



POLICY NO. 116

SUBJECT: TRUSTEES' FEES AND EXPENSES

I. PURPOSE

- A. To assure fair and equitable compensation for time spent by Trustees attending Board or committee meetings, or other functions involving the Cooperative.
- B. To provide reimbursement to Trustees for reasonable travel expenses incurred during the conduct of Cooperative business.

II. POLICY CONTENT

In conformity with the Bylaws of the Cooperative, it is the policy of the Cooperative to pay Trustees an attendance fee and to reimburse Trustees for reasonable travel expenses incurred as established in the provisions of this policy.

III. PROVISIONS

A. Attendance Fee

Members of the Board of Trustees shall be paid a fee, set by Board resolution, for each day or part thereof for attendance at, or travel to or from (when separate travel days are required):

- 1. Regular or special meetings of the Board of Trustees (provided, however, should a Trustee miss a regular meeting for any reason, the Trustee may "make up" the meeting by visiting personally with the Trustee Vice President and General Manager to discuss the subjects deliberated during the meeting; and provided further, that a Trustee may not make up more than two (2) meetings within a twelve (12) -month period);
- 2. Committee meetings held on other than Board meeting days;
- 3. Authorized state, regional, national, or training meetings;
- 4. Authorized functions involving the Cooperative, the state or national organization, or other Cooperative organizations; or
- 5. Authorized functions reasonably enhancing the Trustee's ability to serve the Cooperative as a Trustee or officer.

B. Transportation Expenses

Trustees shall be reimbursed for reasonable transportation expenses as follows:

1. When traveling by personal automobile, a Trustee shall be reimbursed at the prevailing mileage rate approved by the Internal Revenue Service for federal income tax purposes, plus any related charges, such as tolls, parking charges, etc.; provided, however, that the amount to be reimbursed does not exceed the amount the Trustee would have been reimbursed had he/she traveled by air (coach fare) or the fractional charge to a single Trustee based on the total number of Trustees traveling in a rented coach; and further provided, in the event of a Trustee's medical restriction/inability to travel by air (in cases where such travel would be more economical), the Trustee's expense reimbursement shall be limited to the same amount as a Trustee traveling by air and up to an additional two (2) days of per diem compensation (but not including lodging or other travel expenses) is authorized in those cases where the distance involved clearly justifies such compensation in going and returning from the site of the event.
2. When traveling by means other than personal automobile, a Trustee shall be reimbursed reasonable costs for all reasonable transportation expenses incurred.
3. The cost of replacing a lost passenger ticket or boarding pass will be reimbursed by the Cooperative absent the Trustee's gross negligence.

Should a Trustee request a paper ticket in lieu of an electronic ticket, he/she will be responsible for any difference in cost between the paper ticket and the electronic ticket.

C. Incidental Expenses

When a Trustee attends any of the meetings or functions listed in Section III.A. above, he/she shall be reimbursed actual incidental expenses incurred, including lodging costs based on single occupancy of a room. Trustees shall submit a receipt or other suitable proof of the actual expenditure. If a Trustee's spouse shares the room with the Trustee, and there are additional charges as a result of double occupancy, the Trustee shall be responsible for those additional charges only. If there are no additional charges, the spouse's cohabitation will be without charge to the Trustee or the spouse.

D. Paying for Travel Expenses

Trustees should obtain a credit card in their own name for the purpose of paying travel expenses. Trustees shall not be provided a Cooperative credit card. Where reasonable to do so, and requested by the Trustee, the Cooperative may pay for a Trustee's travel tickets and hotel rooms in advance of the travel. Otherwise, Trustees will be reimbursed for the actual expenditures.

E. Unexpected Travel Expenses Incurred Due To An Emergency

In the event a Trustee must change his/her travel plans due to an emergency or other extenuating circumstances and incurs additional travel expenses, the Cooperative will reimburse the Trustee for such additional expenses subject to the approval of the Finance Committee.

F. Travel Cancellation

In the event a Trustee cancels a trip, he/she must give the Cooperative sufficient notice to cancel any reservations so as not to incur any expense for the canceled event. If the Trustee fails to give the Cooperative sufficient notice to cancel reservations, he/she is responsible for those expenses. However, should the cancellation be due to a medical or other emergency or the demands of the Trustee's employer, the Trustee will not be responsible for any travel expenses incurred.

IV. RESPONSIBILITY

- A. It is the responsibility of each Trustee to submit an itemized expense report to include fees, all necessarily incurred expenses, and other authorized reimbursement expenses, including travel. Expenses of spouses accompanying Trustees to meetings will not be reimbursed.
- B. It is the responsibility of the Finance Committee to review all Trustee expense reports and to ensure that all reimbursements are reasonable and in accordance with this policy.
- C. It is the responsibility of the Finance Committee to ensure that Trustee expenses are paid upon the submission of appropriate expense reports. When travel funds have been advanced, the Trustee Vice President and General Manager shall provide for appropriate reconciliation of the accounts.
- D. It is the responsibility of the Board of Trustees to develop, with the assistance of the Trustee Vice President and General Manager and the Controller, an annual budget for fees and expenses of the Board of Trustees to be included in the Cooperative's Annual Work Plan and Budget.

APPROVED BY THE BOARD OF TRUSTEES

PRESIDENT

EFFECTIVE DATE: _____

REVISED DATE: _____