

## **ADMINISTRATIVE BULLETIN NO. 26**

*Issued: May 31, 2005*

### **SUBJECT: MAXIMUM REIMBURSEMENT FOR EXECUTIVE COMPENSATION**

The maximum amount the County will reimburse contract service providers (subrecipients) for an organization's executive manager's (chief executive officer or other title) direct or indirect costs (total compensation including salary, benefits, and perquisites) charged to County programs is that stated in the GuideStar Nonprofit Compensation Report for California organizations, median range, based on budget size. Calculations of indirect compensation costs must be based on the lower of actual total compensation or the compensation limit in GuideStar. The contractor's budget is its adopted operating budget, which must closely correlate with actual operating expenses. Capital acquisitions are not considered to be part of the organization's operating budget.

The County will not provide reimbursement for any portion of executive managers' total compensation costs charged to a program in excess of that which is determined to be reasonable under OMB Circular A-122, Attachment B, Section 8, or any other limitations set forth by State and federal granting agencies.

This policy also applies to fixed-rate contracts where reimbursement is based upon actual reported costs. It does not affect fee-for-service contracts with vendors nor is it applicable to determining "matching funds" requirements for grant programs.

The version of GuideStar that applies is to be the latest version published at the time the contract is executed. The most recent GuideStar Report is available on CountyNet.

Contracts subject to this policy shall contain language detailing the restrictions above.