

Executive Compensation Policy

Purpose

The purpose of this policy is to establish the University's procedures for determining executive compensation.

Policy

Detroit Mercy recognizes the important role that compensation plays in attracting, motivating and retaining its executive and key employees. Therefore, the University has established a policy of review of executive and key employee compensation which includes approval by independent persons, use of data from peer institutions of higher education and contemporaneous substantiation of the deliberation and decision processes.

Procedures

1. Senior management of the University is responsible for setting the compensation for newly hired or promoted employees who are classified by the institution as executive or key employees, as well as recommending changes in compensation for such employees.
2. The Board of Trustees will establish a standing committee of its members which will be responsible for reviewing and approving the compensation for all executive and key employees of the University.
3. The Human Resources Department will provide the President and standing committee members comparable compensation data for executive and key employees from peer institutions. The sources for this data should include The Chronicle of Higher Education, NACUBO, etc.
4. On at least an annual basis, the standing committee of the Board of Trustees will review the compensation of each executive and key employee, including comparison with the data from the peer institutions. The committee will make recommendations for adjustments to the compensation of the executive and key employees as appropriate.
5. The committee will keep a detailed record of the meetings and discussions relative to executive and key employee compensation. The justification for recommended adjustments will be appropriately documented.