



Policy for Board Approval of Annual CEO/President Compensation

Board Approval and Effective Date August 25, 2020

The President/CEO of the Community Foundation for Monterey County (CFMC) is the principal representative of the CFMC, and the person responsible for the efficient operation of the CFMC. Therefore, it is the desire of the CFMC to provide a fair, yet reasonable and not excessive compensation for the President/CEO.

The annual process for determining compensation is as follows: The CFMC compensation committee shall annually evaluate the President/CEO on his/her performance; and ask for his/her input on matters of performance and compensation.

Board Approval. The compensation committee will obtain research and information to make a recommendation for compensation (salary and benefits) based upon a review of comparability data. For example, the compensation committee will secure data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations.

The recommendation will first be presented to the executive committee for approval and then to the full board for final approval.

This data may include the following:

1. Salary and benefit compensation studies by independent sources;
2. Written job offers at similar organizations;
3. Information obtained from the IRS Form 990 filings and Audited Financials from similar organizations.
4. Annual CEO/President survey results submitted by Board members.

Concurrent Documentation. To approve the compensation for the President/CEO 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 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 is otherwise a member of the board but who had a conflict of interest with respect to the decision on the compensation and benefits.

Independence in Setting Compensation: The Chair of the board of directors and compensation committee members, who are volunteers and not compensated by CFMC, will operate independently without undue influence from the President/CEO.

No member of the Compensation Committee will be a staff member, the relative of a staff member, or have any relationship with staff that could present a conflict of interest.