

## COMPENSATION DETERMINATION PROCEDURES

Arkansas Community Foundation's compensation philosophy reflects the mission and values of the Foundation. The philosophy is designed to attract, develop, retain, and motivate employees for their knowledge and contribution to the Community Foundation.

Compensation will be determined on a non-discriminatory merit-based system subject to budgetary restrictions. There is no automatic or guaranteed salary increase.

To determine appropriate starting salaries and annual salary adjustments for each position, ARCF's Chief Executive Officer reviews level of education and experience of employees, job performance of employees, and what the market place pays similar levels of education, experience and performance. In addition, the CEO reviews salaries offered by other community foundations of similar size and complexity, as well as other local foundations and similar employers. This information is obtained through direct contacts of other community foundations and review of the annual Council on Foundations salary survey. Local comparative salary information is obtained through job ads and local contacts.

### Assessment of the President

1. In spring, Executive Committee members complete review forms on the President & CEO. The Committee then meets and discusses the President & CEO's performance. This is the official review.
2. At that meeting, Executive Committee considers and recommends any pay increase based on the following:
  - The Committee reviews the Council on Foundations Compensation Data for CEO's of Community Foundations of similar size
  - If appropriate, the Committee gathers information from other foundations in Arkansas.
  - The Committee discusses the status of the operating budget forecast
3. At the May Board meeting in executive session, the Executive committee relays discussion and consideration to full board. The Board has the opportunity to complete a feedback form and openly discuss any feedback.
4. Board votes on any salary recommendation from Executive Committee.
5. The Board chair assimilates all comments and meets with President to discuss the review and subsequent actions to be taken.