

SUBJECT:

Board Member Travel and Related Expenses

OBJECTIVE:

To Establish Standards and Conditions for Reimbursement of Board Member Travel and Related Expenses

POLICY:

Section 6 of Article IV of the Cooperative's Bylaws provides for reimbursement of board member travel and out-of-pocket expenses which are actually, necessarily and reasonably incurred in the performance of the member's duties. By this Policy No. 204, the cooperative establishes the standards and conditions for such advancements or reimbursements, as follows:

1. Subject to paragraphs 2 and 3 below, travel by personal automobile shall be authorized for attending any board or board committee meeting.
2. Travel by personal automobile will be at the then-established IRS allowable maximum rate per mile. However, such mode of travel shall be paid to a trustee subject to the following:
 - A. Use of a personal automobile will be allowed when the meeting or activity site is so located as to make other forms of transportation infeasible, impractical or unduly inconvenient. A Board member will be paid mileage only for the use of a personal automobile or a non-rental automobile authorized for personal use. Mileage will only be paid for one board member regardless of whether two or more board members are transported thereby. The limits on personal use of automobiles contained in this subparagraph 2A shall not apply to a board member who, because of health, cannot travel by any other means.
 - B. If travel by airline economy or coach fare, taking into account related tips, mileage to and from the airport, parking and cab fares, will prove to be more economical than travel by personal automobile, only such fare and appropriately estimated related expenses shall be paid, except that:
 - (1) Personal automobile transportation will be required and mileage will be paid if, because two or more board members travel in the same automobile, the cost for them combined is less than such airline and related expenses would be for them combined; and
 - (2) such airline and related expenses will be presumed to require no more than one day to and no more than one day from the meeting or other-type site, a "day" being one that begins at 12 mid-night at the board member's premises and ends 24 hours later in going, and one that begins at 12 midnight at the meeting or other type site and ends 24 hours later in returning.

A board member may, but shall not be obligated to, fly to a meeting or other-type site earlier and/or fly back therefrom later if the result would be that the total of a

lower air fare and other travel expenses will be less than if the board member flew out later/or flew back earlier; but the board member will not thereby be entitled to more per diem compensation than would otherwise be the case. (The "economy or coach fare" referred to in 2 B above does not include such lower air fares.)

3. Subject to timely receipt of all appropriate documentation, a board member's commercial travel and out-of-pocket expenses, which are actually, reasonably and necessarily incurred, shall be reimbursed and shall include, but not necessarily be limited to, the following:
 - A. Airline coach or economy fare;
 - B. Tips, cabs and other authorized out-of-pocket expenses;
 - C. Lodging;
 - D. Per Diem which shall be paid as actual costs with receipt;
 - E. All other expenses which would be allowable under applicable IRS laws and regulations.
4. All advances and reimbursements shall be accounted for in accordance with an expense voucher provided by the Cooperative. The Cooperative reserves the right to require support for all expenses and reserves the right to deny payment of expenses which it deems inappropriate or unnecessary.
5. In no event will the cooperative pay the expense of a board member's spouse or other companion unless:
 - (1) such spouse is attending such a meeting or activity as a direct representative of the cooperative in a manner and for a purpose explicitly provided for prior thereto by resolution of the board and a determination that such expense may be legally borne by the cooperative is given in writing in an opinion of the cooperative's general attorney; and/or
 - (2) accompanying a board member by such spouse or other companion is necessary due to the health needs of the board member.
6. Only un-reimbursed expenses are eligible.

RESPONSIBILITY:

The Board of Trustees.