Executive Compensation Policy

Purpose and Scope

Establish criteria and processes that guide how the United Way of Anchorage Chief Executive compensation is determined and adjusted, with the goals of maintaining a competitive, desirable workplace and of encouraging and rewarding mission-directed, outstanding performance.

Policy

The United Way of Anchorage Executive Committee may serve as or may appoint a committee of United Way Board members to review and establish the United Way Chief Executive Officer’s compensation and employment contract terms at regular intervals, as determined by the Executive Committee or as set forth in the employment contract. The review committee members who participate must have no real or perceived personal interest in the compensation arrangement.

In setting the compensation and to remain competitive in the market, the review committee will be guided by the following general principles: The Chief Executive’s compensation package is an important component of the Board’s responsibility to attract and retain highly qualified individuals for the position. The goal for recruitment and retention is that the Chief Executive Officer position is viewed in the market place as highly desirable, competitive, and requires a track record of proven leadership. It is intended to be a long term “best in class” destination position rather than a “training ground” with frequent turnover.

In addition to the Chief Executive base salary, the compensation package may also include consideration of: (1) performance bonus based upon defined goals not to exceed 10% of the annual base salary; (2) retention bonus not to exceed 10% of the annual base salary; (3) “top hat” deferred compensation plan; and (4) other executive benefits deemed reasonable and appropriate by the review committee.

In establishing the compensation package, the review committee will review and consider the base salary and the compensation package levels for comparable organizations in Anchorage, Alaska, and nationwide. Such review will include, but is not limited to, the salary surveys conducted by The Foraker Group and United Way Worldwide, and other surveys or the advice of consultants to help determine, as the IRS defines it, “the value that would ordinarily be paid for like services by like enterprises under like circumstances.” The review committee will determine what is reasonable in light of the overall organization’s assets, budget, and purpose, as well as those of comparable organizations. In general, the target is to be at approximately the 75% range in the salary range comparisons.

The review committee will also determine what is equitable in light of the compensation scale within United Way of Anchorage. For example, as general guidance, the salary for the Chief Executive Officer should not be more than five times the rate of the lowest salaried employee and an increase in any given year should not appreciably exceed the increase ranges made available to other staff.

The review committee will make a documented recommendation to the Executive Committee which will review and vote on the recommendation. The Executive Committee will then make a recommendation for Board review and approval.