

**Fair Factories Clearinghouse**

**Compensation Philosophy**

**General**

* The compensation structure and systems of Fair Factories Clearinghouse (FFC) will support the organization’s mission, strategy, vision and values.
* The compensation structure will be linked to an effective performance management system with individual growth and development as well as professional achievement goals. The goals will be accompanied by effective benchmarks for measuring success. Each year’s targets will be set no later then the end of February.
* FFC will pay for performance; skills and competencies; development and growth; and effective visible commitment to the organization.
* The compensation system will reward truly outstanding performers and provide appropriate feedback to staff members who need improvement.
* The compensation system will include annual adjustments to pay ranges based on changes in the marketplace (subject to financial constraints). Adjustments to individual base pay will be based on job performance and growth in mastering job competencies.
* The compensation system will have a coherent structure based on pay practices consistent with our nonprofit mission and status, as well as industry standards.
* The marketplace adequacy of the structure will be judged in terms of total compensation, including benefits; the total package will be competitive with the marketplace.

**Executive Director Specific**

* The Board will review the Executive Director (ED) performance on an annual basis. Performance objectives for the coming year will be determined jointly by the ED and the Board (in December of each year), with the explicit understanding that salary adjustments and any incentive opportunities will be based on performance against these objectives. The Board will clearly outline and communicate how performance will be linked to salary adjustments and any incentive opportunities.
* The ED will annually prepare and submit to the Board a self-assessment of performance as input to the performance review. The ED is required to submit the self-assessment before the end of the fiscal year.
* Compensation for the ED will be set by the Executive Committee of the Board with review by the full Board, and will comply with all applicable legal standards.

*Adopted March 1, 2016*