



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES**

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Commissioner

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**MEMORANDUM**

**TO:** Executive Directors  
Area Agencies on Aging

**FROM:** Tim Catherman

**DATE:** October 10, 2012

**SUBJECT:** Policy Update – Salary and Benefits Compensation

As mentioned in the May Area Plan training, the FY'13 Area Plan Contract, Section 3.4 on Personnel has been updated. The requirement reads,

“The governing board shall establish the Executive Director’s salary and benefits with documentation of comparable positions in the region. The governing board or the Executive Director shall establish the salary scale for all employees based on comparable positions in the region.”

The N4A publication, [\*You make a Difference: A Guide for Area Agency on Aging Boards and Advisory Councils\*](#) states, the Board is responsible setting compensation for the Executive Director and staying informed of compensation levels for other key personnel.

Compensation of the Executive Director must be based on documentation, that every nonprofit should have on file, which provides a comparison of other Executive Directors in similar organizations accounting regional differences.

Similarly, the agency’s overall Salary Administration Plan should generally take into account the compensation for all of its positions based on regional comparisons of like positions.

Many agencies have staff that is compensated at a higher rate than the Executive Director. There are many reasons this occurs because individual compensation takes into account education, specialized training, skills, job duties, years of service, etc.

For high profile positions within the agency, comparability to similar positions in other organizations within the region becomes more important. For these positions, a focused compensation comparison is advised. Additional documentation should include the individual factors cited above that can impact compensation. This process and its information serves an important reference point in the defense of the agency should it ever become an issue.

As mentioned before, through the monitoring process, Solomon will review the compensation of key individuals and the agency's overall salary administration program. Through his normal monitoring, he may provide recommendations for improving the integrity of the program.

If you have any questions, please call Solomon Girmay at (804) 662-9347 or myself.