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| Title of Approving Official: | CEO |
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SUBJECT: Compensation and Benefits Policy

1. Purpose of compensation and benefits policy

Vermont Information Technology Leaders, Inc. (VITL) is the recipient of Federal grant funds, the use of which is subject to certain Notices of Grant Awards (“NGAs”) and Health Human Services (“HHS”) grant administration regulations found in 45 C.F.R. Part 75—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR HHS AWARDS. As an employer, VITL believes that it is in the best interest of both the organization and its employees to fairly compensate its staff for the value of the work provided. The purpose of this policy is to ensure that:

- a. recognition is given to the importance of compensation and benefits in attracting and retaining staff,
- b. compensation and benefits will be administered in compliance with federal regulations.
- c. Related costs and liabilities are accounted for in conformity with accounting principles generally accepted in the United States of America ("GAAP") and in compliance with federal regulations.

2. Scope

- a. This Policy shall be construed and applied to promote VITL’s compliance with the applicable Federal and State rules, regulations, and laws. In the event of a conflict between the provisions of this Policy and the requirements of an applicable state or federal statute or regulation, the applicable statute or regulation shall prevail.
- b. This policy applies to all VITL compensation and benefits regardless of funding source.
- c. This Policy sets forth internal guidelines for the benefit of VITL and its officers, directors, employees and agents, and does not confer any right or other benefit on any third party. The provisions of this Policy may not be used by any third party in any action or other proceeding against VITL or its interests.

3. Compensation

The CEO is responsible and accountable to the board of directors. In that capacity, he or she is charged with ensuring that VITL is staffed with highly qualified, fully competent employees and that all programs are administered within appropriate guidelines and within the approved budget.

- a. Base compensation (Salary and wages)
 - i. Compensation Rates
 - l. Base compensation rates will be recommended for each position by the Manager of that position in consultation with Human Resources and Finance.

- II. Compensation will be reasonable for the services rendered and when setting compensation consideration will be given to market comparable data, internal equity, formal training, experience, responsibility, and accountability of the candidate/incumbent.
 - III. Compensation rate changes pursuant to a change in position during the year will be considered and approved by the CEO in their sole discretion.
 - ii. Human Resources will recommend the base compensation rates to the CEO for approval. The CEO should ensure that compensation rate ranges are reviewed at least annually, that all individual jobs are market priced at least once every three years, and that pay equity adjustments are administered in a fair and equitable manner.
 - iii. Once approved, the Manager may:
 - I. Extend the offer of employment and negotiate with the candidate up to the approved compensation rate or;
 - II. Communicate the approved compensation rate to the incumbent.
 - iv. Documentation of the compensation rate approval will be placed in the employee file.
 - v. Certain federal grants or cost-reimbursement contracts contain limitations on total wage compensation earned by employees. Should any employee's compensation be in excess of the federal salary ceiling, the excess should be considered to be unallowable costs on federal grants.
 - vi. Charges to benefitting activities for base compensation must be based on records that accurately reflect the work performed.
- b. Performance incentive compensation
 - i. Performance incentive compensation may be extended to:
 - 1. The CEO, at the discretion of the Board of Directors;
 - 2. Other positions, at the discretion of the CEO.
 - ii. Performance incentives may be expressed as a percentage of salary or a fixed dollar amount such that the overall compensation is determined to be reasonable.
- iii. Performance incentives will be based on an agreement specifying the objectives to be achieved, entered into in good faith between VITL and the employees before the services are rendered.
- c. Severance Pay
 - i. In the event of an involuntary termination due to a reduction in force/downsizing, change in company direction, position elimination or termination for performance, VITL may provide a severance benefit for the affected employee(s).
 - ii. This provision does not apply to terminations for cause, refusal to be reassigned or refusal to be relocated.
 - iii. The CEO in the overall best interest of VITL will make the determination of whether to provide severance pay and the magnitude of any payment to an affected employee(s).
 - iv. Severance payments are allowable and must be allocated to all activities provided they are reasonable in light of payments actually made for severances over a representative past period.
- d. Employees may undertake professional activities outside of VITL such as consulting and may be compensated by other non VITL entities for this work, with the approval of the CEO or, in the case of the CEO, with the approval of the Board of Directors.
- e. Fringe benefits
 - i. Benefits may include paid time off, health insurance, retirement plans, life insurance, and/or other benefits as recommended by VITL management to ensure

that VITL is able to attract and retain the necessary employee talent to accomplish VITL's mission.

- ii. Benefits shall be offered to all regular employees assuming that they meet any specific eligibility requirements.
- iii. VITL management will periodically review the benefits provided to determine competitiveness and affordability.

4. Budgeting

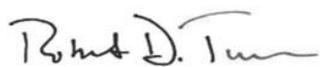
As part of the annual financial planning process VITL management will prepare a budget for total compensation including base compensation, performance incentive pool, and all other related expenses including benefits by type. The compensation budget should include a gross figure, but the individual determinations for each employee's compensation adjustment is the exclusive domain of the CEO: determining the appropriate head count, titles, position levels, merit, promotional, and/or equity increases, and compensation consisting of salary, bonus and other discretionary pay for all positions except that of the CEO. The Board of Directors will review and approve, as appropriate, funding of the plan as recommended by VITL management.

5. CEO Compensation

The Board of Directors or board designated committee shall set the base compensation and performance goals for the CEO. The Board of Directors or board designated committee shall conduct an annual review of his/her performance and determine the amount of the performance incentive due and merit increase based on market comparable data. The CEO, assuming that he or she meets specific eligibility requirements, is offered the same benefits package as other VITL employees.

6. Policy Review & Approval

VITL will review this policy annually and reserves the right to update this policy at any time to reflect VITL's intentions and compliance requirements.



Reviewed by: CFO

4/13/2017

Date



Approved by: CEO

4/13/2017

Date

Approved by the VITL Board of Directors and effective April 10, 2017:



Bruce Bullock, MD, VITL Board Chair