

LVCBA Policy:

COMPENSATION POLICY

Revision Nbr **01**

Effective Date: **5/25/10**

This Policy was Approved for use by the LVCBA Board of Directors on May 24, 2010.

I. APPLICATION

- A. This Policy applies to the LVCBA WDIY Executive Director ('ED') position.
- B. The LVCBA Board of Directors, or a delegated committee of the Board, shall comply with this Policy to recommend compensation for the Executive Director position. This recommendation shall be subject to majority vote by the Board of Directors.

II. COMPENSATION

With respect to Internal Revenue Service guidelines for approval of senior management compensation, the LVCBA Board of Directors shall comply with the following review and approval method.

III. PROCEDURE FOR COMPENSATION DETERMINATION

- Changes in ED compensation must be approved by the LVCBA Board of Directors in advance of any payment made.
- The President of the LVCBA Board of Directors shall insure that all debate concerning the matter is strictly confined to Board Directors who do not have conflicts of interest (i.e., neither the Executive Director, nor his/her family members, shall be present during such debate.)
- When considering ED compensation, the LVCBA Board of Directors shall rely on comparability data demonstrating the fair market value of the compensation in question. Such data may include, but is not limited to:
 - a) expert compensation study by an independent firm;
 - b) comparative compensation for positions in similar organizations;
 - c) documented telephone calls about similar positions in both non-profit and profit organizations; and
 - d) information obtained from IRS Form 990 filings of similar organizations.

- The President of the LVCBA Board of Directors shall direct the following information to be included in pertinent Board of Directors Meeting Minutes:

- a) the terms of the compensation and the date approved by the Board;
- b) the names of the Directors present during the debate;
- c) the names of the Directors who cast votes;
- d) the comparability data used for benchmarking purposes.

• END OF POLICY*