

## **PERSONNEL COMPENSATION BENCHMARKS**

The following benchmarks provide Boards with a point of reference that may be used by the Commission when assessing the reasonableness of Board-level compensation costs. Except as limited by statute or regulations, the Commission may consider additional pertinent factors and justification as demonstrated by a Board before making a conclusion as to whether compensation is reasonable in light of the particular circumstances (e.g., salary surveys or market studies performed by the Board).

### **SALARIES AND WAGES**

Salaries and wages should not exceed amounts authorized by:

- Boards' written policies and procedures, or an employer-employee agreement;
- salary classifications and schedules that apply under state statutes; and
- salary limitations imposed by Public Law 109-234, §7013.

### **FRINGE BENEFITS**

Fringe benefits are considered reasonable to the extent that they are consistent with OMB Circular A-87 or A-122, as applicable, as supplemented by UGMS.

### **SEVERANCE PAY**

Consideration when determining the reasonableness of severance pay includes, but is not limited to, whether such payment is:

- made for a period of time that exceeds 90 days after the termination date; and
- based on any factor other than the salary of the employee whose employment has been terminated.

### **CAR ALLOWANCES**

A car allowance should not exceed what is permitted by the Board's written policies and procedures. Additionally, the Commission may consider whether the amount of the allowance materially exceeds what would have been paid had the individual been compensated based on actual mileage considering the extent of mileage that the individual is required to travel. The use and review of mileage logs is an example of how a Board might demonstrate that the amount of a car allowance is reasonable.