

<b>Board Approval of Compensation</b>		COO Approval Date	
		COO Signature	
		BOARD Approval Date	
Author	Grace Austin	CEO Approval Date	
Owner	Grace Austin	CEO Signature	
Owner-Title/Dept	Head of Finance & Administration	Version #	Board First Read 5.6.2020
Regulatory Compliance		Regulation #	

### **Scope/Applicability**

The Executive Director of Health Information Alliance, Inc. is the principal representative of HIA, Inc., and the person responsible for the efficient operation of the Corporation. Therefore, it is the desire of the Corporation to provide a fair yet reasonable and not excessive compensation for the Executive Director (and any other highly compensated employees and consultants).

The annual process for determining compensation is as follows: HIA, Inc. shall [either the full Board or a Compensation Committee/Executive Committee made up solely of individuals who are voting members of the Board of Directors] (1) annually evaluate the Executive Director on his/her performance, (2) seek input on matters of performance and compensation, and (3) conduct a reasonableness determination with respect to the Executive Director's proposed compensation. The reasonableness determination must be made prior to legally binding HIA to the executive's compensation package.

### **Board Approval**

The Human Resource department [or Compensation/Executive Committee] will obtain research and information to make a recommendation to the full Board for the compensation (salary and benefits) of the Executive Director (and other highly compensated employees or consultants) based on a review of comparability data. The information and research will be provided to the Board. For example, the Human Resource [or Executive/Compensation Committee] will secure data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:

1. Salary and benefit compensation studies by independent sources;
2. Written job offers for positions at similar organizations, as applicable;
3. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
4. Information obtained from the IRS Form 990 filings of similar organizations.

### **Concurrent Documentation**

To approve the compensation for the Executive Director (and other highly compensated employees and consultants) the Board must document how it reached its decisions, including

the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- a) A description of the compensation and benefits and the date it was approved;
- b) The members of the Board who were present during the discussion about compensation and benefits, and the results of the vote;
- c) A description of the comparability data relied upon and how the data was obtained; and
- d) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the Board but who had a conflict of interest with respect to the decision on the compensation and benefits.

### **Independence in Setting Compensation**

The Chair of the Board of Directors, and any other director or committee member voting on the reasonableness of the compensation arrangement must operate independently without undue influence from the Executive Director or any other individual whose compensation is being determined.

No member of the Executive or Human Resources Committee will be a staff member, the relative of a staff member, or have any relationship with staff that could present a conflict of interest.