



United Way of Central and  
Northeastern Connecticut

## **Senior Executive Compensation Policy – as amended September 15, 2011**

### **The Benefits and Compensation Committee will:**

- Be chaired by a Board member and will have at least three other members from the Board, the community and/or organization staff (excluding the CEO) who possess experience and expertise in Human Resources and Benefits.
- Participate in the review of the Senior Executive compensation annually (defined as any position Vice President and above) and document via the minutes and vote their review and oversight of the compensation process and data.
- Develop a report that will include meeting minutes and supporting materials that document executive compensation decisions approved by the Executive Committee or the Board.\*
- Periodically review a description of benefits including supplemental retirement plans with accrued and projected benefits prerequisites including club dues, housing allowance, travel and entertainment expenses, and spousal travel as applicable. These will be documented for IRS Form 990 Filing. A copy of the organization's policy for review and approval of business expenses of the CEO will be documented for the Auditors.

### **The Benefits and Compensation Committee Chairperson will:**

- Report and recommend executive compensation and benefits to the Executive Committee and the Board.
- In conjunction with Human Resources, report specifically the President and CEO compensation information to the United Way Worldwide Membership Accountability Committee (MAC) along with the Benefits and Compensation committee policy on compensation.

### **Compensation Review**

The Benefits and Compensation Committee will review and recommend Senior Executive compensation and benefits to the Executive Committee on an annual basis, typically prior to the June Board meeting. Consideration will include comparable market data, financial circumstance of the organization and performance of the individual. All Senior Executives' compensation and benefits (defined as any position Vice President and above) will be reviewed annually by HR utilizing compensation best practices. No Senior Executive may participate in the deliberation or the recommendation of the Benefits and Compensation Committee or the Executive Committee with respect to such Senior Executive's compensation or benefits. Typically at the June Board meeting, the recommendations will be reviewed and approved by the Board.

In order to remain relatively competitive for staffing purposes, it is our goal to maintain salaries within 10% - 15% of the position median as reflected by the market. Market is generally defined as comparably-sized charitable organizations with similar mission statements, located in the northeast. Market data may include for-profit organizations, to the extent required by the local market for talent. If a position falls beneath the 15% range, it is reviewed and a salary adjustment may or may not be recommended. This range is offered as a guideline not an exact measure and consideration is given to an individual's performance, contribution, experience, etc. as part of the compensation.

United Way Worldwide (UWW) data is a primary source for all staff compensation analyses which is comprised of data solicited periodically from United Ways across the country. UWW data is then narrowed by region and metro size (revenue) to ensure applicability.

Specific compensation surveys are also ordered to provide additional data sources as well along with any free online tools that provide compensation data. For Senior Executives, data for local non profits of comparable size are also utilized via information on the IRS Form 990. We strive to find multiple data sources to ensure that we have a thorough comparison for each position.

### **Merit Based Compensation**

Performance will be reviewed annually typically on or about July 1<sup>st</sup>, the beginning of the fiscal year. United Way of Central and Northeastern Connecticut will recognize performance with increases to base salary for eligible employees. Salary increases are not automatic each year, but are based on performance, financial circumstances of the organization and the discretion of the Senior Executives. Salary ranges for positions will be established and reviewed periodically to ensure such ranges reflect the market. Management retains discretion to provide a lump sum payment in lieu of a salary increase in the event an individual's salary is near or above the market range for the position.

### **President and CEO Expense Review Process**

A staff person of Finance (individual responsible for Accounts Payable) or designee is responsible for gathering and compiling the details of the President and CEO's expenses including credit card expenses. These are then provided to the Chairman of the Board of Directors by the Vice President of Finance and Administration for review and approval on a quarterly basis.

*Approved by Board of Directors on September 15, 2011  
\*Grammatical correction 11/02/11*