

Salary and Bonus Policy

WIOA Title I funds awarded to and by the WPWDB. WPWDB are subject to **Section 7013 of Public Law 109- 234** limiting salary and bonus compensation for individuals. The limitation for combined of salary and any bonuses cannot exceed the compensation for a federal Executive II position. The current level for 2018 is \$189,600; however, this amount is adjusted each year and should be verified annually by the WPWDB's Executive Committee during its annual budget vetting process at www.opm.gov under the Executive Schedule table at the "View Salaries" section of the website.

A bonus is defined as money or something of value given to an employee in addition to the employee's hourly wage or salary, in recognition of a notable or exceptional accomplishment. Fringe benefits are not considered bonuses. Although a payment may be titled an incentive payment, discretionary compensation, or some other name, any of these types of payments is considered a bonus.

Salary Increases: If it is the intent of the grant recipients and/or sub-recipients to give annual cost of living increases to employees, this must be identified in any proposal submitted for the WPWDB's consideration prior to contract negotiations. Support documentation must accompany this intention (i.e., a board policy). If an increase is more random, a record of board action on the approval to request salary increases must be provided to Treasurer and Finance Director prior to administering the increase as part of the WPWDB's annual budget process. The WPWDB shall have final authority to determine if WPWDB-funds salary increases can be included in the final approved budget.

Bonuses: If it is the intent of the grant recipients and/or sub-recipients to award bonuses, a process to give such an award should be highlighted and supported in the proposal submitted for the WPWDB's consideration prior to contract negotiations as mentioned above under "Salary Increases." At minimum, the grant recipient and/or sub recipients will need to provide the Treasurer with the following prior to awarding bonuses:

1. An explanation of what behaviors and/or outcomes will be rewarded by an employee bonus;
2. An explanation of how it is anticipated that any proposed employee bonus system will impact the organization's performance during the affected period; and
3. Any limiting considerations such as frequency, maximum amount and the process for initiating bonuses.

Any grant recipient and/or sub-recipient who do not adhere to this policy will be deemed out of compliance; and the expenditure will be deemed a disallowed cost.