

## USCCL Policy on the Process for Determining Compensation

The USCCL Executive Committee is the body to review and approve executive compensation. This policy is designed to be consistent with information requested on the new 2008 Form 990 and also consistent with IRS's "Intermediate Sanctions" rules. This Policy of USCCL (the "Organization") applies to the compensation of the following persons employed by the Organization:

The Organization's **chief employed executive**<sup>1</sup> (i.e., the Executive Director)  
Other compensated **Officers**<sup>2</sup> or **Key Employees**<sup>3</sup> of the Organization (if any).

The process includes all of these elements: (1) review and approval by the board of directors or compensation committee of the Organization; (2) use of data as to comparable compensation; and (3) contemporaneous documentation and recordkeeping.

- 1. Review and approval.** The compensation of the person is reviewed and approved by the Executive Committee, provided that persons with conflicts of interest with respect to the compensation arrangement at issue are not involved in this review and approval.
- 2. Use of data as to comparable compensation.** The compensation of the person is reviewed and approved using data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations. USCCL may use nonprofit compensation information provided by any reliable source, and may also compile salary data by reviewing Form 990 for other comparable organizations.
- 3. Contemporaneous documentation and recordkeeping.** There is contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding the compensation arrangement.

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<sup>1</sup> **Chief employed executive** – The executive director or other top management official (i.e., a person who has ultimate responsibility for implementing the decisions of the Organization's governing body or for supervising the management, administration, or operations of the Organization).

<sup>2</sup> **Officer** – A person elected or appointed to manage the Organization's daily operations, such as a president, vice-president, secretary or treasurer. The officers of the Organization are determined by reference to its organizing document, bylaws, or resolutions of its governing body, or as otherwise designated consistent with state law, but at a minimum include those officers required by applicable state law. Include as officers the Organization's top management official and top financial official (the person who has ultimate responsibility for managing the Organization's finances).

<sup>3</sup> **Key Employee** – An employee of the Organization who meets all three of the following tests: (a) \$150,000 Test: receives reportable compensation from the Organization and all related organizations in excess of \$150,000 for the year; (b) Responsibility Test: the employee: (i) has responsibility, powers, or influence over the Organization as a whole that is similar to those of officers, directors, or trustees; (ii) manages a discrete segment or activity of the Organization that represents 10% or more of the activities, assets, income, or expenses of the Organization, as compared to the Organization as a whole; or (iii) has or shares authority to control or determine 10% or more of the Organization's capital expenditures, operating budget, or compensation for employees; and (c) Top 20 Test: is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from the Organization and related organizations for the year.