



## **EXECUTIVE COMPENSATION POLICY**

### **PURPOSE**

The purpose of this finance policy document is to facilitate management in the operation of all Common Threads activities. The objective is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, Common Threads commits to providing reasonable guidelines for setting compensation of the Executive Director.

### **SCOPE**

This Personnel Policy document applies to all Board and staff members and all members of committees with powers delegated by the Board.

### **DELEGATION OF AUTHORITY**

The interpretation and enforcement of this Personnel Policy document is delegated to the Executive Committee, except as expressly set forth herein.

The Board of Directors is ultimately responsible for establishing Executive Compensation. The Executive Committee of the Board is authorized to act on the Board's behalf.

The full Board must approve the compensation annually.

### **ANNUAL COST OF LIVING ADJUSTMENT**

Subject to available funds, executive compensation shall include an annual cost-of-living adjustment (COLA) effective on January 1 of each year. The COLA will be tied to objective factors, including, but not limited to the Consumer Price Index, Washington State PERS Data, etc.

### **ADDITIONAL INCREASE**

The Board may offer a discretionary additional increase based on non-exhaustive list of factors to be considered:

- Availability of funds
- Performance- based on feedback from staff, partners, and other stakeholders, and the Board's own evaluation
- Budget/Revenue
- Market data - both local and state/region-wide
- Increased responsibilities
- Special recognition
- Other factors

The Board is encouraged to enter into an iterative dialogue with the Executive Director to discuss potential factors affecting any additional increase beyond COLA as determined by the Board in its discretion.

### **REVIEW**

Approved March 5, 2020 by the board.

Reviewed Exec Committee 10/26/2020; out for Board review through consent agenda Board Meeting 11/2/20