



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, per diem and insurance benefits for time spent and expenses incurred in the administration and betterment of the cooperative to individuals serving on the Valley Electric board of directors. To assure fair and equitable reimbursement to directors.

POLICY CONTENT:

The bylaws provide that directors may be compensated for attending meetings and conferences they are required and/or authorized to attend. Directors may also be reimbursed for necessary expenses.

POLICY PROVISIONS:

1. Compensation

- a. The following shall be the cooperative's policy with respect to director's fees and expenses.
- b. The board of directors will receive compensation for attendance at cooperative based meetings and conferences at the following rates:
 1. Regular Board Meeting---\$1500.00
 2. Special Board Meeting---\$750.00
 3. Board Committee Meeting (if not held on a board meeting day)---\$300.00
 4. Training programs or other business related meetings, including conferences---\$300.00/day
 - i. Travel to training or conferences outside of the state (NV) will be paid at the rate of \$150.00 per day, for a maximum of two (2) travel days per occurrence; and only if the travel does not occur on the same day as that of the training/conference.
- c. The President of the board of directors, or acting chair, will be compensated an additional \$100.00 per Regular or Special Board Meeting, above other directors compensation rate.
- d. A director may waive all or part of his/her director's compensation fee.
- e. Directors shall not be paid for more than one meeting per day.

2. Mileage Expense

- a. Directors will be reimbursed for mileage traveled to and from board meetings, training/conferences, and other business related meetings and their primary residence within the service territory, at the maximum rate allowed by Internal Revenue Service when using their own vehicle.



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3. Trainings and Conferences

- a. Directors will receive full reimbursement of all fees incurred to attend trainings and conferences on behalf of Valley Electric. Directors are provided a company credit card and should use such to register for trainings and conferences if applicable prior to using personal funds.
 1. Directors are responsible for their registration arrangements. All directors have a fiduciary responsibility to seek the lowest total cost.

4. Lodging and Commercial Travel

- a. Directors will receive full reimbursement of all lodging, commercial travel such as airfare, train fare, public transportation, taxi or rental car upon presentation of a detailed receipt from the provider. Directors are provided a company credit card and should use such to purchase travel accommodations if applicable prior to using personal funds. The use of a personal vehicle to attend meetings will be reimbursed at the IRS approved mileage rate, up to the total cost to the same destination for traveling by expedient public transportation.
 2. Directors are responsible for their own travel arrangements. All directors have a fiduciary responsibility to seek the lowest total travel cost.

5. Meals

- a. Directors are provided a company credit card and should use such to purchase meals if applicable prior to using personal funds. However, a director will be reimbursed a per diem for meals while traveling away from home overnight equal to the amount established by the General Services Administration's (GSA) continental U.S. (CONUS) standard per diem for meals and incidental expenses, plus an additional 25% (rounded up). Directors are eligible for the following per diems while on cooperative business:
 1. Per diem rates on the initial day of travel will be paid if it is necessary to leave the home or office on or before the following times – and - Per diem rates on the day of return will be paid if the return to the home or office, exclusive of eating time, was on or after the following times:
 - a. Breakfast – 7 a.m.
 - b. Lunch – Noon
 - c. Dinner – 5 p.m.
 - d. Incidentals – any time
 2. When meals are included in the cost of hotel accommodations or authorized meeting, conference or convention registration fees, the per diem rate for the specific meal should not be claimed. Otherwise meal allowance will be provided to cover all meals while attending functions for the administration and betterment of the cooperative.
 3. Alcohol will be at the expense of the director.



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6. Expense Approvals and Payments:

- a. At each regular board meeting directors are responsible for providing an expense statement to include meeting compensation amounts, mileage, and other business related expenses to be approved by the Board President and Secretary.
- b. Directors are required to submit receipts generated through the use of company provided credit cards at the time of submitting their expense statements. Company credit card charges are not subject to reimbursement and will not be reported by the Company on the IRS Form 1099
- c. No expenses for spouses or family members will be covered or reimbursed.
- a. Review of Fees and Expenses: The president, or other designee of the board, will review all compensation requests for accuracy, compliance with board policy and consistency among directors. Other than meal per diem, each request for compensation and expense reimbursement will be accompanied by all pertinent receipts and will be given to the director reviewing such requests in time to allow for a complete review. The reviewing director may ask staff for assistance in the reviewing process.

7. Additional Benefits

- a. The cooperative will offer to each director, upon taking office, the following benefits through the Group Plan of NRECA 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. Twenty-four (24) Hour Accidental Death Insurance at the Director's sole expense.
 - 4. Business Travel Accidental Insurance provided by Valley Electric.

REVIEW:

The board shall periodically review this policy, along with the official director compensation fee. The fee will be compared with information to be gathered by the chief executive officer from other electric cooperatives regarding their meeting attendance fees. On a quarterly basis, the full board shall review the total amount of fees and reimbursed travel expenses paid to each director, along with the total travel expenses incurred by the chief executive officer. The board shall also be prepared to explain director fees and expenses to members who seek information about this issue.

RESPONSIBILITY FOR IMPLEMENTATION:

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

POLICY APPROVAL DATE 8/22/2019

POLICY EFFECTIVE DATE 8/22/2019

Dave Hall, President
Board of Directors