

## **Roger Williams University and Roger Williams University School of Law**

### **Policy Change – Compensation Controls - RWU**

#### **Changes to the Compensation Policies and Related Controls**

The President of the University is authorized to approve exceptions to the compensation policies should a case exist where it is warranted and beneficial to the organization. The key is to provide a reporting mechanism to ensure that abuses do not occur. In addition, there should be an additional review on exception items that are above the normal ranges identified by the University. The following represents clarification to our procedures to ensure the propriety and transparency of exception items:

#### **1) Merit Awards Within Authorized Salary Bands:**

In addition to the required signatures currently, any annual merit award within the appropriate salary band which is greater than 10% of the employee's base salary will be reviewed and approved by the Executive Vice President for Finance and Administration. Once approved, all merit increases are forwarded to the President for final approval. Merit awards greater than or equal to 20% of the employee's base salary will be forwarded by the President to the Chairman with justification for the increase. Any merit awards approved at a level of 20% or higher are to be reported quarterly to the Audit Committee of the Board of Trustees along with the justification for the award.

#### **2) Merit Awards Above Authorized Salary Bands:**

In addition to the required signatures currently, any annual merit award that raises the employee base salary above the maximum of the salary band is to be reviewed and approved by the Executive Vice President for Finance and Administration. All requests are then forwarded to the President for approval or denial. Any awards above the maximum of the salary band and approved by the President will be forwarded to the Chairman for final approval. If approved, the awards are to be reported quarterly to the Audit Committee of the Board of Trustees with justification for the award.

#### **3) Re-Classifications and Promotions**

Any re-classification or promotion that provides a 20% increase or more in base salary or in combination with other compensation increases within the same fiscal year that provides an increase of 20% or more in base salary is to be reviewed by the Executive Vice President for Finance and Administration prior to submission to the President. If not approved, the reclassification /promotion is placed on hold and the full compensation review is forwarded to the President for approval or denial. Any compensation increases above 20% which are approved by the President will be forwarded to the Chairman for final approval. If approved, the reclassification or promotion will reported to the Audit Committee of the Board of Trustees quarterly with justification for the change in compensation.

#### **4) New Positions Requiring Unbudgeted Funding**

In addition to the signatures required currently, any new positions that require additional budget funding is to be reviewed by the Executive Vice President for Finance and Administration. If approved the position request is forwarded to the President for final review and approval. A list of unbudgeted new positions approved by the President is to be provided quarterly to the Finance Committee with justification for the position.

#### **Summary**

The intent of these changes is to manage the exception items with appropriate controls without interfering with the standard compensation transactions that fall within normal ranges for the University. A second review at the Executive Vice President level along with the regular reporting of exceptions will provide additional transparency into any recommended exceptions.