

# Executive Compensation and the New 990

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# Executive Compensation

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# Exec's salary becomes a funding problem: county deemed the boss was getting paid too much.

- There was no shortage of cuts when the Montgomery County, Md., budget was adopted this past May, but in a \$4.4-billion budget, \$55,000 sure did get a lot of attention
- Among the budget cuts was \$55,000 initially proposed for Food & Friends



The \$357,447 salary of Food & Friends Executive Director, Craig Shniderman, caught the attention of Montgomery County Councilman, George Leventhal, during the discretionary grant application process.

New to this year's applications was the inclusion of the Executive Director's salary. Food & Friends, which had \$7.6 million in revenue during 2007, sought \$20,000 as a grant. Leventhal said only a few applications had salaries surpassing \$200,000, much less \$300,000.



D & FRIENDS, .INC..

52-16

990 Part V-A - List of Current Officers, Directors, Trustees and Key Employees Statement

and Address	Title and Avg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Exp Acc
M. SHNIDERMAN IGGS RD, NE NGTON, DC 20011	EXEC DIRECTOR 50.00	270,290.	87,157.	
T P. HALL III IGGS RD, NE NGTON, DC 20011	PRESIDENT 10.00	0.	0.	
TOPHER WOLF, ESQ. IGGS RD, NE NGTON, DC 20011	FIRST VICE PRESIDENT 5.00	0.	0.	

# TO STAND UP TO SCRUTINY

- Board Needs to Set-up a Compensation Committee



# Board Needs to Set-up a Compensation Committee

- This can be delegated to Finance Committee, Personnel Committee, or Executive Committee
- Or a special ad hoc committee can be formed
- A dedicated committee is often better able to devote the time and attention that executive compensation matters require
- Needs a formal delegation of authority from the board - **PUT IT IN THE MINUTES!**



# TO STAND UP TO SCRUTINY

- Board Needs to Set-up a Compensation Committee
- Adopt a Comprehensive Conflicts of Interest Policy
- Adopt a Compensation Policy





# Compensation Policy

- The policy of Better Nonprofits is to provide compensation for the Executive Director that is fair, reasonable, and consistent with compensation paid in the nonprofit sector for a position of comparable complexity and responsibility
- The goal of this policy is to recruit and retain high-performing employees and to motivate, recognize, and reward excellent performance
- Salaries will be set at least 90% of the average prevailing wage, but no more than 125%



# TO STAND UP TO SCRUTINY

- Board Needs to Set-up a Compensation Committee
- Adopt a Comprehensive Conflicts of Interest Policy
- Adopt a Compensation Policy
- Use Appropriate Comparability Data



# Comparability Data

- Guidestar

[www.guidestar.org](http://www.guidestar.org)

- State of Maryland

<http://compnet.comp.state.md.us/Central Payroll Bureau/CPB Static Files/standardsalaryscale.pdf>

- County Data



# Guidestar and the 990

The screenshot shows the GuideStar website homepage in an Internet Explorer browser window. The browser's address bar displays the URL <http://www2.guidestar.org/Home.aspx>. The page features the GuideStar logo (a blue starburst) and a navigation menu with links for Home, Products, My Account, About Us, Contact Us, News, and Blogs. A personalized greeting reads "Welcome Nancy Hall!" with a "Logout" link. Below this are three main action buttons: "Analyze Nonprofit Data", "Give to Charity", and "Update Nonprofit Report". The central banner image shows a hand holding a starfish against a blue sky, with the text "Trusted nonprofit information. Confident decisions." To the left of the banner are three blue buttons: "Get Nonprofit Data the Way You Want It", "Make an Informed Giving Decision", and "Tell About Your Organization's Good Work". On the right side of the banner is a search bar labeled "Search GuideStar" with a dropdown menu set to "Nonprofit Search" and a search input field. The Windows taskbar at the bottom shows various open applications like iTunes, Microsoft Office, and Internet Explorer, along with the system clock showing 9:27 AM.



http://www.guidestar.org/FinDocuments//2008/520/595/2008-520595110-05105a61-9.pdf

1 / 65 118% Find

**efile GRAPHIC print - DO NOT PROCESS** | **As Filed Data -** | **DLN: 9**

Form **990**  
 Department of the Treasury  
 Internal Revenue Service

# Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2007 calendar year, or tax year beginning 07-01-2007 and ending 06-30-2008**

- B** Check if applicable
- Address change
  - Name change
  - Initial return
  - Final return
  - Amended return
  - Application pending

<b>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C</b> Name of organization JOHNS HOPKINS UNIVERSITY	
	Number and street (or P O box if mail is not delivered to street address) 1101 EAST 33RD STREET No D200	Room/suite
	City or town, state or country, and ZIP + 4 BALTIMORE, MD 21218	

**D** Employer identification number  
52-0595110

**E** Telephone number  
(443) 997-8

**F** Accounting method  
 Other (specify)

◆ **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

**G Web site:** ▶ WWW JHU EDU

**J Organization type** (check only one) ▶  501(c) (3) ◀ (insert no )  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are

**H and I are not applicable to section 527 organizations.**

**H(a)** Is this a group return for a group of organizations?

**H(b)** If "Yes" enter number of organizations included.

**H(c)** Are all affiliates included? (If "No," attach a list See instructions.)

**H(d)** Is this a separate return for an organization not covered by a group filing?

EIN: 52-0595110

Name: JOHNS HOPKINS UNIVERSITY

**Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) account allo
KRISTINA m JOHNSON 1101 E 33RD ST SUITE D200 BALTIMORE, MD 21218	PROV SR VP ACADEMIC AFFAIRS 40 00	375,392	140,150	
YASH P GUPTA 1101 E 33RD ST SUITE D200 BALTIMORE, MD 21218	DEAN CAREY SCHOOL BUSINESS 40 00	210,371	62,515	
william r brody SEE STATEMENT 23 1101 e 33rd street suite d200 baltimore, MD 21218	president 40 00	950,352	155,481	
james t mcgill 1101 e 33rd street suite d200 baltimore, MD 21218	senior vice pres admin 40 00	533,463	127,480	
edward d miller jr SEE STMT 23 1101 e 33rd street suite d200 baltimore, MD 21218	vpdean medical faculty 40 00	896,906	468,932	
paula p burger 1101 e 33rd street suite d200 baltimore, MD 21218	vice prov acad affairs 40 00	193,261	61,119	
nicholas p jones 1101 e 33rd street suite d200	dean whiting sch engin	325,520	85,936	

**SCHEDULE A  
(Form 990 or  
990EZ)**

Department of the  
Treasury  
Internal Revenue  
Service

Name of the organization  
JOHNS HOPKINS UNIVERSITY

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information—(See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB N

20

Employer identification n

52-0595110

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and T**

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Other compensation
HENRY BREM 1101 e 33rd street suite d200 baltimore, MD 21218	professorDIRECTOR 40 00	916,522	188,086	
paul david sponseller 1101 e 33rd street suite d200 baltimore, MD 21218	professor 40 00	932,537	117,379	
WALTER J STARK 1101 e 33rd street suite d200 baltimore, MD 21218	professor 40 00	900,571	112,072	
ZIYA GOKASLAN 1101 e 33rd street suite d200 baltimore, MD 21218	PROFESSOR 40 00	810,349	108,743	
PETER MCDONNELL 1101 e 33rd street suite d200 baltimore, MD 21218	PROFESSORCHAIRMAN 40 00	731,730	162,125	

# Executive Director's Salaries by County

- See handout





# State of Maryland

The screenshot shows a web browser window displaying the website of the Comptroller of Maryland. The page title is "Salary Scales" and the URL is "http://compnet.comp.state.md.us/Central\_Payroll\_Bureau/General\_Information/Salary\_Scales/". The website header features the text "SPOTLIGHT ON THE COMPTROLLER OF MARYLAND" and a navigation menu with items: Maryland Taxes, Maryland Money, Comptroller of Maryland, Media Services, Online Services, Search, and Home. Below the header, there are links for "Media Services", "Agency Services", and "Office of the Comptroller". The main content area is titled "Salary Scales" and includes the text "Effective September 23, 2009, Fiscal Year 2010:" followed by a bulleted list of links: "Standard temporary salary scale effective 9/23/09 through 6/29/10", "Temporary hourly scales effective 9/23/09 through 6/29/10", and "Other temporary scales effective 9/23/09 through 6/29/10". Below this, there is an "Archives:" section with a bulleted list of links: "Standard salary scales FY 2010", "Hourly scales FY 2010", "Other FY 2010 pay scales", "Standard salary scales FY 2009", and "Hourly Scales FY 2009". The left sidebar contains several sections: "Agency Services Home", "State Employees" (with sub-links for News and Information, Savings Bonds, Direct Deposit, Withholding Form Information, and more), "Payroll Officers" (with sub-links for News and Information, Advanced payroll notices, Fiscal Year End, Employer Paid Subsidies, and more), "General Information" (with sub-links for Payroll Schedules, Salary Scales, Forms, POSC Electronic Flyer, and more), and "Online Services". The Windows taskbar at the bottom shows several open applications, including iTunes, Micro..., HB Financi..., EXECUTIVE..., WT\_colors..., and Inbox - Mi..., along with the system clock showing 8:51 AM.

Salary Scales - Internet Explorer provided by Dell  
http://compnet.comp.state.md.us/Central\_Payroll\_Bureau/General\_Information/Salary\_Scales/  
sample nonprofit compensation policy

SPOTLIGHT ON THE COMPTROLLER OF MARYLAND

Maryland Taxes | Maryland Money | Comptroller of Maryland | Media Services | Online Services | Search | Home

Media Services | Agency Services | Office of the Comptroller

## Salary Scales

Effective September 23, 2009, Fiscal Year 2010:

- [Standard temporary salary scale effective 9/23/09 through 6/29/10](#)
- [Temporary hourly scales effective 9/23/09 through 6/29/10](#)
- [Other temporary scales effective 9/23/09 through 6/29/10](#)

Archives:

- [Standard salary scales FY 2010](#)
- [Hourly scales FY 2010](#)
- [Other FY 2010 pay scales](#)
- [Standard salary scales FY 2009](#)
- [Hourly Scales FY 2009](#)

**Agency Services Home**

**State Employees**

- [News and Information](#)
- [Savings Bonds](#)
- [Direct Deposit](#)
- [Withholding Form Information](#)
- [more](#)

**Payroll Officers**

- [News and Information](#)
- [Advanced payroll notices](#)
- [Fiscal Year End](#)
- [Employer Paid Subsidies](#)
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**General Information**

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**Online Services**



http://compnet.comp.state.md.us/Central\_Payroll\_Bureau/CPB\_Static\_Files/standardsalaryscale.pdf

1 / 1 100% Find

**STATE OF MARYLAND STANDARD  
TEMPORARY SALARY REDUCTION SCHEDULE  
Fiscal Year 2010 - Annual Rates Effective September 23, 2009**

GRADE	BASE	STEP	STEP	STEP	STEP	STEP	STEP	STEP	STEP	MID POINT STEP	STEP	STEP	STEP	STEP	STEP	THIRD QUAR TILE STEP
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
5	\$20,871 800.54	\$21,580 827.73	\$22,318 856.04	\$23,085 885.46	\$23,883 916.07	\$24,712 947.86	\$25,144 964.43	\$25,583 981.27	\$26,033 998.53	\$26,490 1,016.06	\$26,957 1,033.97	\$27,434 1,052.27	\$27,918 1,070.83	\$28,415 1,089.90	\$28,920 1,109.27	\$29,435 1,129.02
6	\$22,112 848.14	\$22,871 877.25	\$23,658 907.44	\$24,481 939.00	\$25,333 971.68	\$26,220 1,005.70	\$26,683 1,023.46	\$27,153 1,041.49	\$27,635 1,059.98	\$28,123 1,078.70	\$28,624 1,097.91	\$29,134 1,117.47	\$29,654 1,137.42	\$30,183 1,157.71	\$30,724 1,178.46	\$31,278 1,199.63
7	\$23,440 899.07	\$24,252 930.22	\$25,098 962.59	\$25,975 996.31	\$26,889 1,031.36	\$27,840 1,067.84	\$28,331 1,086.67	\$28,835 1,106.01	\$29,360 1,125.76	\$29,874 1,145.86	\$30,409 1,166.38	\$30,955 1,187.32	\$31,510 1,208.61	\$32,078 1,230.32	\$32,657 1,252.60	\$33,248 1,275.19
8	\$24,861 953.58	\$25,731 986.95	\$26,633 1,021.54	\$27,573 1,057.60	\$28,550 1,095.07	\$29,566 1,134.04	\$30,094 1,154.30	\$30,633 1,174.97	\$31,182 1,196.03	\$31,743 1,217.54	\$32,315 1,239.48	\$32,899 1,261.88	\$33,494 1,284.71	\$34,100 1,307.95	\$34,721 1,331.77	\$35,352 1,355.97
9	\$26,382 1,011.92	\$27,311 1,047.55	\$28,277 1,084.60	\$29,283 1,123.19	\$30,329 1,163.31	\$31,417 1,205.04	\$31,981 1,226.67	\$32,559 1,248.84	\$33,146 1,271.36	\$33,747 1,294.41	\$34,358 1,317.85	\$34,984 1,341.86	\$35,620 1,366.25	\$36,268 1,391.11	\$36,933 1,416.61	\$37,608 1,442.50
10	\$28,008 1,074.28	\$29,003 1,112.45	\$30,037 1,152.11	\$31,114 1,193.42	\$32,233 1,236.34	\$33,395 1,280.91	\$34,001 1,304.15	\$34,617 1,327.78	\$35,247 1,351.94	\$35,890 1,376.61	\$36,545 1,401.73	\$37,213 1,427.35	\$37,894 1,453.47	\$38,590 1,480.17	\$39,297 1,507.29	\$39,615 1,519.48
11	\$29,747 1,140.99	\$30,813 1,181.87	\$31,919 1,224.30	\$33,071 1,268.48	\$34,267 1,314.36	\$35,512 1,362.11	\$36,160 1,386.96	\$36,821 1,412.32	\$37,495 1,438.17	\$38,182 1,464.52	\$38,881 1,491.33	\$39,195 1,503.37	\$39,916 1,531.03	\$40,852 1,559.26	\$41,403 1,588.07	\$42,170 1,617.48
12	\$31,810 1,212.44	\$32,749 1,256.13	\$33,934 1,301.58	\$35,165 1,348.80	\$36,447 1,397.97	\$37,779 1,449.06	\$38,471 1,475.61	\$39,177 1,502.68	\$39,494 1,514.84	\$40,219 1,542.65	\$40,963 1,571.19	\$41,720 1,600.22	\$42,492 1,629.84	\$43,280 1,660.06	\$44,083 1,690.86	\$44,904 1,722.35
13	\$33,802 1,288.85	\$34,821 1,335.61	\$36,090 1,384.28	\$37,408 1,434.83	\$38,775 1,487.27	\$39,794 1,526.35	\$40,528 1,554.50	\$41,275 1,583.16	\$42,041 1,612.54	\$42,820 1,642.42	\$43,613 1,672.83	\$44,421 1,703.82	\$45,248 1,735.54	\$46,091 1,767.88	\$46,958 1,801.13	\$47,853 1,835.46
14	\$35,736 1,370.70	\$37,039 1,420.68	\$38,397 1,472.77	\$39,401 1,511.28	\$40,852 1,566.93	\$42,362 1,624.85	\$43,148 1,655.00	\$43,948 1,685.68	\$44,767 1,717.10	\$45,600 1,749.05	\$46,449 1,781.61	\$47,330 1,815.40	\$48,232 1,850.00	\$49,154 1,885.36	\$50,091 1,921.30	\$51,048 1,958.01
15	\$38,016 1,458.15	\$39,013 1,496.39	\$40,448 1,551.44	\$41,941 1,608.70	\$43,495 1,668.31	\$45,112 1,730.33	\$45,951 1,762.51	\$46,812 1,795.53	\$47,705 1,829.79	\$48,613 1,864.61	\$49,541 1,900.21	\$50,487 1,936.49	\$51,451 1,973.47	\$52,436 2,011.25	\$53,439 2,049.72	\$54,463 2,089.00
16	\$40,048 1,536.09	\$41,526 1,592.78	\$43,064 1,651.77	\$44,661 1,713.03	\$46,324 1,776.82	\$48,081 1,844.21	\$48,999 1,879.42	\$49,934 1,915.28	\$50,888 1,951.87	\$51,860 1,989.16	\$52,852 2,027.21	\$53,864 2,066.02	\$54,899 2,105.72	\$55,952 2,146.11	\$57,025 2,187.27	\$58,119 2,229.23



# DEPARTMENT OF BUDGET AND MANAGEMENT

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## Maryland State Careers – Explore the Possibilities

Rewarding careers in public service start here. If you are looking for a career where your work truly matters, we invite you to explore the numerous open positions that serve the public good. Maryland State employees serve more than 5 million state residents through a wide variety of occupations.

The menu selections to the left will guide you to information you need for seeking employment with the State of Maryland. If the information for which you are searching is not in this space, please contact us at [marylandgov@doit.state.md.us](mailto:marylandgov@doit.state.md.us).





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## Search Job Specs



Search Now:

This special search feature is very easy to use - - - to locate a job description, just type in your search criterion a class code will bring the best results, but the following tips will help you understand how this search feature works.

- **Job Specifications are NOT the same as bulletins or job announcements.** A job specification is a document that describes the requirements for a job in State service. The fact that you can find a job specification does NOT mean that there are any current job openings. For more information on what jobs are currently being recruited for, please go to the "[Current Recruitments](#)" page.
- **The most efficient way to search for a specific job class is by searching for its Class Code.** Each job class is identified by a unique code called a "Class Code". The class code is unique to each job class. If you know the right code for a job class, you can find the job class document. You won't have to look at a long list of documents to find the right one.
- If you need to look up the Class Code or salary for a job, you can view job class titles alphabetically in the "Job Class" section. The Salary Plan contains the correct official job title. Some job titles include abbreviations. If a job specification that has abbreviated words in its title, you should use those abbreviations, as they are in the specification.





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## Job Specifications Search Results

SPEC 0886 **ADMINISTRATOR VI**, 2586 **ADMINISTRATOR I**, 2587 **ADMINISTRATOR II**, 2588 **ADMINISTRATOR III**, 3184 **ADMINISTRATOR V**, 0939 **ADMINISTRATOR VII**  
**ADMINISTRATOR II** (2587) Grade 17 ... **ADMINISTRATOR III** (2588) Grade 18 ... **ADMINISTRATOR IV** (2586) Grade 19 ... **ADMINISTRATOR V** (3184) Grade 20 ... **ADMINISTRATOR VI** (0886) Grade 21

Last Modified - 5/18/2009

[\[View duplicates\]](#)

SPEC 0571 REVENUE **ADMINISTRATOR IV**, 2554 REVENUE **ADMINISTRATOR I**, 2555 REVENUE **ADMINISTRATOR II**, 3459 REVENUE **ADMINISTRATOR V**, 2550 REVENUE **ADMINISTRATOR III**, 2551 REVENUE **ADMINISTRATOR VI**, 2552 REVENUE **ADMINISTRATOR VII**  
REVENUE **ADMINISTRATOR II** (2555) ... REVENUE **ADMINISTRATOR III** (3458) ... REVENUE **ADMINISTRATOR IV** (0571) Grade 17 ... REVENUE **ADMINISTRATOR V** (3459) ... REVENUE **ADMINISTRATOR VI** (2550) Grade 18 ...

Last Modified - 5/18/2009

SPEC 1454 FOOD **ADMINISTRATOR I**, 1445 FOOD **ADMINISTRATOR II**, 1848 FOOD **ADMINISTRATOR III**, 1849 FOOD **ADMINISTRATOR IV**  
FOOD **ADMINISTRATOR II** (1445) ... FOOD **ADMINISTRATOR III** (1848) ... FOOD **ADMINISTRATOR IV** (1849) ...  
II, III, and IV are administrators of a dietary department food service program ... from the facility Administrator or other designated official

<u>ADMINISTRATOR I</u>	(2586)	Grade 16
<u>ADMINISTRATOR II</u>	(2587)	Grade 17
<u>ADMINISTRATOR III</u>	(2588)	Grade 18
<u>ADMINISTRATOR IV</u>	(2589)	Grade 19
<u>ADMINISTRATOR V</u>	(3184)	Grade 20
<u>ADMINISTRATOR VI</u>	(0886)	Grade 21
<u>ADMINISTRATOR VII</u>	(0939)	Grade 22

I. NATURE OF WORK:

Administrator I- VII encompasses the full performance to second line managerial levels of administrative staff work related to the administration of departmental policy and overseeing or coordinating agency operations or functioning as a special assistant to an executive. Employees engaged in overseeing or coordinating agency operations are responsible for planning, organizing, implementing, administering and supervising the interpretation and application of agency policies, directives and procedures designed to accomplish the mission of the agency. Employees functioning as special assistants to departmental executives are responsible for program or project review, development, evaluation and coordination. Employees overseeing or coordinating agency operations generally supervise staff which may be comprised of professional, technical, administrative or clerical workers.

Employees receive managerial or executive supervision from a higher-level administrator or executive.

# County Information

Internet Explorer provided by Dell

sample nonprofit compensation policy

1 / 6 62.6%

MONTGOMERY COUNTY SCHOOLS  
Hourly Classified Salary Schedule  
2008

YEARS OF EXPERIENCE

JOB TITLE	DAYS PER YEAR	HRS PER DAY	YEARS OF EXPERIENCE																														
			0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Custodian	258	8	8.69	8.85	9.00	9.17	9.30	9.48	9.62	9.77	9.96	10.10	10.28	10.40	10.56	10.74	10.89	11.02	11.20	11.35	11.53	11.70	11.82	11.98	12.14	12.31	12.47	12.60	12.80	12.93	13.10	13.27	13.41
Head Custodian	258	8	9.44	9.60	9.75	9.92	10.05	10.23	10.37	10.52	10.71	10.85	11.03	11.15	11.31	11.49	11.64	11.77	11.95	12.10	12.28	12.45	12.57	12.73	12.89	13.06	13.22	13.35	13.55	13.68	13.85	14.02	14.16
Maintenance Worker	258	8	10.83	10.94	11.05	11.15	11.27	11.38	11.49	11.61	11.73	11.84	11.96	12.08	12.20	12.32	12.54	12.68	12.85	12.95	13.11	13.21	13.35	13.49	13.63	13.77	13.90	14.02	14.15	14.28	14.41	14.54	14.67
Maintenance Supervisor	258	8	12.33	12.44	12.55	12.66	12.77	12.88	12.99	13.11	13.23	13.34	13.46	13.58	13.70	13.82	13.94	14.06	14.18	14.30	14.42	14.54	14.66	14.78	14.90	15.02	15.14	15.26	15.38	15.50	15.62	15.74	15.86
Maintenance HVAC Tech	258	8	11.83	11.94	12.05	12.16	12.27	12.38	12.49	12.61	12.73	12.84	12.96	13.08	13.20	13.32	13.44	13.56	13.68	13.80	13.92	14.04	14.16	14.28	14.40	14.52	14.64	14.76	14.88	15.00	15.12	15.24	15.36
General Farm Worker	Part Time	8.67	9.77	9.85	9.96	10.05	10.16	10.25	10.36	10.45	10.58	10.69	10.79	10.90	11.00	11.12	11.22	11.33	11.43	11.55	11.68	11.79	11.92	12.04	12.15	12.27	12.41	12.52	12.63	12.75	12.87	13.00	
Bus Driver, Asst. Mechanic	183/258	7/8	11.61	11.78	11.94	12.11	12.25	12.43	12.56	12.72	12.91	13.03	13.21	13.36	13.52	13.68	13.82	13.99	14.14	14.21	14.28	14.39	14.46	14.56	14.62	14.69	14.78	14.94	15.08	15.24	15.39	15.55	15.70
Driver/Trainer, Service Coord.	220	8	12.61	12.78	12.94	13.11	13.25	13.43	13.56	13.72	13.91	14.03	14.21	14.36	14.52	14.68	14.82	14.99	15.14	15.21	15.28	15.39	15.46	15.56	15.69	15.78	15.94	16.08	16.24	16.39	16.55	16.70	
Mechanic	258	8	12.98	13.20	14.02	14.73	15.41	16.12	16.38	16.50	16.63	17.07	17.28	17.45	17.61	17.79	17.94	18.08	18.25	18.39	18.58	18.71	18.88	19.04	19.20	19.35	19.49	19.68	19.82	20.02	20.19	20.37	20.58
Head Mechanic	258	8	14.08	14.80	15.52	16.23	16.91	17.62	17.88	18.10	18.33	18.57	18.78	18.96	19.11	19.29	19.44	19.58	19.75	19.89	20.08	20.21	20.38	20.54	20.70	20.85	20.99	21.18	21.32	21.52	21.69	21.87	22.08
Food Service	183	Very	8.45	8.60	8.79	8.95	9.13	9.30	9.50	9.66	9.80	10.07	10.22	10.38	10.54	10.71	10.83	10.99	11.16	11.32	11.44	11.60	11.77	11.93	12.09	12.22	12.41	12.54	12.67	12.86	13.02	13.11	13.25
Food Service Manager	184	Very	9.45	9.60	9.79	9.95	10.13	10.30	10.50	10.66	10.80	11.07	11.22	11.38	11.54	11.71	11.83	11.98	12.15	12.32	12.44	12.60	12.77	12.93	13.09	13.22	13.41	13.54	13.67	13.86	14.02	14.11	14.25
Secretary, Job Trainer	Very	Very	10.72	10.90	11.00	11.21	11.79	12.04	12.14	12.34	12.47	12.98	13.22	13.47	13.59	13.80	13.98	14.08	14.20	14.32	14.40	14.53	14.62	14.73	14.81	14.95	15.03	15.16	15.29	15.56	15.90	16.03	16.20
Program Assistant	Very	Very	12.98	13.22	13.84	14.45	15.09	15.74	16.34	16.50	16.67	16.84	17.04	17.15	17.31	17.49	17.64	17.82	17.98	18.12	18.27	18.42	18.61	18.75	18.91	19.07	19.22	19.38	19.54	19.70	19.85	20.01	20.21
General Aide, After School Care	Very	Very	8.29	8.47	8.58	8.76	9.35	9.59	9.69	9.91	10.02	10.14	10.78	11.02	11.16	11.37	11.54	11.65	11.77	11.87	11.97	12.09	12.17	12.28	12.41	12.52	12.60	12.70	12.83	12.93	13.04	13.18	13.31
Daycare Supervisor	Very	Very	9.29	9.47	9.58	9.76	10.35	10.59	10.69	10.91	11.02	11.14	11.78	12.02	12.15	12.37	12.54	12.65	12.77	12.87	12.97	13.09	13.17	13.28	13.41	13.52	13.60	13.70	13.83	13.93	14.04	14.18	14.31
Specialized Aide, Computer/Lab Asst.	Very	7	9.12	9.30	9.42	9.62	10.19	10.43	10.55	10.76	10.98	10.98	11.61	11.89	11.99	12.20	12.42	12.50	12.60	12.65	12.83	12.93	13.02	13.14	13.24	13.36	13.46	13.57	13.66	13.76	13.86	13.98	14.12
Elem. STI Clerk	187	7	9.62	9.80	9.92	10.12	10.69	10.93	11.05	11.26	11.38	11.48	12.11	12.39	12.49	12.70	12.92	13.00	13.10	13.15	13.33	13.43	13.52	13.64	13.74	13.86	13.96	14.07	14.15	14.26	14.36	14.46	14.62
Pre-Sch Hlth Svcs Coord/Mgmt Recruiter	Very	7	11.65	12.06	12.47	12.88	13.27	13.69	14.09	14.53	14.91	15.31	15.74	15.88	16.05	16.22	16.38	16.51	16.67	16.84	17.00	17.16	17.28	17.48	17.62	17.79	17.94	18.08	18.25	18.39	18.54	18.69	18.87
LPN	182	7	11.12	11.30	11.42	11.62	12.19	12.43	12.55	12.76	12.88	12.98	13.61	13.89	13.99	14.20	14.42	14.50	14.60	14.65	14.83	14.93	15.02	15.14	15.24	15.36	15.46	15.57	15.66	15.76	15.86	15.98	16.12
RN	182	7	13.12	13.30	13.42	13.62	14.19	14.43	14.55	14.76	14.88	14.98	15.61	15.89	15.99	16.20	16.42	16.50	16.60	16.65	16.83	16.93	17.02	17.14	17.24	17.36	17.46	17.57	17.66	17.76	17.86	17.98	18.12
Educational Interpreter I	182	7	15.21	15.36	15.52	15.68	15.84	16.00	16.15	16.32	16.49	16.67	16.84	17.01	17.18	17.37	17.55	17.74	17.92	17.97	18.15	18.36	18.55	18.75	18.95	19.15	19.36	19.57	19.78	19.99	20.20	20.42	20.59
Educational Interpreter II	182	7	21.80	22.02	22.34	22.46	22.69	22.92	23.15	23.38	23.61	23.85	24.09	24.33	24.57	24.82	25.06	25.31	25.57	25.82	26.08	26.34	26.61	26.87	27.14	27.41	27.68	27.96	28.24	28.52	28.81	29.10	29.39
Adult Education Instructor (4yr degree)	Very	Very	21.42	21.53	21.64	21.75	21.85	21.96	22.07	22.18	22.29	22.41	22.52	22.63	22.74	22.86	22.97	23.09	23.20	23.32	23.44	23.55	23.67	23.79	23.91	24.03	24.15	24.27	24.39	24.51	24.63	24.76	24.88
Maintenance Technician	258	8	15.00	15.15	15.30	15.45	15.61	15.77	15.92	16.08	16.24	16.41	16.57	16.74	16.90	17.07	17.24	17.41	17.59	17.76	17.94	18.12	18.30	18.49	18.67	18.86	19.05	19.24	19.43	19.62	19.82	20.02	20.22
Assistant Childcare Director	250	8.00	10.26	10.38	10.50	10.60	10.71	10.81	10.92	11.03	11.14	11.25	11.37	11.48	11.60	11.71	11.83	11.95	12.07	12.19	12.31	12.43	12.56	12.68	12.81	12.94	13.07	13.20	13.33	13.46	13.60	13.73	13.87

Adjustment back to 1% step to advance a step each year.

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# TO STAND UP TO SCRUTINY

- Board Needs to Set-up a Compensation Committee
- Adopt a Comprehensive Conflicts of Interest Policy
- Adopt a Compensation Policy
- Use Appropriate Comparability Data
- Assess All Components of Executive Compensation Relative to Comparable Organizations





# Components of Executive Compensation

- Benefits, individual health versus family coverage
- Contribution to 403(b)
- Life insurance
- Car
- Housing
- Low interest/no interest loans



# TO STAND UP TO SCRUTINY

- Board Needs to Set-up a Compensation Committee
- Adopt a Comprehensive Conflicts of Interest Policy
- Adopt a Compensation Policy
- Use Appropriate Comparability Data
- Assess All Components of Executive Compensation Relative to Comparable Organizations
- Have Full Board Approve Chief Executive's Compensation
- Adopt a Travel and Expense Reimbursement Policy
- When the Stakes are High, Obtain a Reasoned Opinion



# When the Stakes are High

- A reasoned opinion from a lawyer, certified public accountant, or compensation expert protects the board from incurring penalties for “knowingly” paying unreasonable compensation to a key employee or other insider
- A review can serve to discover and correct a weakness in analysis or documentation of the compensation process



# Rebuttable Presumption Procedures

- HUH?
- Treasury Regulations outline a process for public charities that, if followed, shifts the burden of proof to the IRS to prove that compensation is unreasonable
- IRS has published checklist
- If you do the above, you will have complied



## REBUTTABLE PRESUMPTION CHECKLIST

- Name of disqualified person: Norman Scott
- Position under consideration: Executive Director
- Duration of contract: 1 year
- Proposed Compensation:
  - Salary: \$120,000
  - Bonus: \$5,000
  - Deferred compensation: 5% employer contribution to 403(b)
  - Fringe benefits: health, dental, life \$12,000
  - Liability insurance premiums: 0
  - Forgone interest on loans: 0
  - Other: None
- Description of comparability data relied upon (e.g. association survey, phone inquiries, etc.)
- 990 data on [www.guidestar.org](http://www.guidestar.org) for salaries
- Phone calls to organizations for benefit data
- Sources and amounts of comparability data: See attached schedule
- Office or file where comparability data is kept: Human Resources Department at Headquarters office at 123 Main Street, Greenville, MD 21232
- Total proposed compensation: \$143,000
- Maximum total compensation per comparability data: \$172,000

- Compensation package approved by authorized body:
  - Salary: \$120,000
  - Bonus: \$5,000
  - Deferred compensation: 5% employer contribution to 403(b)
  - Fringe benefits: health, dental, life \$12,000
  - Liability insurance premiums: 0
  - Forgone interest on loans: 0
  - Other: None
- Date compensation approved by authorized body: July 15, 20XX
- Members of the authorized body present (indicate with X if voted in favor): X Mary Peters, X Jim Burns, X Steve Stewart, X Ann Smith, X Paul Somers, X Marc Wills, X Chuck Miller
- Comparability data relied upon by approving body and how data was obtained: Data gathered by Ann Smith who headed a compensation committee made up of Paul Somers and Marc Wills. Comparability data on attached spreadsheet
- Names of and actions (if any) by members of authorized body having conflict of interest. Michael Scott, brother of Executive Director, serves on the board of directors. Michael Scott excused himself from discussion on compensation of his brother.
- Date of preparation of this documentation (must be prepared by the later of the next meeting of authorized body, or 60 days after authorized body approved compensation): July 22, 20XX.
- Date of approval of this documentation by Board (must be within reasonable time after preparation of documentation above): August 20, 20XX.

	Our Organization		Comparable Organizations						
	Current	Proposed	ABC Corp	Best Group	Choice Agency	Devel Group	Excel Place	Fair Manor	Great Exp
Salary	110,000	120,000	106,587	71,609	148,613	78,454	78,688	197,280	72,568
Bonus	-	5,000	-	-					5,000
403(b)	5,500	6,000	3,198	2,148	8,917	3,138	-	11,837	1,451
Benefits	12,000	12,000	12,790	9,000	22,292	7,200	6,000	15,782	3,600
Total	127,500	143,000	122,575	82,757	179,822	88,792	84,688	224,899	82,619
Organization Budget	410,000	425,000	4,938,240	4,042,383	4,772,405	4,654,917	4,169,492	4,972,697	4,471,011
Years with organization	5	6	4	16	5	10	22	3	8
Degree	MA	MA	MA	No degree	MS	BA	BA	MBA	MS

Location: Baltimore City

All Baltimore City

Notes: Choice Agencies is growing at 10% each year for past three years.

Excel Place has lost \$500,000 in revenue in past two years.

Best Group ED will be retiring, per conversation with board member - replacement salary is \$125,000.

Salaries and Budgets gathered from Guidestar

Benefits and degree information gathered from phone calls



Questions?





# New 990 & Compensation Reporting

Sheila Eichelberger  
Tax Manager  
SB & Company, LLC  
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(410) 584-9300

# History

- Sony introduced the Walkman
- US embassy in Iran seized and embassy staff held hostage
- Saddam Hussein became President of Iraq
- Three Mile Island nuclear accident occurred – worst civilian nuclear accident in US history
- What do all of these things have in common?
- They all happened 30 years ago, just like the last time that there was a major revision to the Form 990



# Background

- IRS determined the old Form 990 was not keeping up with the changes in tax law and the IRS wanted to look more closely at tax-exempt:
  - Operations,
  - Fundraising, and
  - Compensation Practices
- IRS concluded that the old Form 990 did not meet the IRS's tax compliance interests or the transparency & accountability needs of the public served by not-for-profit organizations



# Background

- Three guiding principles followed during the revising of the Form 990:
  1. Enhance Transparency
  2. Promote Tax Compliance
  3. Minimize the Burden on Filing Organizations
- Emphasis on corporate governance and transparency



# Form 990 - Major Changes

- Form 990 is now primarily an activities report, rather than an accounting report – approximately  $\frac{3}{4}$  of information is nonfinancial
  - New section on governance (Part VI)
  - Expanded compensation reporting (Part VII)
  - New Schedule F for reporting of foreign activities and grants
  - New reporting on fundraising activities (Schedule G)
  - New reporting on non-cash gifts (Schedule M)
  - New filing thresholds for 990 & 990-EZ filers
    - \*(See: Filing Phase-In Slides)\*



# Form 990

- Similar financial reporting
- Expanded activity reporting
- What this means to you:
  - Provides opportunity for organizations to tell their story & emphasize their service to the community



# Form 990 - Overview

- Core Form (11 pages) + 16 Schedules
- Converts 2007 Form's "unstructured attachments" into 6 schedules (D, G, I, J, L, & N)
- Separates existing parts of the Form or Schedule A into 4 separate schedules (A, C, E, & R)
- Retains Schedule B, Schedule of Contributors, (essentially unchanged)
- Requires new information reported in 5 schedules (Schedules F, H, K, M, & O)



# Transition Period

- Redesigned form effective for 2008 tax year
  - “2008 tax year” begins in 2008, ends in 2008-09
  - 2007 form cannot be used for 2008 tax year, except for short years ending in 2008





# Filing Phase-In

- Because of concerns regarding increased reporting burdens, the IRS is phasing in the new form over a three-year period by allowing smaller organizations to file Form 990-EZ
  - 990-EZ is available for the 2008 tax year (usually filed in 2009) for most organizations with gross receipts less than \$1 million and total assets less than \$2.5 million
  - The threshold for the 2009 tax year is gross receipts less than \$500k and total assets less than \$1.25 million
  - The 2010 tax year and each year thereafter, the threshold is set at gross receipts less than \$200k and total assets less than \$500k



# Now that We Know the Major Changes...

- Let's focus on Compensation, Part VII of the Core Form 990 and Schedule J, as applicable



# Part VII, Compensation - Highlights

- In general, compensation to officers, directors, trustees and key employees must be reported in more detail
  - Compensation is reported on a calendar year in Part VII and Schedule J
    - Different from the Statement of Functional Expenses in Part IX
  - Officer is now defined to include “top financial official” and the “top management official”
  - Organizations that pay more than \$150,000 to an officer, director, trustee, or key employee or that have paid compensation to certain former officers, directors, trustees, or key employees must provide additional information on Schedule J



# Part VII, Compensation - Highlights

- List name, title, & compensation (from filing organization & related organization) of all organizations':
  - Current officers, directors, & trustees (whether compensated or not)
  - Current key employees
  - Current 5 highest compensated employees
  - Former officers, key employees, or highest compensated employees who received over \$100, 000 from organization & its related organizations
  - Former directors or trustees who received over \$10,000 from organization
  - Five highest compensated independent contractors compensated over \$100,000



# Part VII, Compensation - Highlights

- Key employee (“KE”) (other than an officer, director, or trustee) – Three-Prong Test:
  - *The \$150,000 Test*: had reportable compensation exceeding \$150,000 for the year;
  - *The Responsibility Test*: had or shared organization-wide control or influence similar to that of an officer, director, or trustee or managed or had authority or control over at least 10 percent of the organization’s activities; and
  - *The Top 20 Test*: were within that group of the organization’s top 20 highest paid employees for the year who satisfied both the \$150,000 test and the responsibility test.



# Part VII, Compensation - Highlights

- “Other Compensation” includes:
  - Non-taxable health & retirement plan benefits
  - Other types of benefits, if they exceed \$10,000 in value per year (housing allowance, company car, personal services)
  - Refer to the compensation table in the Form 990 instructions to determine what types of benefits need to be reported in Part VII & on Schedule J or email one of us & we can provide to you
- Management companies are reported as independent contractors
- All filers must complete Part VII of the Core Form 990



# Part VII, Compensation - Highlights

- Report compensation from related organizations
  - Report compensation from un-parent or subsidiary
  - Brother or sister
  - Supporting or supported organization
- Related organizations
  - For services rendered to the filing organization
  - There is a “Volunteer Exception”



# Schedule J, Compensation Info - Highlights

- Triggers for Filing:
  - Listing any former directors or trustees, officers, KEs, or highest compensation employees reported in Part VII table
  - Listing any person on Part VII table who received over \$150,000 in compensation during filing year
  - Listing any person on Part VII table who received compensation from an unrelated organization for services rendered to the filing organization





# Schedule J, Compensation Information - Part I

- Report fringes or expense amounts:
  - First class travel, including upgrades that cost the organization an additional amount
  - Discretionary spending account (not an accountable plan)
  - Personal services
- Substantiation of expense reimbursements
- Establishing compensation of executive director
- Report any compensation to persons listed in Part VII table that was contingent on:
  - Revenues or net earning of the organization
  - Revenue or net earnings of any related organization



# Schedule J, Compensation Information - Part II

- Report detailed compensation information for:
  - Former officers, directors, trustees, & key employees listed in Part VII compensation table
  - All persons listed in Part VII compensation table with compensation of over \$150,000
  - Any persons listed in Part VII compensation table who were given compensation by an unrelated organization for services provided to the organization
- Report deferred compensation



# Helpful Websites & Contact Information

- [www.IRS.gov/eo](http://www.IRS.gov/eo) - Forms, instructions, background and overview materials
- [www.StayExempt.org](http://www.StayExempt.org) – For audio mini-courses
- SB & Company, LLC
  - Monique Booker (410) 584-1403



# Questions?



# Preparation for 990 Completion

Monique Booker

Partner

SB & Company, LLC

[mbooker@sbandcompany.com](mailto:mbooker@sbandcompany.com)

(410) 584-1403

# Schedules to be Completed

- F-1 Statement of Functional Expenses (Auditor and client)
- F-2 Program Services and Accomplishments (Client)
- F-3 Fixed Assets & Gain/Loss on Disposals (Auditor and client)
- F-4 Notes Payable Detail (Auditor and client)
- F-5 Financial & Non-Financial Information (Client)
- F-6 Other Compliance Information (Client)
- F-7 Governance (Client)
- F-8 Policies & Procedures (Client)
- F-9 Disclosure (Client)
- F-10 Compensation (Client)
- F-11 Compensation Detail (Client)
- F-12 Contributors



# Part IX

# Statement of Functional Expenses

	(A) Total Expenses	(B) Program Services Expenses	(C) Management and General Expenses	(D) Fundraising Expenses
<b>11. Fees for services (non-employee)</b>				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
<b>13. Office expenses</b>				
<b>24. Other expenses: Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below).</b>				
a.				
b.				
c.				
d.				
e.				

# Program Services

1. State and describe your mission or exempt purpose
2. Did the Exempt Organization undertake any new or cease conducting any significant program services this year? If yes, please describe.
3. Describe in detail the program service accomplishments for each of your three largest program services measured by expenses. In the following table, please quantify wherever possible number of clients served, etc.











# Governance

1. Total number of voting members of the governing body?  
Number that are **independent**?

*All three of the following must apply:*

- Member was not compensated as an officer or other employee of the organization or related organization.
- Member did not receive total compensation or other payments exceeding \$10K from the organization or related organization during the organization's year.
- Neither the member or any family member of the member, was involved in transactions with the organization that would be reportable as transactions with interested persons.



# Governance

2. Does the EO have members or stockholders?
  - If “yes”, can they elect one or more members of the governing body?
  - Governing body member: person who serves on an organization’s governing body, including a director or trustee, but not if the person lacks voting power



# Governance

3. Did any trustee, director, officer, or key employee (TDOKE) have a family or business relationship with any other TDOKE?

Business relationships between 2 persons include any of the following:

- 1 person is employed by the other as a TDOKE or greater than 35% owner,
- 1 person is transacting business with the other in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of \$10k in aggregate during the organization's tax year,
- The 2 persons are each a TDOKE or greater than 10% owner in the same business or investment entity.



# Governance

4. Will a copy of Form 990 be provided to the organization's governing body before it is filed?

Describe the process to be used (if any) to review the Form 990.



# Policies and Procedures

1. Does the EO have written policies that have been adopted by the governing body for the following? If “Yes,” provide a copy.
  - a) Conflict of interest
  - b) Whistleblower
  - c) Document retention and destruction
  - d) Joint venture arrangement evaluation
  - e) Gift acceptance
  - f) Expense reimbursement
  - g) Investment
  - h) Compensation review
  - i) Grant review
  - j) Racial non-discriminating (schools only)
  
2. Are the TDOKE’s required to annually disclose interests that could give rise to a conflict of interest?





# Disclosure

1. Describe how the following are made available to the public (i.e., own website, another's website, or upon request):

Form 1023 (or 1024 if applicable):

Form 990:

**Form 990-T (if applicable)  
(Sec. 501(c)(3)s only):**

Governing documents:

Conflict of interest policy:

Financial statements:

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# Compensation Information Detail

(D) Reportable compensation from the organization (W-2/100-MISC)	(E) Reportable compensation from related organizations(W-2/100)	(F) Estimated amount of other compensation from the organization and related organizations

## Section B. Independent contractors

1. Complete this table for your five highest compensated independent contractors that received more than **\$100,000** compensation from the organization.



Questions?



# Pay Changes Approved...Now What?

Tom Bonomo  
Chief Administrative Officer  
Human Services Company  
[TBonomo@4hsbc.com](mailto:TBonomo@4hsbc.com)  
(410) 931-6620 ext.117

# Staff Anxiety

- Clear Consistent Message
- Senior Staff On Board
- Explanations BEFORE Change
- There Are No Secrets!



# Budget

- Line Items Effected
  - Salary
  - FICA
  - FUTA/SUTA
  - Worker's Compensation
  - Retirement
  - Short Term Disability Insurance
  - Long Term Disability Insurance
  - Life Insurance
  - Leave Payout



# FICA

- Made up of Social Security Tax and Medicare Tax
- Social Security = 6.2% of Gross Salary (up to the first \$106,800)
- Medicare = 1.45% of Gross Salary (no cap)
  
- Adjustment: For most of you, made by your payroll company



# FUTA/SUTA

- Federal Unemployment – Does not change, because nonprofits don't pay FUTA
- State Unemployment – Does not change because it is only calculated on the first \$8,500
  
- Adjustment: None





# Worker's Compensation

- Will change as pay changes
- Change will be picked up in the year end payroll audit by your worker's compensation vender
- I can't tell you exactly how it will change because rates are specific to each organization and their history
- Just know if your salaries go up, your worker's compensation premium will mostly likely go up too
- Adjustment: If you are concerned, contact your vendor



# Retirement

- *Matching*: If your organization matches AND the individual has a percentage contribution, your match will change with the pay change. If an employee has a fixed amount deducted from their pay, ask them if they want to increase that deduction.
- *Non-matching*: If your organization has a non-matching contribution, then your contribution will change with the pay change.
- *Adjustment*: Most of you will deal with this during the bi-weekly / monthly payroll adjustment with your vender or plan administrator.



# Short Term Disability

- How do pay changes effect your STD policy?
  - Your company decides the policy - Policies define STD in two groups; accident and sickness
  - Decide if employees must use vacation before activating STD
  - Is your plan voluntary or employer paid?
  - Most plans pay a percent of salary while out
  - Premiums are reviewed and adjusted based on usage
  - The higher the salary the higher the pay-out
- Adjustment: Contact your Insurance Broker to make the pay changes



# Long Term Disability

- How do pay changes effect your LTD Policy
  - The higher the salary the higher pay-out
  - LTD is normally always company paid
  - LTD kicks in after STD and goes to age 65 or up to Social Securities normal retirement age
  - Companies segregate employees into groups where management and staff have different plans - gross up payroll to negate taxes on benefits
- Adjustment: Contact your Insurance Broker to make the pay changes



# Life Insurance

- How do pay changes effect your Life Insurance Policy
  - Employees normally have a multiple of salary as a Life Insurance Policy
  - The higher the salary the higher the insurance amount and premiums
  - Remember! Employees pay tax on the premiums above \$50,000 in insurance (imputed life) - this is a benefit to employees
- Adjustment: Contact your Insurance Broker to make the pay changes



# Leave Payout

- Don't forget that salary changes effect your leave payout liability
- Adjustment: Most of you will only deal with this at the end of the fiscal year when preparing for your audit



# W4's

- Ask the employee if they want to make changes to their Federal and State withholding



# Informing the Employee

- Memo from the Executive Director, copied to the HR/Finance Office
- Outline to employees their total compensation package - salaries and benefits!
- Items in the Memo:
  - Previous Pay Rate
  - Percentage or Dollar Pay Change
  - New Pay Rate
  - Reason for Change
  - Date Effective
  - Signature of Executive Director





Questions?



# JOIN US FOR OUR NEXT SEMINAR IN FEBRUARY 2010!

INVITATIONS WILL BE MAILED IN JANUARY 2010



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## REBUTTABLE PRESUMPTION CHECKLIST

1. Name of disqualified person: Norman Scott
2. Position under consideration: Executive Director
3. Duration of contract: 1 year
4. Proposed Compensation:
  - a. Salary: \$120,000
  - b. Bonus: \$5,000
  - c. Deferred compensation: 5% employer contribution to 403(b)
  - d. Fringe benefits: health, dental, life \$12,000
  - e. Liability insurance premiums: 0
  - f. Forgone interest on loans: 0
  - g. Other: None
5. Description of comparability data relied upon (e.g. association survey, phone inquiries, etc.)  
990 data on [www.guidestar.org](http://www.guidestar.org) for salaries  
Phone calls to organizations for benefit data
6. Sources and amounts of comparability data: See attached schedule
7. Office or file where comparability data is kept: Human Resources Department at Headquarters office at 123 Main Street, Greenville, MD 21232
8. Total proposed compensation: \$143,000
9. Maximum total compensation per comparability data: \$172,000
10. Compensation package approved by authorized body:
  - a. Salary: \$120,000
  - b. Bonus: \$5,000
  - c. Deferred compensation: 5% employer contribution to 403(b)
  - d. Fringe benefits: health, dental, life \$12,000
  - e. Liability insurance premiums: 0
  - f. Forgone interest on loans: 0
  - g. Other: None
11. Date compensation approved by authorized body: July 15, 20XX
12. Members of the authorized body present (indicate with X if voted in favor): X Mary Peters, X Jim Burns, X Steve Stewart, X Ann Smith, X Paul Somers, X Marc Wills, X Chuck Miller
13. Comparability data relied upon by approving body and how data was obtained: Data gathered by Ann Smith who headed a compensation committee made up of Paul Somers and Marc Wills. Comparability data on attached spreadsheet
14. Names of and actions (if any) by members of authorized body having conflict of interest.  
Michael Scott, brother of Executive Director, serves on the board of directors. Michael Scott recused himself from discussion on compensation of his brother.
15. Date of preparation of this documentation (must be prepared by the later of the next meeting of authorized body, or 60 days after authorized body approved compensation): July 22, 20XX.
16. Date of approval of this documentation by Board (must be within reasonable time after preparation of documentation above): August 20, 20XX.

	Our Organization		Comparable Organizations						
	Current	Proposed	ABC Corp	Best Group	Choice Agency	Devel Group	Excel Place	Fair Manor	Great Exp
Salary	110,000	120,000	106,587	71,609	148,613	78,454	78,688	197,280	72,568
Bonus	-	5,000	-	-					5,000
403(b)	5,500	6,000	3,198	2,148	8,917	3,138	-	11,837	1,451
Benefits	12,000	12,000	12,790	9,000	22,292	7,200	6,000	15,782	3,600
Total	127,500	143,000	122,575	82,757	179,822	88,792	84,688	224,899	82,619
Organizati	410,000	425,000	4,938,240	4,042,383	4,772,405	4,654,917	4,169,492	4,972,697	4,471,011
Years with	5	6	4	16	5	10	22	3	8
Degree	MA	MA	MA	No degree	MS	BA	BA	MBA	MS
Location:	Baltimore City		All Baltimore City						
Notes:	Choice Agencies is growing at 10% each year for past three years.								
	Excel Place has lost \$500,000 in revenue in past two years.								
	Best Group ED will be retiring, per conversation with board member - replacement salary is \$125,000.								
	Salaries and Budgets gathered from Guidestar								
	Benefits and degree information gathered from phone calls								

SALARIES FROM GUIDESTAR 990's									
Code	County	990 Date	Revenue	ED Salary	Code	County	990 Date	Revenue	ED Salary
A	Alleghany	6/30/2008	3,337,334	62,858	H	Harford	6/30/2008	2,967,241	57,797
R	Alleghany	6/30/2008	3,737,145	69,980	<b>Average Harford</b>				<b>57,797</b>
Y	Alleghany	6/30/2008	3,483,670	84,000					
<b>Average Alleghany</b>				<b>72,279</b>	B	Howard	6/30/2008	3,076,462	79,182
					C	Howard	6/30/2008	4,107,190	88,878
A	Anne Arundel	6/30/2008	3,028,314	62,308	G	Howard	6/30/2008	3,505,258	72,601
H	Anne Arundel	6/30/2008	3,853,482	140,000	<b>Average Howard</b>				<b>80,220</b>
O	Anne Arundel	6/30/2008	4,559,208	104,151					
Y	Anne Arundel	6/30/2008	2,548,809	80,000	K	Kent	6/30/2008	3,223,040	76,359
<b>Average Anne Arundel</b>				<b>96,615</b>	U	Kent	6/30/2008	2,716,082	67,690
					<b>Average Kent</b>				<b>72,025</b>
A	Baltimore City	12/31/2007	4,654,917	78,454					
B	Baltimore City	6/30/2008	4,938,240	106,587	A	Montgomery	12/31/2007	3,967,759	123,400
C	Baltimore City	6/30/2008	3,755,732	75,732	F	Montgomery	6/30/2008	3,216,004	119,748
C	Baltimore City	12/31/2007	2,626,649	150,000	M	Montgomery	6/30/2008	4,175,365	70,082
C	Baltimore City	8/31/2007	4,042,383	71,609	M	Montgomery	6/30/2008	4,764,265	127,199
C	Baltimore City	6/30/2008	3,852,822	86,000	S	Montgomery	12/31/2007	4,887,149	199,807
C	Baltimore City	6/30/2008	2,915,434	160,000	W	Montgomery	6/30/2008	2,938,424	75,860
D	Baltimore City	6/30/2008	3,798,546	80,184	<b>Average Montgomery</b>				<b>119,349</b>
F	Baltimore City	6/30/2008	2,949,793	122,742					
F	Baltimore City	6/30/2008	2,818,846	100,485	A	Prince Georges	12/31/2007	4,474,658	199,588
G	Baltimore City	6/30/2008	3,923,217	71,200	B	Prince Georges	6/30/2008	2,860,505	147,399
G	Baltimore City	6/30/2008	3,452,681	85,027	C	Prince Georges	6/30/2008	3,640,434	97,729
H	Baltimore City	6/30/2008	4,772,405	148,613	N	Prince Georges	6/30/2008	2,840,893	90,000
M	Baltimore City	6/30/2008	3,343,617	82,612	R	Prince Georges	6/30/2008	3,611,329	117,287
M	Baltimore City	6/30/2008	2,518,083	111,946	R	Prince Georges	6/30/2008	3,081,619	92,174
P	Baltimore City	6/30/2008	4,169,492	78,688	S	Prince Georges	6/30/2008	3,612,957	196,166
P	Baltimore City	6/30/2008	4,972,697	197,280	S	Prince Georges	6/30/2008	3,878,961	112,238
S	Baltimore City	6/30/2008	4,471,011	77,568	U	Prince Georges	6/30/2008	2,515,414	75,178
T	Baltimore City	6/30/2008	3,108,483	88,750	<b>Average Prince Georges</b>				<b>125,307</b>
<b>Average Baltimore City</b>				<b>103,867</b>					
					C	Queen Annes	6/30/2008	3,636,728	73,546
C	Baltimore County	6/30/2008	4,402,045	77,421	<b>Average Queen Annes</b>				<b>73,546</b>
F	Baltimore County	6/30/2008	2,752,433	78,312					
F	Baltimore County	6/30/2008	3,488,357	84,996	P	St. Marys	6/30/2008	3,257,490	114,253
H	Baltimore County	12/31/2007	3,524,959	101,000	W	St. Marys	6/30/2008	4,016,095	117,290
S	Baltimore County	6/30/2008	3,950,486	110,000	<b>Average St Marys</b>				<b>115,772</b>
<b>Average Baltimore County</b>				<b>90,346</b>					
					C	Talbot	6/30/2008	3,656,831	77,210
C	Calvert	6/30/2008	4,055,066	111,198	Y	Talbot	12/31/2007	4,923,836	100,040
S	Calvert	6/30/2008	3,008,409	92,700	<b>Average Talbot</b>				<b>88,625</b>
<b>Average Calvert County</b>				<b>101,949</b>					

Please email Nancy Hall at [501csolutions@comcast.net](mailto:501csolutions@comcast.net) for a list that contains actual names of organizations.