

Development on the Development and Maintenance of Salary Structure

1. Purpose. This policy establishes guidelines for (a) the establishment of a salary pay grade; (b) the revision of that salary level through raises, bonuses, or promotions, and (c) development and maintenance of a job evaluation process.

2. Definition. In accordance with the Fair Labor Standards Act (FLSA) of 2008 that established definitions for “exempt” and “non-exempt” employees, the ACOEP has adopted the following classifications for its employees.

An **exempt** employee will be defined as an employee whose title is that of a director or manager who have a supervisory purpose in their job description. These employees may supervise other employees or play an important role in the development and maintenance of systems and operations in the association. These employees will not be paid overtime for their work and may be required to travel as a regular part of their job description.

A **non-exempt** employee will be defined as an employee who holds a support role in the association and is not responsible for supervising any other personnel. He or she may be required to travel from time to time. A non-exempt employee will be eligible for any time worked in excess of 40 hours per workweek (or any fixed and/or regularly recurring period of 168 hours, during any seven consecutive 24 hour periods). Work in excess of 40 hours during a 7-day period will be compensated at a rate of 1½ times of the regular rate of hourly pay. This pay period will include time associated with travel as well as the work at meetings.

3. Development of Salary Base. The Foundation will use the rates set forth by the American Society of Association Executive (ASAE) in its Compensation Survey published annually by this association and offering a summary of position titles, responsibilities and salary ranges for trade and professional associations nationwide based on association income range, membership and location.

When direct comparison of market data is not available or contra-indicated, the relative value of the job to all other positions within in the Foundation in terms of education and skill level and salary will be taken into consideration and reflected in the salary range assigned.

Salary ranges will be determined by the Executive Director of the management company and approved by the Foundation's Treasurer.

4.Increases, Promotions, and Bonuses. The Foundation, in cooperation with its management partner, will consider increases in the salary level of all its non-contracted employees on an annual basis based on the summary of evaluations of an employee by those physicians to whom the employee has direct contact (i.e., committee chairs, board liaisons), the employee's subordinate employees, peers and the executive director.

Said evaluations will be submitted to the executive director anonymously, to allow the evaluator to frankly discuss the employee's strengths and weaknesses in a confidential manner. These evaluations will be compiled in verbatim fashion and presented to the Secretary of the Association for evaluation. The executive director will then evaluate the employee and present him or her with a written copy of the evaluation summary; the employee may submit a rebuttal to the comments or present the form with his or her signature on it to accept the comment. Should any follow up be required, the executive director will follow up with the employee and association secretary. Each evaluation section will be weighted (on a scale of 1-5 for each point evaluated) and the employee will receive an overall score from 1 to 100.

Salary increases will be determined on a base Cost of Living Assessment (COLA) approved by the Association's Finance Committee at its July meeting combined with an increase range determined by a scale of 1-5, based on where his or her overall evaluation score falls. The Committee on Finance and the Executive Committee of the Association will be responsible for approving the increases provided by this mechanism.

All salary increases based on evaluation will go into effect on the first day of the next fiscal year (January 1).

Promotions will be determined by the employee's qualification for a new or existing position within the Foundation. Should an employee be promoted into a current position of lesser pay, he or she will retain the current pay status and be eligible for increases based on that pay scale.

Pay associated with promotions will be adjusted on the date the employee begins the new position and will not be retroactive to the past pay period.

Bonuses will be determined by the Finance Committee and/or the Executive Committee of the Association and may be a fixed line item within the Foundation's budget or as an unbudgeted expense. If considered outside of the approved budget (unbudgeted expense), the bonus must be approved by the Board of Trustees of the Foundation.

5. Employee Evaluations will be conducted for each employee a minimum of 1 month prior to the development of raise or promotional consideration by the Finance Committee. Each employee must be allowed to evaluate his or her own performance and each employee working with said employee will have the opportunity to evaluate his or her peer and supervisor.

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