

 ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY	SUBJECT: Grantee Executive Compensation Policy	
	IMPLEMENTATION DATE: 1/24/2023	
Chief General Counsel Signature: <i>[Signature]</i>		Date: 1/13/23
Executive Director Signature: <i>Deatrice J. Adams</i>		Date: 1/23/2023

POLICY STATEMENT

Staff who provide direct services or administrative support through federal- or state-funded ICJIA grant programs and whose salary and benefit costs can be accurately attributable to the grant-funded program, may be charged as direct expenses. Because executive staff typically do not perform activities which are attributable to an individual grant-funded program and because they may perform activities which are excluded from grant allowability, executive level personnel shall be charged to the indirect cost line item, except as detailed below.

Rate of Compensation

Executive level staff charged as direct expenses may not be compensated at a rate exceeding the average annual compensation for the same executive staff title and/or executive staff positions with equivalent job duties in a similarly sized peer organization in the same region of the state as defined by the professional non-profit agency rating tool used by ICJIA. Grantees seeking to compensate executive staff in excess of this rate must provide their budget for the current fiscal year and proof of approval of the executive staff salary by the Board of Directors or an equivalent body. A grantee may compensate an employee at a higher rate, provided the amount in excess of the compensation limitation is paid with non-ICJIA funds or if ICJIA grants an exception in accordance with the exception request procedure detailed below.

Percentage of Time Charged as a Direct Expense

No executive staff may be charged to a grant agreement for more than 80% of their time without prior written ICJIA approval.

All staff charged as direct expenses must provide throughout the grant period of performance a Personnel Activity Report (PAR) that accurately reflects time spent performing the program and any other duties. The PAR must:

- Reflect an after-the-fact distribution of the employee's actual activity, not budgeted time;
- Account for attendance and the daily total activity for which the employee is compensated by all funding sources;
- Be prepared at least monthly and coincide with one or more pay periods;
- Be signed by the employee and approved by an agency representative having firsthand knowledge of the work performed; and
- Be supplemented with daily attendance timesheets.

In addition, within six months of the execution of the ICJIA agreement, the grantee must submit a completed *ICJIA Financial Documentation Report* and required backup documentation demonstrating the executive staff salary and benefit costs charged to the grant agreement.

Any grantee who submits a budget charging Executive Staff salary to direct costs shall complete the *ICJIA Executive Compensation Checklist (IECC)* for each executive position charged and return it to their assigned Grant Specialist for ICJIA review and approval.

- When an *IECC* indicates that the executive staff person is charged directly to the ICJIA program, that staff member may be charged to the agreement up to the percentage indicated but no more than 80%.
- When the *IECC* indicates that the executive staff person is charged directly to the ICJIA program and is also charged directly to one or more other programs, the staff member may be charged to the agreements up to the percentage indicated but no more than 80%.

A grantee whose *IECC* indicates that the executive staff is directly charged to other programs must submit for ICJIA review a copy of those program budgets verifying the staff member compensation. The *IECC* and any verifying budget information shall be submitted by the assigned Grant Specialist to the Office of General Counsel (OGC) as part of the agreement review and approval process. OGC may require the submission of additional documentation to further verify the compensation.

DEFINITION

“Executive Staff” are the highest-ranking executives in an organization with ultimate responsibility for making managerial, financial and legal decisions. Executive staff titles vary by agency but include the grant agency Executive Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and General Counsel.

EXCEPTIONS

The above policies, rules, and guidelines have been established to help ensure that all ICJIA-funded programs expenses are “reasonable and necessary,” and therefore allowable under 2 CFR §200.403 and §200.404. It is anticipated that this policy will apply to most of the grant programs that ICJIA funds. However, if a specific grant program requires executive percentage of compensation that would be beyond what is allowed under this policy, the grantee may request an exception in writing.

An exception request must include:

- A full description of the executive staff duties as they pertain to the grantee;
- An explanation as to how the proposed level of compensation exceeding the average annual compensation for the same position in a similarly sized peer organization in the same region of the state as defined by the professional non-profit agency rating tool used by ICJIA is “reasonable and necessary” to the program; and/or
- An explanation as to why the executive percentage level of compensation exceeding the percentage calculated on the *IECC* is “reasonable and necessary” for the operation of the program.

The written exception request must be approved by both the Program Supervisor and the OGC.