

E – 1 COMPENSATION POLICY¹

Auburn University seeks to attract and retain outstanding faculty, professionals, administrators, and staff by providing total compensation that is competitive in the relevant market considering all appropriate factors. Those factors include, but are not limited to, compensation provided by peer institutions or groups, any compensation for any employee from any affiliated organization, and fiscal resources available to the University. The Board delegates to the President the authority to approve employee compensation, without prior Board approval, in accordance with these and other relevant factors, except as follows:

1. Proposed changes in the funds available for all employee compensation, including faculty compensation, in the annual budget and the criteria for awarding additional compensation shall be reviewed by the Board of Trustees during the annual budget approval process.
2. In advance of any offer of an employment or equivalent arrangement, or any extension thereof, or for compensation increases for any employment or consulting contract previously approved in the manner set forth in this policy (a) with annual compensation or proposed annual compensation in excess of \$250,000; (b) whose contract contains any provision requiring payments to be made upon termination (“buy-out provision”); or (c) who is a party to a written employment contract or consulting agreement that exceeds the same amount over the life of the contract, the President shall obtain the express approval from the Board or its designees as follows:
3. With respect to Athletics’ employment contracts, the President shall obtain the express approval of the Lead Trustee for Athletics, the President Pro Tempore, and the Chair of the Executive Committee (“Board Designees”).
4. With respect to other non-faculty employment contracts, the President shall obtain the express approval of the President Pro Tempore and the Chair of the Executive Committee (“Board Designees”).

¹ The approval process outlined in this policy does not apply to faculty hired consistent with the policies and procedures concerning faculty hires.

5. In both circumstances, the approval process shall comport with 5.a and 5.b. below:
 - a. In advance of any offer outlined above in sections 2, 3, & 4, the President must obtain and present to the respective Board Designees the competitive salary ranges for new hires or consultants whose salary is equal to or exceeds \$250,000, along with a recommendation of the salary range and material terms for the proposed offer of employment or consulting agreement, and, upon request by any of the respective Board Designees, provide a list of potential candidates for same. Any changes that occur outside the range during the negotiation process must also be presented to the respective Board Designees for pre-approval.
 - b. In accordance with the above, the President shall contact the respective Board Designees at least 48 hours prior to execution of any contract to obtain express approval therefrom. Once approval is obtained, however, the President may act immediately to extend such offer of employment or consulting agreement, or any extension thereof.
6. All written offers of employment and consulting contracts, or extensions thereof, in accordance with the above must include, in bolded font, the following: “Subject to approval of the Board Designees.”
7. Before termination of any employment or consulting contract described above, which would trigger a buy-out provision or would implicate the employment contracts of other University employees with similar buy-out provisions, notice and approval must be provided and obtained as outlined above.

The Board of Trustees shall consider those same factors in establishing an appropriate level of compensation for a new President or for the compensation of a sitting President in approving an annual budget.

This Policy applies to all operating units of the University, including Auburn University at Montgomery.

ADOPTED: November 10, 2006

REVISED: November 2, 2007

REAFFIRMED: June 19, 2009

REVISED: November 13, 2013

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