Toastmasters International
POLICIES AND PROCEDURES

Origin Date: November 15, 1969
Last Updated: August 23, 2005

EXECUTIVE DIRECTOR'S AUTHORITY AND COMPENSATION

1. The Executive Director shall not make any contract or commitment requiring an expenditure in excess of $50,000, including the hiring of consultants or professional firms or the acquisition of a capital item, without the prior approval of the Executive Committee. Reports on the status of all such contracts or commitments shall be given to the Executive Committee at or before each of its regular meetings.

2. The Executive Director shall not employ, or retain as a consultant, any Board member during his/her tenure on the Board nor for a period of two (2) years after the tenure ends. There shall be no exception to this policy without the prior vote or written consent of two-thirds of the voting members of the Board of Directors.

3. The duty of the Board of Directors to fix the compensation of the Executive Director, under Article V, Sec. 4(c) of the Bylaws of Toastmasters International, shall be fulfilled as follows:

   The Executive Committee, each year, shall review the compensation of the Executive Director and determine the annual salary and benefits package, to become effective on the anniversary of the date of hire. The Executive Committee's determination shall be submitted to and reviewed by the Board of Directors before the effective date. If the Board disagrees with the Executive Committee's determination, the Board shall issue its own determination as to the Executive Director's compensation, but otherwise the Executive Committee's decision shall be final.

   To ensure that the Executive Director's compensation is not an "excess benefit" as defined under Internal Revenue Code Section 4958, and to protect the organization's managers from tax liability, the Committee will abide by the provisions of those United States federal tax regulations that apply to the Executive Director's compensation package.

Reference: Bylaws of Toastmasters International, Article V, Section 4(c)