

Executive Compensation Policy

Effective Date: May 24, 2018

Supersedes: Previous version

Policy Review Date: 3 years

Issuing Authority: Research Foundation President

Policy Owner: Vice President of Human Resources

Contact Information: 518-434-7132
 kathleen.caggiano-siino@rfsuny.org

Reason for Policy

This policy establishes standards for Compensation of RF Officers, Key Employees, and Compensated Directors. This policy is designed to implement the RF By-laws and ensure RF compliance with IRS standards, which require the RF to ensure that Compensation to employees is reasonable and not excessive. Terms are defined later in the policy.

Statement of Policy

Compensation for the RF President will be set by the RF Board of Directors. Compensation of other RF Officers will be set by the RF President.

The RF Board of Directors will review the reasonableness of Compensation of RF Officers, Key Employees, and Compensated Directors in accordance with the Procedure for [Reviewing Executive Compensation](#).

The RF Board of Directors will also review the reasonableness of Compensation of Former Officers for 5 years after serving in an officer position.

For purposes of this policy, the standard of reasonableness will be determined by reference to the circumstances of the hiring and recruitment, including Compensation for similarly situated employees employed by related or similar employers.

Delegation of Duties

The RF Board of Directors may delegate its responsibilities under this policy to its Executive Committee to the extent the Executive Committee serves as the Board's Executive Compensation committee, as specified in its charter; and comprises Disinterested Directors who are not in a position to benefit personally from Compensation decisions.

Responsibilities

The following table outlines the responsibilities for compliance with this Policy:

| Responsible Party | Responsibility |
|-------------------|----------------|
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|---|---|
| RF Board of Directors Executive Committee | Sets Compensation for the President and reviews Compensation for RF Officers, Compensated Directors, and Key Employees, against the applicable standard with guidance from a Compensation Analyst |
| RF President | Sets Compensation for RF Officers. |

Definitions

Board of Directors or Board – the Board of Directors of The Research Foundation for The State University of New York.

Compensation – all economic benefits, including cash and noncash Compensation, provided by the RF in exchange for performance of services. Compensation includes but is not limited to the benefits set forth in Treas. Reg. §53.4958-4(b)(1)(ii)(B):

(1) All forms of cash and noncash Compensation, including salary, fees, bonuses, severance payments, and deferred and noncash Compensation described in Treas. Reg. §53.4958-1(e)(2);

(2) unless excludable from income as a de minimis fringe benefit pursuant to section 132(a)(4), the payment of liability insurance premiums for, or the payment or reimbursement by the organization of— (i) any penalty, tax, or expense of correction owed under section 4958; (ii) any expense not reasonably incurred by the person in connection with a civil judicial or civil administrative proceeding arising out of the person's performance of services on behalf of the applicable tax-exempt organization; or (iii) any expense resulting from an act or failure to act with respect to which the person has acted willfully and without reasonable cause; and

(3) all other compensatory benefits, including payments to welfare benefit plans, such as plans providing medical, dental, life insurance, severance pay, and disability benefits, and both taxable and nontaxable fringe benefits (other than fringe benefits described in section 132), including expense allowances or reimbursements (other than expense reimbursements pursuant to an accountable plan that meets the requirements of §1.62-2(c)), and the economic benefit of a below-market loan (within the meaning of section 7872(e)(1)).

Fringe benefits described in section 132 and reimbursement to Directors under an accountable expense reimbursement plan will not be considered Compensation. Compensation will include any offer or agreement entitling an individual to receive an offer of employment with the RF, State University of New York, or related entity in connection with termination from the individual's position with the RF.

Compensated Director – a member of the Board who receives Compensation reportable on the RF's Form 990 for work other than service on the Board. Under the Article II, Section 8 of the RF Bylaws, directors are not eligible for Compensation for their service to the Board, except for reimbursement of reasonable expenses.

Compensation Analyst – an individual qualified to offer professional advice regarding the reasonableness of Compensation under IRS standards and who meets the following:

- holds themselves out to the public as appraisers or Compensation consultants;
- performs the relevant valuations on a regular basis; and
- is qualified to make valuations of the type of property or services involved.

Disinterested Director – a member of the Research Foundation Board of Directors who is not in a position to benefit personally from Compensation decisions being reviewed.

Key Employee – as defined by the Internal Revenue Service in the instructions for Form 990.

Research Foundation or RF – The Research Foundation for The State University of New York.

RF Officer – an officer who is elected by the RF Board of Directors pursuant to the RF Bylaws, including the Research Foundation's President, General Counsel, Secretary, Chief Financial Officer, and Chief Operating Officer and excluding those appointed by the RF President pursuant to the RF's Bylaws as appointed officers.

Related Information

[Reviewing Executive Compensation](#)

Forms

None

Change History

| Date | Summary of Change |
|---------------|---|
| May 24, 2018 | Revised policy to add Former Officer to executive committee review and remove wording on financial separation payments and exception for staffing services clients. |
| June 4, 2015 | Revised policy to remove top five highest compensated employees from executive committee review. |
| June 10, 2013 | New Policy |

Feedback

Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.

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