



Policy No: 5.05
Title: Compensation and Expenses of
Board Members
Date Re-adopted: October 16, 2014

SUBJECT: COMPENSATION AND EXPENSES OF BOARD MEMBERS

I. **OBJECTIVE:** To assure fair and equitable compensation and expense reimbursement to Directors for attendance at regular and special meetings of the Board of Directors and for attendance and participation by Directors in appropriate state, regional and national meetings and training programs. It is further intended to encourage their attendance and participation at meetings that will enhance the image of SMPA in the community, with associated organizations, and in state wide and governmental functions. Directors are also encouraged to attend classes and services to enhance their skills, knowledge, and abilities to serve the membership in the capacity of Director.

II. **POLICY:**

A. Members of the Board of Directors shall receive compensation for their services as follows. However, **No Fee** shall be paid by SMPA if compensation for attendance of any of the above meetings was received by the Director from any other source, even if more than one meeting was held on that day.

1. A fee of \$300.00 for each month in which a Director performs substantial services other than attendance at meetings, such as studying of materials, contact with consumers, etc.
2. A fee of \$150.00 for attendance at each monthly or special meeting of the Board, including the Annual Meeting held in June, and for each authorized meeting other than monthly meetings of the Board, including (1) meetings of committees of the Board if a member of the committee or an invitee of the committee, (2) meetings of associated organization(s), such as Tri-State, NRECA, CREA, and Western United if a designated representative or alternate, (3) meetings of such affiliated organizations if the subject of the meeting is related to or in the interest of, SMPA, and (4) each training program held within the State of Colorado, or outside of the State of Colorado if approval of such attendance was granted by the Board, (5) each other authorized meeting not included in this subsection A., and (6) travel days to and from any of the above when travel exceeds two hours one way.
3. The Director holding the office of President shall receive an additional fee of \$150 per month, for the extra duties required of this position.

- B. Each Director shall be entitled to SMPA provided insurance coverage, as follows:
1. In lieu of participation in the SMPA provided medical insurance programs, each Director shall receive \$400 for each month they are seated as a Director of SMPA.
 2. Each Director, and the Director's immediate family, shall be entitled to participate in the dental coverage maintained by SMPA for their non-union employees. SMPA shall pay the premiums for this dental coverage. Coverage will cease after the last day of the month that the Director no longer is seated as a Director. So long as SMPA maintains a retiree dental coverage option, the retiring Director can then maintain dental benefits and pay the premium for the chosen coverage. The retiring Director will be billed on a monthly basis by SMPA for this coverage.
 3. Each Director shall be covered by Accidental Death & Dismemberment Insurance provided by SMPA. The coverage amount shall be \$20,000, with the option for the Director to purchase additional coverage. The coverage will cease after the last day of the month that the Director is no longer seated as a Director.
- C. Members of the Board of Directors shall receive payment or reimbursement of their reasonable and appropriate expenses for their travel and services as follows:
1. Each Director will be allowed \$4,000 annually for expenses to attend elective meetings. This amount includes the requirement to attend one Board Leadership, or other advanced training course, annually per Policy 5.01 III. B.4. It is in addition to fees paid for attending regular and special meetings of SMPA.

Notwithstanding the foregoing paragraph, new Directors are required to obtain their Credentialed Cooperative Director Certificate (CCD) within three years of appointment, by policy 5.01 III B.4. They will not be bound by the \$4,000 annual allowance for courses and training to meeting this requirement. In addition, Directors who are assigned by the Board to represent SMPA at associated organizations will not have expenses associated with those trips counted toward their \$4,000 annual allowance.

2. Each Director shall be responsible to obtain authorization from the Board of Directors, or President, for any travel prior to such travel or attendance at any elective courses.
3. Each Director shall receive all reasonable travel costs incurred in performing their services, including best available coach air fares for the most direct route, and reimbursement for use of their personal automobile at the mileage rate then in effect pursuant to Internal Revenue Service regulations. Such mileage reimbursement shall be limited in each case to the amount of said coach air fare reimbursement to which the Director would have been entitled if the Director had flown to the destination in question. In addition, each Director shall receive all costs of lodging, meals, and other expenses reasonably incident to the performance of their services.

4. It is the responsibility of each Director to correctly file their request for expense reimbursement, or expense report, on forms approved by SMPA. Directors will be given SMPA credit cards for use on Association business travel. All expenses submitted for reimbursement must be accompanied by an itemized receipt noting the business purpose for the expense. Expenses where receipts are not received should be detailed on a written note signed by the Director.

When spouse or family members accompany a Director on business combined with personal travel, only allowable business travel expenses for the Director shall be incurred by SMPA. Should a Director mix business with personal travel, care should be taken to separate reasonable business expenses from personal expenses.

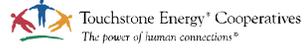
The expense reimbursement requests of all Directors shall be reviewed and approved by the President, or in his absence, by the Vice President. The expense reimbursement requests of the President shall be reviewed and approved by the Vice President. If the reviewing Officer has concerns about the propriety of any such requests, he may either reject the request or refer the matter to the entire Board of Directors, whose decision shall be final and binding. Any director whose request is rejected may similarly refer the matter to the entire Board of Directors for final decision.

5. Travel arrangements will be made by each Director unless they request assistance from SMPA staff. Lodging reservations, meeting enrollments, etc. will be made by SMPA staff unless a Director wishes to handle those arrangements themselves.
 6. As a general guideline, Directors will be expected to participate in the entire meeting they elect to attend. Should a Director have a valid reason for attending only part of a meeting, fees and expenses will be adjusted to reflect the partial attendance.
 7. A Director should always notify the General Manager or President when traveling on SMPA business, in order to ensure inclusion in the travel accident life insurance policy maintained by SMPA.
 8. Even though attendance of the Directors' spouses is appropriate and encouraged at certain meetings attended by Directors, SMPA will not pay for the expenses of the attendance of spouses at such meetings, unless the spouse is engaged in official SMPA business.
- C. It is recognized by the Board of Directors that they are individually accountable for the reasonableness and appropriateness of their compensation and expenses, in order to ensure that the funds so expended will benefit SMPA. To that end, the General Manager shall prepare a list of actual compensation and expenses for each Director for each calendar year and present such list to the Board of Directors at its February meeting for review and approval. Such list shall be attached to the Minutes of each February meeting of the Board as a public record of such approved compensation and expenses.

D. SMPA staff shall file tax reports on the Compensation described above, such as IRS Form 1099 or 990, as required.

III. RESPONSIBILITY: It shall be the responsibility of each Director to submit requests for pre-approval of travel and authorization for meeting attendance. It shall be the responsibility of each Director to submit requests for compensation and reimbursement of expenses, which reflect reasonable and appropriate costs. It shall be the responsibility of the entire Board of Directors to review and approve such costs on an annual basis.

Questions concerning the interpretation and implementation of this Policy may be referred to the President or to the entire Board of Directors.



AUTHORIZATION FOR TRAVEL

Director Name: _____

Date of Request: _____

Name of Event: _____

Location of Event: _____

Dates and Times of Event: _____

Departure Date: _____ Return Date: _____

Number of previous meetings this fiscal year for which you have been granted support: _____

Date of Approval: _____

Signature: _____

President