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Part VI Q.15

Executive Compensation Policy

ABC Sample Nonprofit organization's (ABC) executive total compensation package, including base salary, bonuses, and benefits, will be decided by the "compensation committee", made up of independent directors who do not have any personal interest in the compensation arrangement. ABC's primary objective is to attract and retain key executive talent as well as to pay reasonable compensation for services provided by officers and staff. In order to ensure reasonable compensation, the compensation committee will obtain compensation comparability data for the position.

The comparability data may be based on industry surveys, use of compensation consultant, documented compensation of persons holding similar positions in similar organizations from Form 990 of other organizations, expert compensation studies, or other comparable data.

Compensation committee will document the basis for its determination concurrently with the approval of the compensation package. The documentation will contain the terms of the approved transaction and the date approved, the members of the compensation committee who voted on the decision, the comparability data that was relied on by the decision-making body and how the data was obtained.

This procedure will be repeated each time the executive compensation package changes materially. The procedure need not be repeated for annual cost of living increases based on government cost of living figures.