

Overview of Quatt Associates' Book: *Nonprofit Executive Compensation: Planning, Performance, and Pay*

Nonprofit Executive Compensation: Planning, Performance, and Pay, published by BoardSource, is a guide for determining CEO compensation. The book is in its third edition, published in October 2014; the first edition of the book was published under the title “*Dollars and Sense*”).

Like its prior editions, *Nonprofit Executive Compensation: Planning, Performance, and Pay* is a comprehensive guide to not-for-profit CEO compensation written by Brian Vogel and Charles Quatt, both Senior Principals at Quatt Associates. The book offers insights to any board member of a not-for-profit, regardless of size, who wrestles with how to set the compensation of its CEO or wonders whether the board is acting properly in setting it.

The book is designed to help not-for-profit boards hire, motivate, and retain qualified and effective chief executive officers while meeting today’s strict legal and public standards. Its careful, step-by-step approach to setting CEO compensation provides Boards with a usable, flexible handbook to make informed decisions about CEO compensation.

Nonprofit Executive Compensation: Planning, Performance, and Pay covers the entire process of hiring and compensating a CEO—how to create a compensation committee; how to develop a compensation philosophy; how to understand the marketplace and find sources of market information; how to meet IRS and other legal standards; how to pass the test of public scrutiny; and how to negotiate the final contract. The book describes in detail the elements of compensation, including base pay, incentive, and deferred compensation. It includes a sample CEO job description and contract, a sample compensation committee charter, a sample leadership assessment tool, and detailed responses to frequently asked questions on CEO compensation.

In the book, the authors emphasize the importance of tying executive compensation to the mission, objectives, and culture of the particular organization. They also urge boards to understand the culture of their organization and the expectations of its stakeholders, as both can put important constraints on the level and structure of CEO compensation.

About Quatt Associates: *Nonprofit Executive Compensation: Planning, Performance, and Pay* draws upon the authors’ extensive experience in advising not-for-profit clients on executive compensation. Quatt Associates is a Washington, D.C.-based management consulting firm specializing in strategic planning, organizational development, and human resources systems. The firm has helped design compensation packages for chief executives at leading trade associations, advocacy organizations, arts and charitable organizations, colleges and universities, and other not-for-profits, and has extensive experience in providing market analyses to not-for-profits to ensure compliance with the IRS intermediate sanctions regulations.