**3.6 Highly Compensated Employee and Consultant Compensation**

**Policy #:3.6**

**Date Reviewed:**

**Approved: 4-14**

**POLICY**

The Chief Executive Officer of International Association of Forensic Nurse is the principal representative of the Association, and the person responsible for the efficient operation of the Association. Therefore, it is the desire of the Association to provide a fair yet reasonable and not excessive compensation for the Chief Executive Officer (and any other highly compensated employees[[1]](#endnote-1) and consultants).

**PROCEDURE**

The Association shall [either the full board or a compensation committee/executive committee] annually evaluate the Chief Executive Officer on his/her performance, and ask for his/her input on matters of performance and compensation.

**Board Approval.** The Board or Compensation Committee will obtain research and information to make a recommendation to the full board for the compensation (salary and benefits) of the Chief Executive Officer (and other highly compensated employees or consultants) based on a review of comparability data. For example, the Board or Compensation Committee will secure data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:

1. Salary and benefit compensation studies by independent sources;
2. Written job offers for positions at similar organizations;
3. Documented telephone calls about similar positions at both Association and for-profit organizations; and
4. Information obtained from the IRS Form 990 filings of similar organizations.

**Concurrent Documentation.** To approve the compensation for the Chief Executive Officer (and other highly compensated employees and consultants) 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 and 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 President of the Board, who is a volunteer and not compensated by the Association, will operate independently without undue influence from the Chief Executive Officer.

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

1. **Highly Compensated Employee (as defined by Internal Revenue Services)** - An individual who:

	* Owned more than 5% of the interest in the business at any time during the year or the preceding year, regardless of how much compensation that person earned or received, or
	* For the preceding year, received compensation from the business of more than $115,000 (if the preceding year is 2012 or 2013), and, if the employer so chooses, was in the top 20% of employees when ranked by compensation. [↑](#endnote-ref-1)