Compensation Equity and Transparency Framework

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How we determine compensation at Accountability Counsel

1. We have a transparent compensation band for each role category

   We benchmark that compensation band on US non-profit market data. The bands are generally narrow, to allow recognition of relative experience and responsibilities, while minimizing the risk of bias or inequity.

2. We apply a percentage cost of living adjustment based on your location

   These multipliers (100%, 90%, 80%, 70%) take account of the differentiated living costs of our global team, while closing the gap found in traditional market-based compensation approaches. The formula to determine the multiplier, and its application, are transparent.

3. We determine the compensation for each team member within the adjusted band - relative to others within that band

   Team members will know which band they are in, where they are positioned within the band (including relative to others), and why.

Goals

Compensation at Accountability Counsel is guided by the expressed desire of Accountability Counsel’s Board of Directors and Executive Director to be a leading and competitive non-profit organization. “Leading”, in this context, includes leading with values.

This latest revision of our compensation and promotion framework has been designed to:

- Ensure that compensation at Accountability Counsel is up-to-date and competitive within the US and global markets;
- Explicitly incorporate and reflect our values, including equity, transparency, and accountability;
- Establish a framework for greater transparency into compensation and internal promotion at Accountability Counsel. We believe that transparency creates accountability and will help us to avoid inequities in compensation and promotion opportunities;
- Define compensation bands to provide greater predictability and reduce the amount of discretion involved in individual compensation decisions in an effort to avoid inequity;
- Indicate clearly to all existing and potential team members the range of compensation available for a role, and based on transparent criteria, to ensure equal access to information about potential advancement;
- Ensure that compensation is progressive, reflecting increases in experience, skills, and responsibilities over time, and equitable relative to the experience, skills, and responsibilities of other team members;
Define the essential characteristics of each role category, so that team members know what they need to demonstrate in order to progress;

Reflect, at a minimum, a livable wage for all team members, in all locations;

Intentionally reduce our global pay gap, by creating a single set of compensation bands, and then applying a limited cost of living adjustment to reflect lower cost settings; and

Establish new commitments to transparency for internal promotions.

**Process**

Prior to the start of each new fiscal year, the Executive Director, in consultation with supervisors, will review compensation and benefits for all team members.

The Executive Director’s own compensation is set and reviewed by the Board of Directors during the Executive Session of a Board meeting (without the participation of the Executive Director).

Final compensation decisions will be made by the Executive Director within the framework described below. This framework is designed to ensure that compensation is predictable, progressive, transparent, and equitable across the organization. When budget allows, team members should expect their compensation to increase progressively, reflecting increases in experience, skills and responsibilities, as well as cost of living, over time. In the event of budget constraints, the Executive Director will take steps to ensure financial transparency and that those constraints are evenly applied and do not give rise to any inequity across the organization.

**Step 1: Compensation bands**

In order to establish compensation bands, we have identified a series of role categories across the organization.

**Defining role categories**

The role categories will form two groups: Executive and Programs. Within those groups, there are numerous categories and levels, each with their own compensation band. The present categories are:

| **Executive role categories** - |
|-------------------|-----------------|
| Director of Development |
| Director of Finance & Administration |
| Operations Associate III |
| Operations Associate II |
| Operations Associate I |

<table>
<thead>
<tr>
<th><strong>Program role categories</strong> -</th>
</tr>
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<tbody>
<tr>
<td>Director of Programs &amp; Strategy</td>
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Program Directors
Senior Program Associate II
Senior Program Associate I
Program Associate III
Program Associate II
Program Associate I

We have articulated the “essential characteristics” of each of these role categories to provide a clear and transparent guide to team members who want to know why they are in a particular role category and what they need to demonstrate to reach the next one.

New categories are likely to be needed in the future as we expand and new roles are created.

(b) Establishing compensation bands
For each role category, we have created a compensation band by reference to relevant market data. Our goal is to be internationally competitive for similar roles at peer organizations or organizations of a similar size, but also to be consistent with our values: this means that we may have excluded market compensation rates that promote inequity or were inadequate.

We have established narrow bands to allow recognition of relative experience and responsibilities while minimizing the risk of bias or inequity. Bands become wider in Director roles and above where there is a broader range of qualifications and experience that could occupy those positions and tenure (in a single role category) is typically longer. Most bands are mutually exclusive. We seek to avoid overlap between the bands to ensure that compensation and promotion (role recognition) are aligned, progressive, and internally consistent across the organization.

No hire will be made outside of the bands. These bands should be reviewed at least yearly and when any new hire is made.

Compensation bands, as well as who occupies each of them, will be transparent internally.

Step 2: Cost of living adjustment
We seek to be a non-US-centric organization, recognizing that many of our roles compete within a global marketplace. However, at this time, the primary sources of our compensation comparison data are from California and D.C. For this reason, locations outside of California and DC will be subject to a cost of living review, and categorized as high, intermediate, average, or low cost of living by creating a cost of living index using reputable cost of living data. California and DC are not currently subject to this cost of living adjustment because those locations formed the foundation of the current compensation benchmarks: the benchmarks themselves
reflect the appropriate compensation for team members in those roles in those regions. If we adjust our benchmark sources in the future, this will be revised.

Based on a team member’s location, a cost of living multiplier is applied to take account of the differentiated living costs. The multipliers are approximate and in most cases will be higher than real COL differences, in an effort to mitigate our global pay gap. This approach allows us to use a generous labor market as the basis of our formula while addressing the impact of locality in a simple, affordable, and sustainable manner.

The cost of living multipliers are: high (100% of the band); intermediate (90%); average (80%); and low (70%).

This approach isn’t perfect and doesn’t consider all unique circumstances, but it does allow us to minimize subjectivity.

**Step 3: Determining the compensation for each team member within the relevant band**

An individual’s position within the band will reflect their experience, performance, skills, and responsibilities, individually and relative to others within the band, taking into account the essential characteristics of their role. This decision will be made by the Executive Director, in consultation with relevant supervisors. The Executive Director will also be reviewing compensation across the organization to ensure that it remains equitable, taking into account the principle of equivalent compensation for equivalent experience, performance, skills, and responsibilities. Cost of living increases will continue to be a factor in compensation decision-making, but as one factor among others.

Each year, when compensation decisions are made, team members will be advised where they are positioned within the band including relative to others (in an anonymized form). For example, compensation decisions could be communicated as follows:

*Role category: Operations Associate II*

*COL Multiplier: High (100%)*

*Salary: $70,000*

*Relative position in band: [you are b, for example]*

Directors will know the compensation of those within their direct and indirect reporting lines. Team members should feel empowered to advocate with their supervisor for progression.
within their band, or to the next band, by reference to their performance (with emphasis on the essential characteristics/milestones of their role).

**Bonuses**
Under this compensation framework, one-off bonuses should be rare with preference given to regular compensation progression in line with increasing skills and expertise. The primary situation where bonuses will still be granted are to recognize when a team member is asked to take on substantial additional responsibilities outside of their usual role, such as during another team member’s sabbatical, parental leave, or other vacancy.

**Future changes**
This compensation approach is subject to change and refinement over time. If the approach is modified, no team member will have their compensation reduced: changes will apply to forward-looking compensation decisions only. Over time, this may result in some historical exceptions (i.e. compensation outside of the band), however the existence of exceptions will be visible to other team members within the same role category (in an anonymized form) in order to provide transparency and accountability.

**Internal promotion**
Promotions between role categories that represent an increase in skills and experience, but not a new and distinct set of responsibilities, will be made by the Executive Director in consultation with the relevant supervisor(s). The decision will take into account relevant professional experience and competencies, coupled with consistent exceptional performance evaluations. Such promotions are not anticipated to be restricted in number. This includes changes in role categories such as Program Associate III to Senior Program Associate I.

Internal promotions that involve a new and distinct set of responsibilities and where the opportunity for promotion is limited, such as the creation of a new role, will require additional transparency. The opportunity for promotion should be announced to the entire organization, with an invitation for expressions of interest. If multiple expressions of interest are received, a competitive process will be undertaken before the appointment is made.

**Benefits**
We seek to provide our team members with exceptional benefits that recognize the whole person. These include full medical, vision, and dental insurance; mental health care coverage and encouragement of wellness as a priority; retirement benefits with an employer contribution; commuter benefits; option to use a flexible spending account; access to a professional development fund and support around professional development goals; and paid sabbaticals. We also have generous paid time off, a large number of paid holidays, and paid sick leave, as well as post-travel decompression time off.

Benefits decisions are made by the Executive Director, with approval by the Board of Directors, as part of a regular review of Accountability Counsel’s Employee Handbook.