

Code of Conduct

Our mission is to [_____]. In carrying out our work, we are guided by our core values: [_____]. This Code of Conduct is designed to help us live our values, in the community and in the workplace. It reflects our commitment to the highest standards of ethical and legal behavior. We expect our team to act in accordance with these standards:

We comply with law.

We comply with law, including the laws governing nonprofit organizations and workplace behavior. We understand that, as a charity, we operate exclusively for public benefit and not for private purposes, and we are subject to stringent rules relating to conflicts of interest and political activities.

We respect privacy and confidentiality.

We have access to sensitive and proprietary information about our clients, donors, grantees, partners, volunteers, employees, marketing plans, strategies, and technical matters. We do not disclose or use that information except as appropriate in our work, and we comply with applicable privacy laws.

We manage our resources prudently.

We protect our assets, both physical and intellectual, and use them only for charitable purposes in line with our mission of advancing community health and wellness. We don't use the [_____] name, reputation, or other property for our own or other's personal financial benefit, or let our personal interests cloud our decisions.

We work respectfully and collaboratively.

We maintain a productive and diverse work environment intended to foster teamwork, ongoing learning, and creativity. We appreciate the contributions of all. We work cooperatively and respectfully, acting with courtesy and tact in all our interactions with clients, grantees, partners, donors, volunteers, members of the public, and colleagues.

We carry out our organizational policies.

We comply with our organizational policies, including those relating to non-discrimination, workplace conduct, conflicts of interest, use of assets, financial reporting, and social media.

We speak up and hold ourselves accountable.

We pay attention to our conduct and honestly report internal activities that may be unethical or violate law or policy. We address concerns promptly and prohibit retaliation against those who raise issues and hold us accountable.

We look to our values in making decisions.

We recognize that not every situation we face in the workplace is covered by a law or policy. We expect ourselves to always be guided by the standards set out in this Code of Conduct, and by our values, in making decisions, taking actions, and interacting with others.

This Code of Conduct does not replace existing policies. For specific policies and more information on the topics covered in this Code, refer to the Employee Handbook, the Human Resources Policies, and/or Departmental Policies.

Note: This document does not reflect or constitute legal advice. This is a sample made available by the Organizations and Transactions Clinic at Stanford Law School on the basis set out at nonprofitdocuments.law.stanford.edu. Your use of this document does not create an attorney-client relationship with the Clinic or any of its lawyers or students.

* * * * *

Employee Certification

I have read and accept the Code of Conduct for work at [_____]. I understand that my violation of the Code of Conduct may lead to appropriate disciplinary action, up to and including termination.

Signature: _____

Print Name: _____ Date: _____



**NATIONAL COUNCIL OF
NONPROFITS**

National voice. State focus. Local impact.

Sample Whistleblower Protection Policy

{Organization's name} requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the {Organization's name}, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that {Organization's name} can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of {Organization's name}'s code of ethics or suspected violations of law or regulations that govern {Organization's name}'s operations.

No Retaliation

It is contrary to the values of {Organization's name} for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of {Organization's name}. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Reporting Procedure

{Organization's name} has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with [insert here another title, such as Executive Director, or a board member, if the organization is very small and involving the board would be appropriate]. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the {Organization's name}'s [Compliance Officer] [or designated employee or board member], who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to their supervisor or the Executive Director or the organization's Compliance Officer [or other designated person].

Compliance Officer [or other title that is appropriate for your organization]

The {Organization's name}'s [Compliance Officer] is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The Compliance Officer will advise the [Executive Director and/or the Board of Directors] of all complaints and their resolution and will report at least annually to the [Treasurer/Chair of the Finance Committee/Audit Committee] on compliance activity relating to accounting or alleged financial improprieties.

Accounting and Auditing Matters

The {Organization's name}'s [Compliance Officer] shall immediately notify the Audit Committee/Finance Committee of any concerns or complaint regarding corporate accounting practices, internal controls or auditing and work with the committee until the matter is resolved.

Copyright ©2010 National Council of Nonprofits

This information is for educational and informational purposes only and should not be considered legal or other professional advice for specific matters. Prior to adopting this sample document for their own use, nonprofits should seek the advice of their own professional advisors.

Acting in Good Faith

Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The {Organization's name}'s [Compliance Officer] will notify the person who submitted a complaint and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Compliance Officer: * {Note: The Compliance Officer may be a board member, the Executive Director, or a third party designated by the organization to receive, investigate and respond to complaints.}

{Name}

{Title/Organization}

{Contact information}

Policy approved by the Board of Directors on {Date}.

Sample Informal Conflict of Interest Policy:

The standard of behavior at the ____ Organization is that all staff, volunteers, and board members scrupulously avoid conflicts of interest between the interests of the ____ Organization on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

I understand that the purposes of this policy are to protect the integrity of the ____ Organization's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputations of volunteers, staff, and board members. Upon or before election, hiring, or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

In the course of meetings or activities, I will disclose any interests in a transaction or decision where I (including my business or other nonprofit affiliations), my family, and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I understand that this policy is meant to supplement good judgment, and I will respect its spirit as well as its wording.

Signed:

Date:

The distinctive characteristics of this Conflicts Policy include its breadth (conflicts are not limited to economic matters) and reach (the Policy extends to officers and employees, as well as to directors). Note that it also contains a remedies section, adding teeth (VII).

CONFLICT OF INTEREST POLICY

COMPASSPOINT

I. Purpose

CompassPoint encourages the active involvement of its directors, officers, and employees in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, CompassPoint adopts the following Conflict of Interest Policy.

II. Policy

Directors, officers, and employees are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a director or employee and those of CompassPoint. A conflict of interest exists when the loyalties or actions of a director, officer, or employee are divided between the interests of CompassPoint and the interest of the director, officer, or employee. Both the fact and the appearance of a conflict of interest should be avoided.

III. Definitions

Affiliated, affiliation includes all direct and indirect financial interests between a director, officer, or employee and a person with whom CompassPoint is considering entering into any transaction. It also includes any other interest that may influence the judgment of a director, officer or employee. An objective test is applied to determine whether an affiliation exists between the director or employee and the other person: whether the involvement or relationship of the director, officer, or employee with the other person is such that it reduces the likelihood that the director, officer, or employee can act in the best interests of CompassPoint.

Person means any individual, trust, estate, partnership, association, company or corporation.

Substantial influence over CompassPoint. The following persons are deemed to have substantial influence over CompassPoint: each member of the Board of Directors; the officers of CompassPoint, and such persons' spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters and the spouses of the children, grandchildren, great grandchildren, brothers and sisters; and an entity in which such persons hold more than 35 percent of the control. Furthermore, any person who met one of these definitions in the five years before the proposed transaction is deemed, for purposes of this Policy, to have substantial influence over CompassPoint.

IV. Procedures

Duty to Disclose

Each employee shall disclose to the Chief Executive Officer all material facts regarding the affiliation of such employee with any person with whom CompassPoint is considering entering a transaction. The employee shall make that disclosure promptly upon learning of the link between that person and transaction.

The Chief Executive Officer and any other person with substantial influence over CompassPoint shall disclose to the Board all material facts regarding his or her affiliation with any person with whom CompassPoint is considering entering a transaction. The Chief Executive Officer or person with substantial influence shall make that disclosure promptly upon learning of the link between that person and the transaction. If there is a question as to whether the employee has substantial influence over CompassPoint, the Chief Executive Officer shall present this issue to the Board of Directors, and the Board shall resolve the matter.

At any meeting of the Board at which a transaction involving an affiliated person will be considered, a director shall disclose to the members of the Board all material facts regarding the director's affiliation with any person with whom the Board is considering entering into any transaction.

Determining Whether a Conflict of Interest Exists

With regard to an employee without substantial influence over CompassPoint, the Chief Executive Officer shall determine whether a conflict of interest exists.

With regard to the Chief Executive Officer, or a person with substantial influence over CompassPoint, the Board shall determine if a conflict of interest exists.

After an affiliation disclosure by a director at a Board meeting, the director shall leave the meeting while the implications of the affiliation are considered and voted upon. The remaining Board members shall determine if a conflict of interest exists.

Consequences of the Existence of a Conflict of Interest

With regard to an employee without substantial influence over CompassPoint, the Chief Executive Officer shall decide the appropriate response by CompassPoint once a conflict of interest has been determined to exist. An employee may appeal any adverse determination to the Board.

With regard to the Chief Executive Officer or a person with substantial influence over CompassPoint, the Board shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

In the case of a director, if it is determined that a conflict of interest exists, the director shall leave the meeting while the transaction is discussed and shall not vote on it. The remaining directors shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

V: Findings of the Board

If the Board of Directors determines that a person with substantial influence over CompassPoint (such person) has a conflict of interest with regard to a transaction of CompassPoint, CompassPoint may engage in the transaction only if the following conditions are met prior to the transaction:

- A. Such person shall disclose to the Board all material facts concerning the person's affiliation with the transaction.
- B. The Board shall review the material facts. The transaction may be approved only if a majority of the directors, not counting the vote of such person, concludes that:
 - (1) The proposed transaction is fair and reasonable to CompassPoint, and

- (2) CompassPoint proposes to engage in this transaction for its own purposes and benefits and not for the benefit of such person, and
- (3) The proposed transaction is the most beneficial arrangement which CompassPoint could obtain in the circumstances with reasonable efforts.

The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by such person and reviewed by the Chair of the Board.

VI: Annual Statements

Each person who is deemed to have substantial influence over CompassPoint shall sign an Annual Disclosure Statement which affirms that the person has received a copy of this Conflict of Interest Policy, has read and understood the Policy, and has agreed to comply with the Policy, and discloses any direct or indirect affiliations.

All Annual Disclosure Statements shall be submitted to the Secretary of CompassPoint and filed with the minutes of the first meeting of the Board of Directors held each year.

VII: Remedies

Any director who fails to comply with this Conflict of Interest Policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If an employee who is deemed to have substantial influence over CompassPoint fails to comply with this Conflict of Interest Policy, he or she may be put on notice or terminated, in the discretion of the Board of Directors. Any other employee who fails to comply with this Conflict of Interest Policy may be put on notice or terminated, in the discretion of the Chief Executive Officer.

VIII: Periodic Reviews

To ensure that CompassPoint operates in a manner consistent with its charitable purposes and its status as an organization exempt from federal income tax, the Board shall authorize and oversee a periodic review of the administration of this Conflict of Interest Policy. The review may be written or oral. The review shall consider the level of compliance with the Policy, the continuing suitability of the Policy, and whether the Policy should be modified and improved.

ANNUAL AFFIRMATION AND DISCLOSURE STATEMENT

COMPASSPOINT

The Conflict of Interest Policy of CompassPoint requires an annual affirmation that you have received, read, understand, and agree to comply with the Conflict of Interest Policy. In addition, the Policy requires that you annually disclose (1) your affiliations with any organization with which CompassPoint may have a financial relationship, and (2) persons with whom you have a close relationship (such as a family member or close companion) who are affiliated with any organization with which CompassPoint may have a financial relationship.

Please sign this Statement indicating your affirmation as described above. Please disclose, in addition, any applicable affiliations known to you.

Please return this Statement to the Chief Executive Officer of CompassPoint by January 31.

Your name: _____ Date: _____

Business/Organization Nature of Relationship Dates of Relationship

Reviewed by: _____

Date: _____

Sample Confidentiality Agreements for Information about Clients

NOTE: These samples are provided for educational purposes only and should not be considered legal or other professional advice. The National Council of Nonprofits encourages nonprofits to seek the advice of competent professional advisors prior to adopting this, or any template document.

SAMPLE #1

Confidentiality Policy for Employees, Volunteers and Board Members

Respecting the privacy of our clients, donors, members, staff, volunteers and of the [Name of Nonprofit] itself is a basic value of [Name of Nonprofit]. Personal and financial information is confidential and should not be disclosed or discussed with anyone without permission or authorization from the [executive director]. Care shall also be taken to ensure that unauthorized individuals do not overhear any discussion of confidential information and that documents containing confidential information are not left in the open or inadvertently shared.

Employees, volunteers and board members of [Name of Nonprofit] may be exposed to information which is confidential and/or privileged and proprietary in nature. It is the policy of [Name of Nonprofit] that such information must be kept confidential both during and after employment or volunteer service. Staff and volunteers, including board members, are expected to return materials containing privileged or confidential information at the time of separation from employment or expiration of service.

Unauthorized disclosure of confidential or privileged information is a serious violation of this policy and will subject the person(s) who made the unauthorized disclosure to appropriate discipline, including removal/dismissal.

SAMPLE #2

Confidentiality Policy

All information concerning clients, former clients, our staff, volunteers, and financial data, and business records of [Name of Nonprofit] is confidential. "Confidential" means that you are free to talk about [Name of Nonprofit] and about your program and your position, but you are not permitted to disclose clients' names or talk about them in ways that will make their identity known. No information may be released without appropriate authorization. This is a basic

component of client care and business ethics. The board of directors, staff and our clients rely on paid and volunteer staff to conform to this rule of confidentiality.

[Name of Nonprofit] expects you to respect the privacy of clients and to maintain their personal and financial information as confidential. All records dealing with specific clients must be treated as confidential. General information, policy statements or statistical material that is not identified with any individual or family is not classified as confidential. Staff members are responsible for maintaining the confidentiality of information relating to other staff members and volunteers, in addition to clients.

Failure to maintain confidentiality may result in termination of your employment, or other corrective action. This policy is intended to protect you as well as [Name of Nonprofit] because in extreme cases, violations of this policy also may result in personal liability.

Rationale

Confidentiality is the preservation of privileged information. By necessity personal and private information is disclosed in a professional working relationship. Part of what you learn is necessary to provide services to the applicant or client; other information is shared within the development of a helping, trusting relationship. Therefore, most information gained about individual clients through an assignment is confidential in terms of the law, and disclosure could make you legally liable. Disclosure could also damage your relationship with the client and make it difficult to help the person.

Before you begin your assignment as a staff member/volunteer, you should be aware of the laws and penalties for breaching confidentiality. Although the agency is liable for your acts within the scope of your duty, giving information to an unauthorized person could result in the agency's refusal to support you in the event of legal action. Violation of the state statutes regarding confidentiality of records is punishable upon conviction by fines or by imprisonment or by both.

Certification

I have read [Name of Nonprofit]'s policy on confidentiality and the Statement of Confidentiality presented above. I agree to abide by the requirements of the policy and inform my supervisor immediately if I believe any violation (unintentional or otherwise) of the policy has occurred. I understand that violation of this policy will lead to disciplinary action, up to and including termination of my service with [Name of Nonprofit].

Signature _____ Name _____ Date _____

SAMPLE #3

ACKNOWLEDGEMENT OF CONFIDENTIALITY OF CLIENT INFORMATION

I agree to treat as confidential all information about clients or former clients and their families that I learn during the performance of my duties as _____ (position title), and I understand that it would be a violation of policy to disclose such information to anyone without checking first with my supervisor.

Signature of Staff Member/Volunteer _____

Date _____ Name _____

SAMPLE #4

Confidentiality Policy

It is the policy of [Name of Nonprofit] that board members and employees of [Name of Nonprofit] will not disclose confidential information belonging to, or obtained through their affiliation with [Name of Nonprofit] to any person, including their relatives, friends, and business and professional associates, unless [Name of Nonprofit] has authorized disclosure. This policy is not intended to prevent disclosure where disclosure is required by law.

Board members, volunteers and employees are cautioned to demonstrate professionalism, good judgment, and care to avoid unauthorized or inadvertent disclosures of confidential information and should, for example, refrain from leaving confidential information contained in documents or on computer screens in plain view.

Upon separation of employment and at the end of a board member's term, he or she shall return, all documents, papers, and other materials, that may contain confidential information.

Failure to adhere to this policy will result in discipline, up to and including separation of employment or service with [Name of Nonprofit].



THE CBO CENTER

Document Destruction and Retention Policy

Purpose

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by The CBO Center in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate THE CBO CENTER's operations by promoting efficiency and freeing up valuable storage space.

Document Retention

THE CBO CENTER follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

Corporate Records

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

Accounting and Corporate Tax Records

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
IRS Form 990 Tax Returns	Permanent
General Ledgers	7 years



THE CBO CENTER

Business Expense Records	7 years
IRS Form 1099	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records (books)	5 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years
Credit Card Receipts	3 years

Bank Records

Check Registers	7 years
Bank Deposit Slips	7 years
Bank Statement and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

Payroll and Employment Tax Records

Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax Returns	7 years
W-2 Statements	7 years

Employee Records

Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion or Discharge	7 years after termination
Accident Reports and Worker's Compensation Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Cards	2 years

Donor and Grant Records

Donor Records and Acknowledgment Letters	7 years
--	---------



THE CBO CENTER

Grant Applications and Contracts

7 years after completion

Legal, Insurance, and Safety Records

Appraisals

Permanent

Copyright Registrations

Permanent

Environmental Studies

Permanent

Insurance Policies

Permanent

Real Estate Documents

Permanent

Stock and Bond Records

Permanent

Trademark Registrations

Permanent

Leases

6 years after expiration

OSHA Documents

5 years

General Contracts

3 years after termination

Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

Emergency Planning

THE CBO CENTER's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping THE CBO CENTER operating in an emergency will be duplicated or backed up at least every week and maintained off-site.

Document Destruction

THE CBO CENTER's manager of operations is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Compliance

Failure on the part of employees to follow this policy can result in possible civil and



THE CBO CENTER

criminal sanctions against THE CBO CENTER and its employees and possible disciplinary action against responsible individuals. The manager of operations and finance committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

SAMPLE

Compensation Review Policy

1. Purpose

Client adopted this Compensation Review Policy (“Policy”) to facilitate compliance with California and federal law relating to compensation of senior management of nonprofit organizations and in accordance with best practices. Client’s Board of Directors (“Board”) will follow the requirements set out in this Policy with respect to review and approval of senior management compensation.

.....

2. Individuals covered by this policy

Individuals subject to this Policy (“Covered Individuals”) are:

- **Top management official.** The person who has ultimate responsibility for implementing Board decisions or for supervising Client’s management, administration or operations, such as the chief executive officer or executive director.
 - **Officers.** Persons elected or appointed to manage Client’s daily operations at any time during the tax year, such as the chair, vice-chair, president, vice-president, secretary, treasurer (including the top management official) and the chief financial official with the ultimate responsibility for managing Client’s finances, even if those persons are not elected officers under Client’s Bylaws.
 - **Key employees.** Other persons, if any, who are considered “key employees” for purposes of IRS Form 990 reporting.
-

3. Procedures for reviewing compensation

3.1 Standards

The Board will approve the compensation of Covered Individuals only if the compensation is just and reasonable.

3.2 Delegation

The Board may delegate its review and approval authority, generally or in specific cases, to a committee of the Board composed entirely of individuals who do not have a conflict of interest with respect to the relevant compensation arrangement. Any such committee will follow the process set out in this Policy. The Board and any such committee may consult with and obtain recommendations from the Board Chair, other directors, independent consultants, and management in making its decisions.

3.3 Impartial decision makers

The compensation arrangement must be approved by the Board, or a committee of the Board so delegated in accordance with this Policy, before Client makes any payments. A member of the Board or a committee of the Board is considered impartial, and does not have a conflict of interest, if he or she:

- is not benefitting from or participating in the compensation arrangement, and is not a family member of the Covered Individual;
- is not in an employment relationship subject to the direction or control of any person benefitting from or participating in the compensation arrangement;
- does not receive compensation or other payments subject to the approval of any person benefitting from or participating in the compensation arrangement;

Note: This document does not reflect or constitute legal advice. This is a sample made available by the Organizations and Transactions Clinic at Stanford Law School on the basis set out at nonprofitdocuments.law.stanford.edu. Your use of this document does not create an attorney-client relationship with the Clinic or any of its lawyers or students.

- has no material financial interest affected by the compensation arrangement; and
- does not approve a transaction providing economic benefits to any person participating in the compensation arrangement, who in turn has approved or will approve a transaction providing economic benefits to the member of the Board or committee.

3.4 Comparability data

The Board will consider comparability data that demonstrate the fair market value of the compensation in question. These data may include the following:

- compensation paid by similarly situated nonprofit and for-profit organizations for comparable positions;
- availability of similar services in Client’s geographic area;
- current compensation surveys compiled by independent firms; and
- written offers from similar organizations competing for the Covered Individual’s services.

The Board may take such other review actions as it believes appropriate under then-applicable federal tax, state law, and best practice principles.

3.5 Documentation

The Board will document how it reached its decisions, including the data on which it relied. Documentation such as meeting minutes should note:

- terms of the compensation and the date it was approved;
- Board members who were present during the meeting and those members who voted;
- comparability data obtained and relied upon and how the data were obtained;
- any actions taken with respect to consideration of the compensation by anyone who is otherwise a Board member but who had a conflict of interest with respect to the decision;
- recommendations received from consultants, if any; and
- if the compensation is higher or lower than the range of the comparability data, the basis for the decision.

.....

4. CEO and Treasurer review; state law requirement

In addition to the requirements of this Policy applicable to all Covered Individuals, the Board will review the compensation of the CEO and Treasurer (and of other individuals, regardless of title, with responsibilities comparable to the president, chief executive officer, treasurer, or chief financial officer, including the person who has ultimate responsibility for managing Client’s finances) upon: (a) hiring; (b) whenever the term of employment, if any, is renewed or extended; or (c) whenever the compensation is modified, unless the modification extends to substantially all of Client’s employees, all as required by California law.

.....

5. Amendment

The Board may amend this Policy at any time.