

Policy Number: 01.004

Policy Title: Compensation Policy

Policy Type: Board Policy

Governing Body: Board of Trustees

Date of Current Revision or Creation: 10 January 2010

Compensation Policy

The Board of Trustees of Antioch College Continuation Corporation (the “*Corporation*”) shall abide by the following Compensation Review Policy with respect to the review and approval of executive management and other compensation arrangements (the “*Policy*”).

- I. Authority. The Board of Trustees (the “*Board*”) has the authority to hire, employ, and compensate such personnel as are needed to provide a well-coordinated system of higher education.
- II. Compensation Policy. The Board retains the authority to establish compensation guidelines for annual increases and the principles and standards for distribution except as noted below. The (personnel committee) of the Board shall be responsible for making a recommendations regarding distribution of salary increase funds. The Finance Committee of the Board shall be responsible for making a recommendation about funding of such annual increases.
 - a. Role. The [**Executive Committee**] is a permanent committee of the Board. Among the responsibilities and authority of the Executive Committee is that relating to executive compensation. This committee is responsible for the hiring and evaluation of the Principal Administrators (as defined below) of Antioch College. The Executive Committee reviews compensation practices and programs for Principal Administrators, provides leadership in this area, and upholds the tax-exempt status of the Corporation. The Executive Committee reports its determinations of the full Board.
 - b. Composition. Executive Committee membership is appointed as specified in the Bylaws
 - c. Duties and Responsibilities. In addition to the Executive Committee’s other duties and responsibilities (as determined by the Board from time to time), the Executive Committee shall:
 - i. Review and approve cash and noncash compensation policies and programs applicable to Principal Administrators. “Principal Administrators” means those persons who fit the definition of “disqualified persons” under the Internal Revenue Code, as amended.
 - ii. Take all reasonable and prudent steps to comply with the Corporation’s tax-exempt status to ensure that no part of the Corporation’s net earnings inures to the private benefit of any individual or group of individuals.

- iii. Establish and periodically review the Corporation's executive compensation philosophy to ensure that the Policy appropriately supports the Corporation's purpose and mission, attracts and retains key executives at a reasonable cost, and enhances the mission and purpose of the Corporation.
 - iv. Act on behalf of the Board in setting executive compensation policy and making decisions with respect to the compensation of Principal Administrators by reviewing the Principal Administrators' annual base salary levels and performance evaluations.
 - v. Establish reasonable compensation levels on a position-by-position basis by:
 - 1. Assessing the nature and scope of each Principal Administrator position;
 - 2. Assessing the basis for which compensation is paid to individuals holding such positions including unique background, experience, personal skills, exceptional performance, additional duties and abilities, and challenges facing the organization that require the use of such attributes or skills;
 - 3. Obtaining appropriate and comparable compensation market data including data from the following
 - a. Similarly situated organization, both for-profit and tax-exempt, for functionally comparable positions;
 - b. The availability of similar specialties in the geographic area;
 - c. Independent compensation surveys by nationally recognized independent firms; and
 - 4. Documenting the basis for the determination of the reasonable compensation, including performance evaluations and market data.
 - vi. The Board retains the authority to approve compensation agreements contained in collective bargaining agreements.
 - vii. The Board delegates to the **[employee relations committee]** the responsibility to recommend compensation proposals for faculty or staff engaged in certified collective bargaining.
- d. Delegation of Authority the President-
- i. The Board authorizes the President, in consultation with the [administrative board], to establish a job evaluation system and compensation policies. These shall comply with all applicable state and federal legislation, and shall be established and implemented to promote the goals of internal equity, reward for meritorious performance, effective recruitment, and retention of faculty and staff.

- ii. The Board authorizes the President to establish a set of pay ranges and classification assignments for professional, academic, and technical staff, academic administrators, extension educators, and operating staff. The Corporation's **[human resources institutional authority]**, unless covered by collective bargaining obligations, subject to review by the President.
- iii. The Board authorizes the President to establish compensation policies relating to hours of work, work in excess of a regularly classified and compensated work day, holiday pay, shift differentials, and policy for payment of hourly and other non-status employment.
- iv. The Board authorizes the President to make Administrative Adjustments (as defined below). Such responsibility shall be delegated for administrative purposes to the Corporation's **[director of human resources]**.
 - 1. An **"Administrative adjustment"** means a salary increase that may be granted by the Corporation's **[director of human resources]**, upon the recommendation of the **[chief campus personnel/human resources officer]**, when such adjustment is necessary:
 - a. To compensate for an administrative error;
 - b. To conform to other provisions of the compensation program; or
 - c. Because it has been otherwise demonstrated to be in the best interest of the Corporation.
- v. The Board authorizes the President to establish compensation policies for personnel actions including promotion, transfer demotion and reclassification.

III. Executive Compensation.

- a. The Executive Committee shall review and approve the compensation policies and programs of Principal Administrators.
- b. Part of the Corporation's Policy is to provide direct compensation programs that reflect the relative size and type of education curriculum of the Corporation in the segment of higher education institutions of which it is a part and which accomplish the Corporation's mission and tax-exempt purpose without causing any part of the Corporation's net earnings to inure to the private benefit of an individual or group of individuals.
- c. The Executive Committee will accomplish this Policy in the following manner"
 - i. Determine the relevant market data for the Principal Administrator position it reviews by obtaining reliable and comparable data from published surveys of both tax-exempt and for-profit organizations

focusing on data from comparably organized institutions with similarly sized budgets.

- ii. Develop a target base pay range built off the median of the market data.
- iii. Set base salary by considering both market data and each individual's background experiences, skills, and meritorious contribution.
- iv. Set salary increase reassessment based on external equity, internal equity, and/or merit

IV. Procedures

- a. The Executive Committee shall execute the Policy as follow:
 - i. In order to be eligible for any general or merit increase, a Principal Administrator must have at least [six] months of service in the position as of the effective date of the increase.
 - ii. A Principal Administrator, who has more than [six] months of service, by less than [12] months, will be eligible for prorated general or merit increase. Equity increases may be awarded as appropriate.
 - iii. The appointment letter for new Principal Administrators should include the foregoing information regarding eligibility for salary increases.
 - iv. Actual base salary for an individual relative to the target pay will be determined upon recommendation of the president. These recommendations shall be consistent with the above principles.
- b. The Executive Committee may also reference other published surveys on occasion and shall document the reason and purpose of consulting such other surveys.
- c. Appointment Information. The Executive Committee shall review and recommend all Principal Administrators appointments, changes in title, acting, or interim appointments. The written confirmations of employment, which are considered notices of appointment rather than contracts, shall be review and approved by the board chair and the university general counsel prior to issuance.

This policy was approved by the Board of Trustees of the Corporation on: 10 January 2010

By:

Print Name: Pavel Curtis

Title: Secretary