



## **Executive Compensation POLICY**

**Revised: October 7, 2013**

The Executive Director of Birch Community Services, Inc., a 501c3 Nonprofit (hereafter BCS) is the principal representative of BCS, and the person responsible for the efficient operation of BCS. Therefore, it is the desire of BCS to provide a fair yet reasonable and not excessive compensation for the Executive Director (and any other highly compensated employees and consultants).

Executive compensation is to be documented when it is originated or modified (exclusive of cost of living adjustments). The process for determining compensation is as follows: The BCS Board shall evaluate the Executive Director on his/her performance, and ask for his/her input on matters of performance and compensation.

### **Board Approval**

The Board will obtain research and information to make a recommendation to the full board for the compensation (salary and benefits) of the Executive Director based on a review of comparability data. For example, the Board will secure data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:

- A. Salary and benefit compensation studies by independent sources;
- B. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and/or
- C. Information obtained from the IRS Form 990 filings of similar organizations.

### **Concurrent Documentation**

To approve the compensation for the Executive Director the board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- A. A description of the compensation and benefits and the date it was approved;
- B. The members of the board who were present during the discussion about compensation and benefits, and the results of the vote;
- C. A description of the comparability data relied upon and how the data was obtained; and
- D. Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who may have a conflict of interest in being a part of the decision.

**Independence in Setting Compensation**

The Chair of the board of directors, who is a volunteer and not compensated by BCS, will operate independently without undue influence from the Executive Director.

Any members of the Board who are related to the Executive Director will recuse themselves from the decision.