Minnesota Council on Foundations: Compensation Philosophy

Preamble

The Minnesota Council on Foundations is committed to transparency, equity and anti-racism. We are committed to demonstrating those values internally within the organization's policies and practices and externally within the field of philanthropy. This includes our compensation philosophy, policies, and processes.

The Minnesota Council on Foundations (MCF) follows guiding principles in our mission-focused work. Those principles extend into our human resources decisions and in our financial considerations. The organization's compensation philosophy reflects a strong belief in the value of our people, by being an excellent and equitable workplace and recognizing that our people are our greatest strength. This compensation philosophy demonstrates the importance of organizational equity, effectiveness, and relevancy as requirements for equitable compensation. This compensation philosophy is essential to the efforts of delivering an excellent member experience, because we believe that we do our best work when staff can thrive personally and professionally.

Competitive and Equitable Salaries

MCF, as a philanthropy-serving organization, is uniquely situated in the nonprofit sector. As an association of foundation members, market considerations for compensation must balance being a nonprofit with being philanthropy adjacent. Therefore, MCF’s primary benchmarking comparisons for compensation are peer philanthropy-serving organizations retrieved through United Philanthropy Forum’s salary survey. Peer organizations are considered those that have similarities in annual operating budget, geographic region, staff and membership. Additional benchmarking from local nonprofit data such as the Minnesota Council of Nonprofits may also be used. Other data impacting the market (i.e. inflation, etc.) may be included when appropriate. This analysis will inform MCF’s salary bands, determined by the MCF President and supervisors.

MCF uses salary bands and competitive benefit offerings to assess and set pay across the organization. Salary bands are designed to be broad and may encompass a range of roles, responsibilities and experiences within a position, and thus, a range of salaries for staff in that band. But they are designed to have basic components in common, and provide clarity about expectations for staff interested in job growth (please see Appendix A for details on salary bands). MCF salary bands do not include the role of President. The board of directors sets a range for this position at the time of hire.
All salaries for positions within a job category are expected to be within the band, generally but not guaranteed near the 50th percentile. There may be rare exceptions when a staff person’s experience justifies higher compensation, or regular tenure-based increases of long-time employees raises their salary above the top of the range. Salaries are never below the range for that position.

**Salary Adjustments and Advancements**

MCF conducts a market analysis for salary bands and total compensation at least every three (3) years and makes adjustments to ensure equitable and competitive compensation. This consistent review of compensation is central to our values and ongoing work toward becoming an anti-racist organization, is an equity practice, and supports employee retention.

Compensation decisions are made by supervisors in tandem with the MCF President and in alignment with MCF’s salary bands and budget. Attempts are made, at the organizational level, to ensure all staff are advancing in their salary band, based on their tenure and role. Salary bands are made public to all staff through this document (Appendix A) which is available via MCF’s all-staff shared electronic files. Salary hiring ranges, based on the bands, are publicly posted for all job openings.

Some salary negotiation may be possible in situations such as: at the time of hire, upon receiving a new job title/promotion, upon increasing job responsibilities or at the start of a new calendar year. Longer tenure and/or increased responsibility, in general, results in an individual receiving higher pay within their given salary band.

MCF generally provides annual all-staff salary increases at the start of each calendar year to recognize tenure, within the realities of the organizational budget. Any all-staff salary adjustment is led by the President. Salary adjustments may result from market considerations (analysis conducted every three years) or other reasons that could include but are not necessarily limited to employee performance, bonus, etc. All salary increases take into account long-term organizational sustainability and financial health.

On rare occasions a staff person might be asked to formally carry out an interim role for a position above their current salary level. In this case compensation and possibly title will be temporarily adjusted to reflect this change in role.

The President’s salary, hiring, negotiating and annual increase are expected to align with this philosophy. However, all decisions are at the discretion of the MCF Board of Directors.

MCF believes in professional advancement of staff. This may include advancement in any or all of the following: job title, job expectations, supervisory role and/or salary. Professional advancement is usually led by supervisors. Staff and supervisors are encouraged to discuss advancement opportunities, create paths for future advancements, and openly acknowledge the...
limitations of internal advancement within a small organization. External advancements may sometimes be encouraged.

Confidentiality and Transparency

Individual staff salary figures are confidential information, which may be shared in the following situations: (1) individual staff may choose to share or not share their own compensation, based on their individual preferences, (2) as needed for management purposes, and (3) for compliance with public disclosure and fiduciary oversight.

Total Compensation

MCF recognizes the opportunity to support employees with a generous total compensation package. Total compensation includes salary plus benefits such as, but not limited to, health, dental, disability insurance, retirement savings, paid time off, paid all-staff and individualized holidays, wellness, bereavement leave and parental leave. MCF is driven by the goal of being a great place to work centered around being full human beings. MCF may add or change benefits annually, based on consideration of employee input, current trends, and careful stewardship of the organization’s resources. Further details are included in the MCF Employee Handbook.

Continuous Learning

In the spirit of being a learning organization, this compensation philosophy may be amended periodically to reflect changing organizational priorities, changing human resources needs, feedback from staff or other input.

Adopted August 2022.

APPENDIX A: Salary Bands