



RESOLUTION OF THE BOARD OF DIRECTORS OF  
*YOUR NON PROFIT CORPORATION*

The Board of Directors of *Your Non Profit Name*, a not-for-profit Massachusetts corporation, does hereby adopt the following resolution as duly authorized valid corporate action pursuant to the provisions of the law of the State of Massachusetts:

WHEREAS, the Board of Directors must ensure that the compensation paid to the Executive Director is reasonable; and

WHEREAS, *Your Non Profit Corporation* desires to adopt a policy to carry out its responsibility to ensure that the compensation paid to *Your Non Profit Corporation's Executive Director* is reasonable;

NOW, THEREFORE, be it:

RESOLVED, that *Your Non Profit Name* hereby adopts the foregoing policy titled "Executive Compensation" governing the Board of Directors' approval of the compensation to be paid to *Your Non Profit Name Executive Director* and

FURTHER RESOLVED, that the Clerk of the Board of Directors, and hereby is, authorized to certify these resolutions and to take such other action as he/she deems necessary or appropriate to carry out the intent of the foregoing resolutions.

IN WITNESS WHEREOF, the Board of Directors of *Your Non Profit Corporation* has adopted the above resolution by unanimous vote of its members this \_\_\_\_\_ day o \_\_\_\_ 201\_

By: \_\_\_\_\_

Clerk



## ***Your Non Profit Corporation***

### **Policy and Procedure Statement**

**Subject:** Executive Compensation

**Purpose:** To establish responsibility for and the process to be followed in reviewing and setting executive compensation.

**Scope:** Compensation of the Executive Director

**Distribution:** Board of Directors

**POLICY:** The Board of Directors must assign the compensation of the Executive Director of the Corporation within the confines of best practices for not for profit corporations. The Board must ensure the salary is within the range of similar organizations across the region also taking into account other factors the Board believes pertinent to the setting of its executive's salary.

### **Procedure:**

**1. Approval of Compensation.** The Board of Directors must evaluate annually the compensation and approve any change to the compensation for the Executive Director.

**2. Definitions.** For purposes of this policy, the organization's senior officer is the Executive Director or the Chief Executive Officer, and means the total remuneration paid to a senior officer, including without limitation salary, bonuses, retirement benefits, fringe benefits, liability insurance premiums, and other monetary or non-monetary benefits provided to the officer.

**3. Delegation.** The Board delegates its power to determine officers' compensation to its Executive Committee.

**4. Recusal.** If any members of an officers' family, an employee reporting to the officer or any other individual having a personal interest in the compensation paid to the officer and any officer whose compensation is subject to this policy is a member of the Executive Committee, such individual will be excluded from the Executive Committee's discussion and determination of that officer's compensation.

**5. Determining Compensation.** The Executive Committee must determine before the compensation of any senior officer is changed, that the compensation to be paid to the officer is reasonable. When

determining whether an officer's compensation or any change to an officer's compensation is reasonable, the Executive Committee must compare the compensation to be paid to the officer with the compensation paid to the equivalent senior officers from charitable, service organizations operating in metropolitan areas that have comparable revenues, employees, service populations and skills; documenting any variables that may come in to play such as longevity with the organization, anticipated growth & diversity of services. The Executive Director shall be offered the same fringe benefits that are offered to the rest of the employees of the corporation without discrimination and as such, vote of the annual budget sets these rates.

**6. Source of Comparable Data.** The Executive Committee must obtain the comparison data from and expert source or from industry surveys conducted by an independent source. If no independent source is available, the Executive Committee may obtain comparable data by documenting the compensation paid to officers holding similar positions in similar organizations.

**7. Report to Board.** Once the Executive Committee has determined an officer's compensation or an increase to an officer's compensation is reasonable, the Executive Committee' will prepare a written report to the Board documenting its decision. The report must state the terms of the officer's proposed compensation, the identity and the source of the comparability data on which the Executive Committee relied, the members that approved the compensation and the identity of any member who recused him- or herself because of a conflict of interest.

**8. Board Approval.** By the later of 60 days of the Executive Committee's report or the Board's next regular meeting, the Board must consider and adopt by written resolution the Executive Committee's report. The resolution must state the date of the Board's approval, the Board members present, and the identity of members voting in favor and in opposition to the resolution. If the officer is a member of the Board or if a Board Member is a family member of the officer, or an employee reporting to the officer or otherwise has a personal interest in the officer's compensation, that the Board member must recuse him or herself from any discussion and vote concerning the Executive Committee's report.

**9. Payment.** The Executive Director may not be paid any increase in compensation until the Board has adopted by resolution the Executive Committee's report.