



Policy: Incentive Compensation

ChildNet Number: CN 009.038
Original Approved Date: June 16, 2010
Policy Revised Date(s):
Policy Sunset Date:
COA Standard(s): FIN 8.01, HR 4.02, 5.03

Statement of Policy:

Financial incentives, including merit increase and bonus compensation, are offered to ChildNet employees.

Board Chair's Signature: _____

Date: _____

11/30/10



Procedure: Incentive Compensation

ChildNet Number: CN 009.038
Original Approved Date: June 16, 2010
Procedure Revised Date(s): August 22, 2014
Procedure Sunset Date:
COA Standard(s): FIN 8.01, HR 4.02, 5.03

Definitions:

Individual Bonus: The reward an individual receives for performance and output based on established measurements.

Group Bonus: The rewards that a group of employees received for their performance and output based on established measurements. A group incentive plan is used to reward teamwork and coordination of activities.

Statement of Procedure:

ChildNet has three incentive compensation programs that are available to its employees: Pay-for-Performance Merit Program, Individual Bonus Program and Group Bonus Program. All incentive compensation are dependent upon the availability of funds.

A. Pay-for-Performance Merit Program

1. ChildNet has implemented a Pay-for-Performance Merit Program as part of its compensation package.
2. The Merit Program is based on an annual available pool for merit increases.
3. The total amount available in the pool shall be determined by the Chief Executive Officer (CEO).
4. The Director of Talent Management shall create and maintain a merit schedule that lists specific merit increase percentage ranges based on:
 - i. The result of an employee's annual performance appraisal.
 - ii. The employee's placement in the salary range for his or her position.
5. Talent Management provides supervisors with merit incentive worksheets that identify each member of their staff, the employee's score on his or her most recent performance appraisal, and the quartile that the employee's score falls



under (e.g., top 25%). The merit incentive worksheet lists the recommended increase range for each employee, if any, and calculates the annual costs of the increase based on the employee's anticipated date of increase for the balance of the fiscal year.

6. The merit incentive worksheet uses the average amount of the merit increase ranges for each supervisor's staff to determine the total amount of the pool allotted to each supervisor. Supervisors are responsible for making sure the merit increases they give to their staff:
 - i. Fall within the recommended range.
 - ii. Do not exceed their allowable pool.

B. Individual and Group Bonus Programs

1. The Chief Executive Officer (CEO) will determine the appropriateness of issuing the incentive compensation to staff at ChildNet.
2. All Incentive compensation will be based on efficient performance referenced in OMB Circular A-122 as determined by the CEO.
3. This Group Bonus Program is based on an annual pool for bonuses.
4. The total amount available in the pool shall be determined by the CEO.
5. The Director of Talent Management shall create and maintain a bonus schedule that lists recommended bonus amounts determined by the CEO.
6. The individual and Group Bonus Programs occurs the same time each year, as is determined by the CEO.

President's Signature: _____

Date: _____

08-27-14