

CEO Evaluation Process

January 2021

General Background

Each year, the Compensation Committee evaluates the CEO's performance. This process is designed to document achievements for the past year and areas for improvement or focus in the future. These thoughtful reflections should document performance and serve as the Committee's basis for compensation decisions. It is also intended to evaluate qualitative and quantitative results and create a dialogue of the organization's priorities and strategies for the future. In addition, it is intended to frame ongoing dialogue between the CEO and Chair.

Committee Composition

The Compensation Committee consists of the current Chair, Chair-elect and the Chair-elect nominee. The role of the Committee is to:

- Review goals from the past year and accomplishments or areas needing focus or improvement.
- Set goals for the CEO and the VSCPA for the next fiscal year.
- Monitor progress of goals periodically, generally between the Chair and the CEO.
- Review CEO salary survey information.
- Complete CEO evaluation, in conjunction with recommendations from the Executive Committee and senior staff.
- Make CEO compensation recommendations to Executive Committee for approval.
- Provide annual written feedback to the CEO.

The end of the Committee's formal process is when the CEO signs the formal evaluation, and the Chair has provided the VP of Finance and Administration with any recommended changes to the CEO's compensation package.

Evaluation Process

Because the CEO acts both directly and indirectly through others to manage the organization, evaluating the CEO's performance is linked to evaluating the VSCPA's performance as a whole. As a result, the CEO's evaluation includes a review of the Society's progress on strategic goals in addition to her personal performance during the year.

The CEO should give the Compensation Committee a personal statement and information to help them analyze her performance. The purpose of this personal statement is to give the Committee a framework from which to analyze her performance. Ideally this information will include: association compensation surveys for other state societies or other associations of similar size and budget; comments made

by independent vendors who may have been hired to review any or all aspects of the society in any year; letters of commendation or recognition provided to the CEO over the course of the year from stakeholder groups, or otherwise. It is recommended that the CEO and the Chair meet and discuss progress over the course of the year and CEO to provide to the Chair any documents that she will want available for consideration.

Members of the Executive Committee and senior staff annually complete a feedback form on the CEO's performance. The Compensation Committee compiles the feedback into one evaluation and meets with the CEO to review the results and discuss her performance for the year. Upon completion of this meeting, the Compensation Committee makes a recommendation to the Executive Committee for any compensation adjustments and/or bonuses.

The Committee will assess the CEO on the following three areas:

1. Progress Toward Goals
2. Fulfillment of Core Job Functions
3. Demonstration of Leadership Competencies

Ongoing Evaluation Process

The formal evaluation process is annual, identified in these procedures, which are intended for the Committee and the CEO to know what to do to accomplish this process. However, it is ideal for the evaluation to be part of ongoing private discussions during the year – when a change of focus may be needed. The goals set for the year should be based on the information the CEO and Committee have when they are adopted in February or March each year; but there should always be the option to change the goals and focus of the time and resources of the CEO during the year to align with changing needs and opportunities.

The Timeline and Process

Executive Committee and Board of Directors Meetings

- Throughout the year, the CEO and senior staff report information concerning the VSCPA budget, staff, regulatory issues, professional issues, and progress regarding annual goals.

January/February

- Current Chair provides Executive Committee and senior staff the annual CEO evaluation feedback form to complete and return to the Chair.

February

- The CEO prepares a written document, outlining the progress made on personal and VSCPA goals and activities of the year. This document should include any additional objectives that were introduced during the year. The CEO provides salary survey information to the Chair.
- The Chair reviews the Executive Committee and senior staff evaluations and CEO report and prepares a written CEO evaluation with input from the Compensation Committee.

February Executive Committee Meeting

- The Compensation Committee meets with the CEO immediately following the February Executive Committee meeting to provide a formal review and discuss the evaluation and feedback: goals for the coming year; and her compensation package offered for the coming fiscal year. Should the CEO agree with the evaluation and her offered compensation package, she signs the formal evaluation and returns a copy to the Chair.
- Compensation changes should be documented in a short memo and provided to the VP of Finance and Administration with a copy provided to the CEO.
- The Compensation Committee meets with the Executive Committee in Executive Session without the CEO in March to report out their recommendations and their evaluation results. The Executive Committee must approve the recommendation.