

**HOW TO OPERATE A COMPENSATION COMMITTEE
ROSENBERG WEBINAR FOR CPA LEADERSHIP INSTITUTE
WEBINAR OUTLINE**

About the program

The most sensitive aspect of CPA firm practice management is allocating a firm's income among the partners. So, the system used to allocate the income, and how it operates, is critically important. CPA firms are increasingly realizing that the old compensation formulas no longer work, that performance “intangibles” need to be recognized, and that their firms’ compensation systems need to be performance-based. This is leading to the adoption of compensation committees by more firms across the United States. Marc Rosenberg, a nationally known expert in the field of CPA partner compensation, will show attendees how to operate a Compensation Committee.

Who should attend?

- Managing partners
- Administrative partners
- COOs and firm administrators
- Future firm leaders
- Partner-potentials
- Executive committee members

What participants will learn

- Why firms choose the Compensation Committee system.
- How the Compensation Committee and Formula system differ.
- Why the Compensation Committee system has been increasing in popularity.
- How to organize a Compensation Committee.
- How the committee deliberates; what they review; how they arrive at their decisions.
- Other systems that need to be in place to make the Compensation Committee system work.

Level of expertise needed to participate

Familiarity with elementary terms used in discussing CPA firm practice management.
Examples: Billable hours, realization, book of business (billing responsibility), partner capital, interest on capital, partner buy-in, partner buy-out, ownership percentage, etc.

Is there a prerequisite?

No.

Outline

1. Why firms use a Compensation Committee
2. Characteristics of a good system
3. Make-up and selection of the committee
4. Term of office of committee members
5. Structuring partner compensation
6. Data reviewed by the CC
7. The link to strategic planning
8. Partner goal setting
9. Performance criteria for partners
10. The role of partner evaluations
11. The role of the firm's Core Values
12. The importance of clarifying each partner's role
13. What the committee will review
14. How the committee actually puts a compensation number with a partner name
15. Should the system be open or closed?
16. Compensation Committee timetable
17. Communication is key