



Compensation Policy

As an employer Caminar believes that it is in the best interest of the organization, our employees and the communities we support to fairly compensate our workforce for the value of the work provided. It is our intention to use a compensation system that will determine the current market value of a position based on the skills, knowledge and behaviors required of a fully competent incumbent. The system used will be objective and non-discriminatory in theory, application and practice. The agency has determined that this can best be accomplished by using market data from multiple salary surveys, recommended and applied by Human Resources within the parameters of an annual operating budget approved by the Board of Directors.

Management Responsibilities: As part of the annual budgeting process the Board of Directors will review and approve, as appropriate, funds to be allocated for total compensation, which would include base salaries, and all other related expenses, including benefit plans as recommended by executive management.

Compensation Setting - Chief Executive Officer

The Board of Directors shall set the position level, pay range and specific components of the total compensation package for the Chief Executive Officer. The Board shall review annually the performance of the CEO, and assign salary adjustments, performance bonuses, merit adjustments and/or Cost Of Living Adjustments (COLA) at its discretion.

The process of setting compensation of the **CEO**¹ and if applicable other **Officers**² and/or **Key Employees**³ includes all of the following elements:

- 1. Review and approval.** The compensation of the person is reviewed and approved by the board of directors or compensation committee of the board, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
- 2. Use of data as to comparable compensation.** The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations.
- 3. Contemporaneous documentation and recordkeeping.** There is contemporaneous documentation

¹ **Chief employed executive**—The CEO, executive director, or top management official (i.e., a person who has ultimate responsibility for implementing the decisions of the Organization's governing body or for supervising the management, administration, or operations of the Organization).

² **Officer**—A person elected or appointed to manage the Organization's daily operations, such as a president, vice-president, secretary or treasurer. The officers of the Organization are determined by reference to its organizing document, bylaws, or resolutions of its governing body, or as otherwise designated consistent with state law, but at a minimum include those officers required by applicable state law. Include as officers the Organization's top management official and top financial official (the person who has ultimate responsibility for managing the Organization's finances).

³ **Key Employee**—An employee of the Organization who meets all three of the following tests: (a) \$150,000 Test: receives reportable compensation from the Organization and all related organizations in excess of \$150,000 for the year; (b) Responsibility Test: the employee: (i) has responsibility, powers, or influence over the Organization as a whole that is similar to those of officers, directors, or trustees; (ii) manages a discrete segment or activity of the Organization that represents 10% or more of the activities, assets, income, or expenses of the Organization, as compared to the Organization as a whole; or (iii) has or shares authority to control or determine 10% or more of the Organization's capital expenditures, operating budget, or compensation for employees; and (c) Top 20 Test: is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from the Organization and related organizations for the year.



and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

Compensation Setting - Executive Management Team

The CEO is responsible and accountable to the Board of Directors. In that capacity he/she is charged with ensuring that the agency is staffed with highly qualified, fully competent employees and that all programs are administered within appropriate guidelines and within the approved budget. The CEO shall individually review annually the performance of the Executive Management Team and assign salary adjustments, performance bonuses, merit increases and/or COLAs accordingly. The CEO shall ensure that these salary ranges are reviewed at least annually, that all individual jobs are market priced at least once every two years and that pay equity adjustments are administered in a fair and equitable manner.

Compensation Setting - All Other Agency Positions

The salary budget shall include a gross figure consistent with available annual operating budget as confirmed by the Finance & Accounting department.

The Human Resource Department is responsible for classifying all agency positions and assigning positions within their appropriate pay grade in accordance with the Compensation Setting Criteria.

The Regional/Department Directors are responsible for submitting position requisitions to ensure the appropriate head count, job titles and job duties are identified and that all required performance reviews for all positions within the Executive Director's regional responsibility are conducted as required.

Compensation Setting Criteria

The compensation system will evaluate *external equity*, as funding allows, which is the relative marketplace job worth of every not-for-profit job directly comparable to similar jobs factored for general economic variances and adjusted to reflect the local economic marketplace. The compensation system will price positions to market by using local, national and industry specific survey data. The market data will primarily include similar not-for-profit survey data and will address significant market differences due to geographical location. Absent limitations imposed by available budget, it shall be a goal of the compensation system to set compensation at or above the median salary of matched positions as identified by using market data from multiple salary surveys, recommended and applied by Human Resources.

The system will evaluate *internal equity*, as funding allows, which is the relative worth of each job in the agency when comparing the required level of job competencies, formal training and experience, responsibility and accountability of one job to another and arranging all jobs in a formal job grading structure.

The compensation system must be flexible enough to ensure that the agency is able to recruit and retain a highly qualified workforce, while providing the structure necessary to effectively manage the overall compensation program.



Pay Structure

Caminar's pay structure is the method of administering its pay philosophy and compensation setting criteria. Caminar's pay structure addresses the two employee classifications: 1) Exempt and 2) Non-Exempt positions.

Exempt positions are normally executive, administrative, or professional positions which the Human Resources department has determined meet the federal and state exemption requirements of the Department of Labor and Industrial Welfare commission respectively. Exempt positions normally receive their compensation in the form of an annualized salary paid according to the organization's regular payroll schedule.

Consistent with both the identified Management Responsibilities and the Compensation Setting Requirements of this policy, all Exempt positions will be assigned either a specific annualized salary or salary range. These pay grades will be reviewed annually by Human Resources.

Non-Exempt positions are compensated on an hourly basis. Pay for non-exempt positions is calculated as hours worked times hourly rate. Non-exempt positions are also eligible to receive overtime pay according to both federal and state requirements. Non-exempt positions receive their compensation on an hour-by-hour basis for all hours worked within the corresponding pay period and according to the organization's regular payroll schedule.

Consistent with both the identified Management Responsibilities and the Compensation Setting Requirements of this policy, all Non-Exempt positions will be assigned a specific hourly rate. These pay grades will be reviewed annually by Human Resources.