



## Sample Executive Compensation Review Policy

Date:

Issuing Authority:

### Statement of Purpose

EveryNonprofit's primary objective is to provide a reasonable and competitive executive compensation opportunity consistent with market-based compensation practices for individuals possessing the experience and skills needed to improve the overall performance of the organization. As such this policy is designed to provide an overview of the procedures utilized on behalf of EveryNonprofit in order review executive compensation.

### General Overview

It is the duty of the board of directors to administer EveryNonprofit's executive compensation program. The board is responsible for establishing and maintaining a competitive compensation package for the chief executive of the organization and shall meet annually to review such compensation. The executive session shall be held in the spring without the chief executive present.

The board shall review executive performance *and* comparable fair market value in determining compensation. The performance-based review should focus on the executive's ability to meet the goals and objectives set for the prior year.

To review fair market value the board should rely upon appropriate data as to comparability. Such data shall include comprehensive market surveys such as the *Compensation and Benefit Guide* published by the Center for Nonprofit Management, as well as comparable salaries from nonprofit organizations in our area to benchmark pay.

Once the board has reviewed the executive's performance and the fair market value for compensation it shall hold a vote on the issue making sure to include all of its findings used to support the vote on the record.

After approval the board shall meet with the chief executive to discuss and document the goals and agreed upon compensation for the upcoming year.