



Management Consulting to Independent
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NON-PROFIT STAFF COMPENSATION SYSTEMS, LEVELS AND BENEFITS

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Littleford & Associates assists with the analysis of staff compensation systems, workload assessments, salary levels, and benefits design. In today's challenging economic environment, boards are worried about managing endowment and about meeting annual giving and/or capital campaign targets. Equally important in the realm of financial management is for boards to ask how wisely the organization is spending its money allocated for its most important resource- the staff.

Littleford & Associates has helped to implement successfully flexible salary systems that incorporate the concepts of a career ladder, "range", "band", performance based pay and other creative compensation designs that are based on criteria in addition to longevity of service, advanced degrees and extra pay for extra work.

"Range", "band" or "broad banding" and "career ladder" are similar terms describing the same concept. They refer to a compensation system that provides the predictability of future earning power that staff craves, while providing organizations with the flexibility to reward those who make the greatest contributions to quality of service and the working environment. Thus, these systems can reward good performance as opposed to some traditional models

Establishing at the outset a philosophy of compensation for the salary delivery system and for the benefits structure is imperative.

Many organizations have limited knowledge of or experience with effective benefit designs that provide flexibility for staff based on their varying needs. Those needs vary by age, career stage and family status. Effective benefit systems take these differences into account, while controlling costs. "Cafeteria plans", "benefit banks", "flexible spending accounts", and "reimbursement accounts" are just a few such systems.

In benefits management, nonprofits are faced with demands for medical coverage for families, for those who have retired but are under age 65, and for long-term care. They may be challenged also by single employees who are concerned about "discriminatory" benefits that support family medical coverage and other similar "family" oriented programs.



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Littleford & Associates tracks the patterns of staff compensation and provides helpful, appropriate advice that fits with the culture and location of the nonprofit. Among all of the clients with which we have worked, none have arrived at the same conclusions or adopted the same salary or benefit system design. However, ALL have developed a more intelligent and thorough understanding of the effect of their current compensation practices and how they encourage or damage relationships with current and prospective staff. Most have been able to introduce more elements of flexibility and predictability into their compensation systems without going down the slippery slope of more stipends for which no job will be done without extra pay or down the path of increasingly expensive benefits without tradeoffs, both of which the fiscally responsible board fears.