

**Cottonwood, Incorporated  
Policies and Procedures**

**SECTION:** Governing Board

**POLICY NO:** 01-002

**SUBJECT:** Authorization of Bonus

**PAGE(S):** 1 of 1

**EFFECTIVE DATE:** January 1984

**Policy:**

It is the policy of Cottonwood, Inc. Board of Trustees to evaluate the ability of the organization to authorize the granting of a performance bonus to its employees.

**Procedures:**

1. The basis of such authorization will be the financial position and the programmatic performance of Cottonwood, Inc. during the subject year.
2. Such evaluation will be conducted annually in late fall at either an Executive Committee or Full Board meeting, in conjunction with the development of the following year's budget.
3. If approved, the Executive Committee/Full Board will authorize the CEO to award the appropriate bonus to staff.