



Valley Electric Association, Inc.

A Touchstone Energy® Cooperative 

BOARD POLICY No. 104

COMPENSATION, EXPENSE REIMBURSEMENT AND BENEFITS OF DIRECTORS

PURPOSE OF POLICY:

To establish the compensation, expense reimbursement, and benefits for time spent and expenses incurred in the administration and betterment of the cooperative, to individuals serving on the Valley Electric Association, Inc. board of directors. To assure fair compensation and reimbursement of expenses to directors while conducting the business of Valley Electric Association, Inc. or that of any Valley Electric Association, Inc. subsidiary.

POLICY CONTENT:

The bylaws provide that directors may be compensated for attendance at meetings that they are required and/or authorized to attend. Directors may also be reimbursed for necessary expenses. The following shall be Valley Electric Association, Inc's policy with respect to director compensation, expense reimbursement and benefits.

POLICY PROVISIONS:

1. Compensation

- a. The board of directors will receive compensation for attendance at meetings that they are required and/or authorized to attend at the rates included in Schedule 104A.
- b. A director may waive all or part of their compensation.
- c. Compensation does not include reimbursement for expenses incurred in the course of a director's duties.
- d. Directors shall be compensated for only one meeting per day.

2. Mileage Expense

- a. Directors will be reimbursed for mileage when using their own vehicle to travel to and from board meetings, business meetings, committee meetings, training programs or conferences and their primary residence. Mileage will be reimbursed at the maximum rate allowed by the Internal Revenue Service. Other means of transportation may be reimbursed at their actual cost if such a cost is reasonable and generally accepted as more economical than driving one's own vehicle.

3. Training Program and Conference Expense

- a. Directors will receive full reimbursement of all expenses, including registration fees, incurred to attend training programs and conferences on behalf of Valley Electric Association, Inc. Directors are provided a company credit card and should use the provided company credit card to register for training programs and conferences prior to using personal funds.



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1. Directors are responsible for registration arrangements.
2. All directors have a fiduciary responsibility to be reasonable in expenditures and exercise best efforts in keeping costs as low as reasonably possible.

4. Lodging and Commercial Travel Expense

- a. Directors will receive full reimbursement of all expenses incurred for lodging and commercial travel. Expenditures eligible for reimbursement include, but are not limited to: airfare, train fare, public transportation, taxi (or like) and rental car, when attending training programs, conferences or business meetings outside of the Valley Electric Association, Inc. service territory. Directors are provided a company credit card and should use the company credit card to purchase lodging and commercial travel prior to using personal funds.
 1. Directors are responsible for travel arrangements.
 2. All directors have a fiduciary responsibility to be reasonable in expenditures and exercise best efforts in keeping costs as low as reasonably possible.

5. Meal Expense

- a. Directors will receive full reimbursement of all meal expenses incurred while attending training programs, conferences or meetings where the director represents VEA. Directors are provided a company credit card and should use the company credit card to purchase meals, if applicable, prior to using personal funds.
 1. Expenditures for alcohol shall not be reimbursed.
 2. All directors have a fiduciary responsibility to be reasonable in expenditures and exercise best efforts in keeping costs as low as reasonably possible.

6. Benefits

- a. Valley Electric Association, Inc. will offer to each director, for themselves and their eligible dependents, the following benefits on such terms and conditions as the cooperative shall determine:
 1. Major Medical, Dental, and Vision Insurance at the director's sole expense.
 2. Term Life Insurance at the director's sole expense.
 3. 24-Hour Accidental Death Insurance at the director's sole expense.
 4. Business Travel Accidental Death Insurance at no cost.

7. Compensation and Expense Reporting

- a. At each regular monthly board meeting, directors are responsible for providing a Compensation and Expense Report that includes all meeting compensation amounts, mileage and other business-related expenses. The Treasurer, or other designee of the board, will review all Compensation and Expense Reports for accuracy, compliance with board policy and consistency among directors before approval. The reviewing director may ask staff for assistance with the review process.
- b. Directors are required to submit receipts generated through the use of company credit cards at the time of submitting their Compensation and Expense Report. Company credit cards are not subject to reimbursement and therefore will not be reported by the company on the IRS Form 1099.



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- c. Director requests for reimbursement of personal funds must be accompanied by the associated receipts and submitted with their Compensation and Expense Report.
- d. No expenses for spouses or family members will be covered or reimbursed.
- e. If a dispute arises as to the amount of compensation or reimbursement, the board of directors shall determine by majority vote the appropriate amount of compensation or reimbursement after hearing from both the requesting director and the Treasurer or designee who denied the payment. All efforts shall be exercised to keep payments and the application of this policy uniform for all directors.

REVIEW:

The board shall periodically review this policy. Director compensation will be compared with information to be gathered by the Chief Executive Officer from other electric cooperatives regarding their meeting attendance compensation. On a quarterly basis, the full board shall review the total amount of compensation and reimbursed travel paid to each director. The board shall also be prepared to explain director compensation and expenses to members who seek information on this subject.

RESPONSIBILITY FOR IMPLEMENTATION:

The board of directors is responsible for implementation of and compliance with this policy.

POLICY APPROVAL DATE 01/29/2020

POLICY EFFECTIVE DATE 01/01/2020

Kathleen Keyes - President
Board of Directors



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Schedule 104 A

1. Regular Monthly Board Meeting---\$1250.00, maximum of twelve (12) per calendar year.
 - a. A regular monthly board meeting is held on a monthly basis and includes both the general and executive session of the board, along with any other meetings that occur on the day set for the regular board meeting.
2. Special Board Meeting---\$500.00,
 - a. A special board meeting is any board meeting called for a special or emergency purpose where action is (a) required by a vote of the board; and (b) delay in action until the next regular monthly board meeting would create an undue hardship or would amount to a breach of a the board's duties as it relates to the operations of VEA.
3. Business Meeting---\$200.00
 - a. A board business meeting is any meeting of the board held for informational purposes only, where board action is not required. Board business meetings may be held only when waiting until the following regular monthly board meeting to hold such a meeting would create an undue hardship for VEA.
4. Committee Meeting---\$200.00
 - a. A committee meeting is any meeting of a committee created by the board of directors for purposes of receiving advice and direction from VEA members regarding certain specified areas of operation.
 - b. Only the committee chair and co-chair may receive compensation for committee meetings. Compensation for a committee meeting may only be permitted where the committee meeting is not held on the same day as any other compensated meeting.
5. Conferences/Training/ Seminars--\$200.00/day
 - a. Each board member will be limited to a total of no more than \$6,000 in expense reimbursements and compensation related to conferences/training/seminars (e.g. transportation, lodging, registration fees, course costs and meals) per calendar year, which must be pre-approved by majority vote of the board of directors.
6. Travel Day---\$100.00/day
 - a. Travel time will be compensated when attending training programs, conferences or business meetings outside of the Valley Electric Association, Inc. service territory for a maximum of two (2) travel days per occurrence; and only if the travel day does not occur on the same day as any other compensated meeting.
7. The President of the board of directors, or acting president, will be compensated an additional \$100.00 per regular monthly or special board meeting, above the other director's compensation rate.
8. Board members have a fiduciary duty to not exceed \$25,000 in total compensation and reimbursements in a calendar year. If a Board member is projected to exceed \$25,000 in total compensation and reimbursements, the Board Member is required to seek approval from the Board on all amounts over \$25,000.