Section 6

Individual Benefits

Salary

The salary of any employee of a non-profit organization must be based on reasonable compensation for services actually rendered; that is, services must be performed. These services are immaterial - but they must be performed. The compensation for these services must simply relate to the reasonable value of the services. Since value is purely subjective, the range of the possible salary for any employee is quite wide but there are ascertainable maximum limits.

For example, if a foundation were structured to do medical research, and if the foundation earned $100,000 a year after expenses, then it would not be unreasonable depending upon the quantity and quality of his services if he were to receive up to $70,000. But if the only services performed by an employee were to look up foundation investments in the daily