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**POLICY AND PROCESS OF
DETERMINING REASONABLE COMPENSATION FOR
TRUSTAFRICA EXECUTIVE DIRECTOR, KEY EMPLOYEES AND MEMBERS
OF THE BOARD OF TRUSTEES**

Principles

1. TrustAfrica is a public charity strongly dedicated to the principle of voluntarism and the pursuit of philanthropic initiatives that prioritize the public good, with a special emphasis on improving the conditions for a freer, safer and more prosperous Africa.
2. As an institution, it also believes in the core values of maintaining the highest standards of institutional performance, including sound management, accountable and transparent governance, effective communication, and sustainable results.
3. In line with these principles, TrustAfrica seeks to attract staff, trustees and consultants with exemplary ethical integrity and voluntary spirit.

Policy

1. Article II Section 12 of TrustAfrica's bylaws stipulates that the "trustees shall not receive any compensation for their services. The Board of Trustees may however authorize reimbursement for all expenses incurred in connection with the performance of services for the Corporation, including but not limited to attendance at annual, regular, special or committee meetings of the Corporation."
2. In line with this provision, TrustAfrica's trustees do not receive any compensation. Reimbursement of work-related expenses are strictly related to the meetings that trustees attend to conduct TrustAfrica business, which occurs two times per year and amount to no more than air tickets and hotel expenses. Comparatively, therefore, TrustAfrica belongs to the approximately 75% of foundations that do not compensate their trustees, as per research findings of the Council on Foundations.¹
3. The Executive Director of TrustAfrica, who works full-time managing the work of the organization, receives regular compensation as per an employment contract that the Board of Trustees offers on four-year term basis. In line with the basic principle of TrustAfrica, the Board of Trustees seeks to ensure that the executive director's compensation is within the normal limits of what comparable organizations offer, and is therefore not excessive and unreasonable. The Board of Directors of TrustAfrica is therefore firmly opposed to excessive or unreasonable compensation for the executive director, and is of the belief that even a public perception of excessive compensation can be damaging to the integrity and credibility of the organization.

¹ Council on Foundations, "Determining Reasonable Compensation for Foundation Directors and Trustees", December 6, 2002

4. Key and high-level staff employees, such as the Finance Manager, Program Director, Project Director, Program Officer, and Director of Operations will also receive regular compensation as per employment contracts. In line with the basic principle of TrustAfrica, their compensations will fall within the normal limits of what comparable organizations offer and will not become excessive and unreasonable.

Process

The process of determining what is reasonable compensation for the executive director of TrustAfrica involves the following careful steps:

1. Reliance on comparable data. The Board of Trustees engages an independent consulting firm to obtain appropriate compensation data from at least ten comparable organizations prior to making its determination. Such data are reviewed prior to each contract period. Comparable organizations are defined in terms of public charity status, job description and scale of operations, size of annual budget, and geographic location.
2. On an annual basis, the Board of Trustees may provide a compensation adjustment based solely on a performance appraisal and cost of living data. If the adjustment is more than 5%, the Board of Trustees will engage an independent consulting firm to obtain appropriate data from comparable organizations.
3. The determination of compensation must be completed and decided upon at a regular meeting of the Board of Trustees before any payments are actually made. Any trustee who has any conflict of interest in relation to the determination must be excluded from the decision-making process. The Board of Trustees must adequately document the basis for compensation determination concurrently with making that determination, which is normally within 60 days of the Board's decision or the date of the next board meeting if that occurs before 60 days of the decision being made. The documentation must note the terms of the transaction and the date it was approved, the trustees who were present and voted, the comparable data which was used and how the data were obtained, and any decisions and actions taken regarding any trustee who had a conflict of interest in the compensation determination decision.