

Laura Walker Plunkett and Erin Kriksciun Author Article on Reasonable Compensation for Small Nonprofits

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The IRS has held that the payment of compensation by an exempt organization to that organization's employees will not jeopardize the organization's exempt status provided compensation is reasonable in amount for the services actually rendered. Small tax-exempt organizations can obtain the presumption that the compensation paid to their executives is "reasonable," within the meaning of the applicable regulations, by following easy-to-implement protocols for approving compensation and documenting the organization's actions.

Laura Walker Plunkett and Erin Kriksciun authored the article "Determining Reasonable Compensation for Small Nonprofits" published in the July/August 2019 issue of *Taxation of Exempts*, a Thomson Reuters publication. The article addresses how to determine reasonable compensation, necessary approvals and documentation, essential questions for board members or compensation committee, actions following approval of compensation and more.

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