

CALIFORNIA MASSAGE THERAPY COUNCIL Compensation Policy

In compliance with Internal Revenue Service guidelines for approval of senior management compensation, the Board of Directors of the California Massage Therapy Council (CAMTC) will adhere to the following review and approval guidelines relative to employee compensation. (Directors and officers of CAMTC are volunteers who do not receive compensation for their services and therefore are not covered by this Policy.)

Individuals Subject to this Policy (defined as “Covered Employees”) are those employees who meet all of the following criteria:

1. \$150,000 Threshold. The individual received reportable compensation from CAMTC and all related organizations in excess of \$150,000 for the calendar year ending with or within CAMTC’s tax year.
2. Responsibility Criteria. The individual:
 - a) has responsibilities, power or influence over CAMTC as a whole; or
 - b) manages a discrete segment or activity of CAMTC that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or
 - c) has or shares authority to control or determine 10% or more of CAMTC’s capital expenditures, operating budget, or compensation for employees.

Procedure for Approving Compensation

In reviewing and approving the compensation of any Covered Employees, the CAMTC Board of Directors or a delegated committee of the Board (referred to as the “Approval Body” below), will utilize the following process:

1. Impartial Decision Makers. The Compensation arrangement must be approved in advance (before any payment is made) by the Approval Body of CAMTC composed entirely of individuals who do not have a conflict of interest with respect to the compensation arrangement (example: neither the executive *whose compensation is being determined nor any of his/her family members may be present during the discussion/debate or participate in the vote.*)
2. Comparability Data. When the Approval Body is considering compensation to Covered Employees, it must rely on comparability data that demonstrate the fair market value of the compensation in question. For example, when crafting compensation packages, the Approval Body must secure data that documents compensation levels for similarly qualified individuals in like positions at like organizations. This data may include, but is not necessarily limited to, the

following:

- a) expert compensation studies by independent firms;
 - b) written job offers for positions at similar organizations;
 - c) documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
 - d) information obtained from the IRS Form 990 filings of similar organizations.
3. Concurrent Documentation. The Approval Body must document how it reached its decisions, including the data on which it relied. To qualify as concurrent documentation, written or electronic records of the Approval Body (such as meeting minutes) must note:
- a) the terms of the compensation and the date it was approved;
 - b) the members of the Approval Body who were present during the debate on the compensation that was approved and those who voted on it;
 - c) the comparability data obtained and relied upon and how the data were obtained; and
 - d) any actions taken with respect to consideration of the compensation by anyone who is otherwise a member of the Approval Body but who had a conflict of interest with respect to the decision on the compensation.