

Partnership for Children of Cumberland County, Inc.

Human Resources Policies and Procedures

Employment Information – Compensation

Section 308 – Compensation Philosophy and Administration

1. General Information

At the Partnership for Children of Cumberland County, Inc. (PFC), our compensation philosophy is grounded in equity, transparency, competitiveness, and fiscal responsibility. Our goal is to attract, retain and motivate a diverse and talented workforce while supporting the organization's mission, values, and long-term sustainability., (See HR 309 Salary and Position Classification Plan for more policy and procedures on evaluating positions, assigning salary grades, and administering compensation)

PFC's compensation program is guided by the following principles:

- **Internal Equity:** Compensation reflects the relative value of positions based on job responsibilities and requirements as determined through PFC's job evaluation system.
- **Market Competitiveness:** Compensation is informed by relevant labor market data, with a target positioning aligned to comparable nonprofit organizations in North Carolina and similar labor markets.
- **Performance Orientation:** Compensation recognizes individual and organizational performance.
- **Transparency:** Compensation practices and structures are communicated clearly to employees to promote understanding and trust.
- **Flexibility and Sustainability:** Compensation decisions consider funding availability, including grant requirements, while maintaining adaptability to changing conditions.

2. Policies

- a. Compensation for all positions is based on:
 - The PFC job evaluation system (point-factor method)
 - Assigned salary grade and pay range
 - Internal equity considerations
 - External market data
 - Availability of funding
- b. PFC administers compensation policies and programs without regard to an individual's age, color, disability, gender, gender expression, gender identity, genetic information, national origin, race, religion, sex, sexual orientation, veteran status, or any other protected characteristic.
- c. **Performance-Based Increases.** PFC may provide performance-based salary increases

Partnership for Children of Cumberland County, Inc.
Human Resources Policies and Procedures

Employment Information – Compensation

Section 308 – Compensation Philosophy and Administration

annually, subject to funding availability. Performance increases are **not guaranteed**. While funding source constraints may influence available increases, the organization will establish baseline adjustment guidance each fiscal year to promote internal equity. Where funding permits, additional adjustments may be applied to recognize performance, address market conditions, or support retention, provided such adjustments are reviewed for internal equity and are administered in accordance to this policy and HR 309. Employees must have at least 12 months of service to be eligible for performance-based salary increases. Employees on a Performance Improvement Plan at the time of eligibility may be excluded. Employees who were previously on a Performance Improvement Plan or other formal performance action during the review period may be reviewed for eligibility based on documented performance improvement and consistency of performance. (See HR 302 Performance Conversations for more information about performance management).

- d. **Equity Adjustments.** Equity adjustments may be provided to address compensation misalignment and ensure fairness across the organization. Equity reviews may be conducted as part of market studies, when wage compression or inversion is identified, following job re-evaluation, or in response to significant economic or labor market changes. Equity adjustments:
- Are not performance-based
 - May be applied broadly or individually
 - May be prorated based on length of service
 - Are subject to funding availability and President's approval
- e. **Market Adjustments.** PFC may implement market-based adjustments to maintain competitive positioning. Market adjustments are informed by compensation studies and benchmarking. Adjustments may apply to specific roles, job families, or the organization as a whole. Timing and scope are determined based on organizational needs and funding. PFC will review market competitiveness at least every 5 years.
- f. **Bonuses and Longevity Pay.** PFC may provide bonuses or one-time payments or implement a longevity pay program to recognize contributions, retention needs, or organizational performance. Bonuses and longevity pay programs are discretionary, not guaranteed, and subject to funding availability and grant requirements. Longevity pay programs are based on length of service.
- g. **Pay Administration and Governance.** The Board of Directors approves the overall compensation policy and framework. The President, in partnership with Human Resources and executive leadership, administers compensation programs within approved guidelines. Human Resources is responsible for ensuring consistency, compliance, and documentation of compensation decisions
- h. **Transparency and Communication.** PFC is committed to transparent compensation practices. Employees will have access to pay ranges for their position and general information about compensation practices. PFC will communicate compensation

Partnership for Children of Cumberland County, Inc.
Human Resources Policies and Procedures

Employment Information – Compensation

Section 308 – Compensation Philosophy and Administration

changes, including performance and equity adjustments, in a clear and timely manner.

- i. **Total Rewards Philosophy.** PFC recognizes that compensation extends beyond base pay and includes health and wellness benefits, retirement and financial benefits, work-life balance and flexibility, and professional development opportunities.