Directors of banks. The first type of committee is designated as an executive committee, and the statute requires that members of this committee shall be directors and shall approve or disapprove all loans and investments of the bank. Another committee which may be appointed by the Board of Directors is called a general loan committee, and among its members it is required that at least three directors be appointed together with such officers of the bank as the directors may appoint. The third type of committee which may be appointed by the directors is known as a loan committee and may be appointed in addition to a general loan committee where a bank has branches. This type of committee is not required to have directors serving thereon, but three of its members must be officers or members of the Board of Managers of the parent bank or branch.

It is our opinion that with respect to the first committees named; that is, the executive committee and the general loan committee, where directors serve on these committees, to the extent required by statute, that they shall not be considered as employees since the statute requires that the directors perform such duties and these duties cannot be delegated to other individuals. Where directors may be serving upon the third type of committee; that is, the loan committee mentioned in the statute, they should be considered as employees, and remuneration paid for services on such committee should be considered as wages. Min the last instance the directors could delegate these duties to other individuals; and when they assume to perform such duties which are not required of them by statute and are not ordinarily the duties of directors, it is our opinion that they are employees under such circumstances.

The question may arise as to whether this changes our former views with respect to the collection of contributions on remuneration paid to directors of Building and Loans for appraisal fees and in other cases where the directors are performing services which may be delegated to others. The difference in the two situations is that in the case of directors serving on executive committees and general loan

committees (to a maximum of three) of banks they are performing services which the statute requires them to perform as directors.

Adopted as an official Interpretation of the Commission on October 8, 1957.