

Board of Directors Policy

Subject: Director Education and Compensation, Insurance and Travel			Policy No: 109
Original Issue: 3/17/93	Last Revised: 2/14/24	Last Reviewed: 2/14/24	Page 1 of 5

I. OBJECTIVE

To establish guidelines under which the La Plata Electric Association, Inc.'s, (Cooperative's) Board of Directors will receive education in cooperative matters and be provided fair and equitable compensation for attendance at Board, committee, and other meetings, to set guidelines for Director insurance coverage, and to encourage attendance and participation as appropriate.

II. POLICY

A. Director Fees and Stipend

1. Directors will receive a \$1,000.00 monthly stipend for attending at least one meeting on cooperative business during the month. Officers may receive additional stipends above and beyond the \$1,000.00 as budgeted by the Board.
2. Directors shall receive a director fee of \$200.00 for attendance at regular and special, board and annual meetings of the Cooperative, and \$125.00 for attendance at committee and all other official meetings authorized by the Board of Directors, President, or CEO.
3. Directors elected to serve on boards of directors that are affiliated with the Cooperative shall receive a corresponding director fee (regular/special meeting rate or committee/other meeting rate) and reimbursement of travel expenses unless those entities directly compensate that director. Those directors are expected to attend the board meetings, annual meetings, and any special meetings of those entities.
4. Directors are eligible to receive director fees for attendance at voluntary training and other discretionary events so long as total expenses remain within the amount set annually for that director's individual travel and training budget and which have been approved in advance by the Board.
5. Director fees shall be paid for travel time for official meetings. Directors are eligible to receive director fees for travel time for attendance at voluntary training and other discretionary events as necessary and approved in advance.

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6. Directors will be paid one director fee per day when multiple meetings or travel occur on the same day.

B. Director Expense Policy

1. For official, in-person Cooperative meetings, Directors shall be reimbursed for mileage driven at the GSA reimbursable rate from the Director's home and incidental expenses. Directors shall not be eligible for mileage or expense reimbursement for meetings attended through electronic means.
2. Directors will be entitled to receive reimbursements for expenses paid by the Director or to have expenses paid directly by the Cooperative for external meetings or authorized travel and training. Directors must submit a budget and a statement of purpose for each external meeting or training opportunity, which shall be approved in advance by the Board.
3. For discretionary attendance (such as voluntary training), Directors are encouraged to keep total expenses within the amount set in the director's individual annual budget. For affiliated boards as described in Section II, A, 3, director fees and expense reimbursements shall not be attributed to the Director's discretionary budget.
4. Directors shall be reimbursed for expenses on the following basis:
 - a) Directors shall be reimbursed for the actual mode of transportation used, either cost of airfare or mileage driven at the GSA reimbursable rate.
 - b) For airfare, Directors will be reimbursed not more than the cost of the actual flight expense of others traveling to the same meeting, or the average of flights for the same trip scheduled at least three weeks in advance. For out-of-town, out-of-state travel to states contiguous to Colorado, the Director will be reimbursed the lesser of flight or mileage driven at the IRS reimbursable rate.

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- c) Mileage reimbursement, plus toll costs, for the use of personal automobiles shall be at the rate established by the U.S. General Services Administration. In those instances where the Director travels with others, only the Director actually using his or her personal automobile shall receive mileage reimbursement and tolls paid.
- d) Directors will be reimbursed for meal and incidental expenses incurred by the Director at the standard meal and incidental expense rates (M&IE rates) as set by the U.S. General Services Administration. Directors will be expected to reduce the amount of M&IE claimed for meals that are provided (for example, if lunch is provided at a meeting, the Director shall reduce the M&IE reimbursement claimed according to the U.S. General Services Administration rate for that meal). Expenses for the first and last day of travel shall be reimbursed at the U.S. General Services Administration rate.
- e) Expenses will not be paid for people accompanying a Director to meetings or other events.
- f) As described above, M&IE, travel, and incidental expenses will be paid for the official delegates to meetings appointed by the Board and not from an individual Director's budget. If a meeting, travel, or training request arises between regular Board meetings, the President must approve or disapprove the request.

C. Director Expense Procedure

1. Directors should seek approval for travel or training requests in a timely manner, in part because state and national trade associations typically arrange group purchase of rooms at a conference hotel, which typically reflect reduced prices that are less likely to be available closer to the conference date.
2. All claims for reimbursement of expenses not paid by the Cooperative directly must be submitted to the Cooperative on an expense report.

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3. The CEO (or delegated staff) shall review the expense report and reimburse the Director if the expenses conform with the travel or training request initially approved by the Board.
4. If a Director exceeds the specific travel request expense amount previously approved by the Board, the expense report and all necessary receipts will be submitted to the Board of Directors for review and possible approval at the next monthly Board meeting.
5. The CEO will report total Director expenses to the Board quarterly.
6. The Cooperative will furnish an information return, Form 1099, reporting all director fees, stipends, M&IE expense reimbursements, and other reimbursements paid during the calendar year as may be required by the IRS to prepare income tax returns.

D. Insurance

1. **Travel Insurance:** Directors shall be provided \$100,000.00 coverage for accidental death or dismemberment coverage while attending official Cooperative business.
2. **Director Liability Insurance:** Directors, officers, and manager's liability insurance shall be provided by the Cooperative, which provides up to a minimum of \$15,000,000.00 for each loss that a claim is made against them while acting on the Cooperative business individually or collectively for a wrongful act.

E. Budget and Education Expectations

1. The Cooperative shall budget an annual amount to cover the fixed and discretionary expenditures of Directors in furtherance of Cooperative business and interest, including but not limited to: attendance at regular, special, and committee meetings, educational programs, and insurance.
2. The Cooperative's guidelines for education in cooperative matters are as follows:

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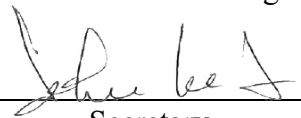
- a) Each cooperative Director is encouraged to achieve a Director certificate from the National Rural Electric Cooperative Association (NRECA) by the end of his/her first term.
- b) Board members should try to take classes in conjunction with Colorado Rural Electric Association (CREA) meetings and sponsored training as much as possible.
- c) The CEO will annually provide the Board with a list of courses attended by the Directors.
- d) Each Director will compare their Director's fees and expenses to the budget when considering taking any course during the year.
- e) The Cooperative will also reimburse or pay for any fees charged for the Director to attend an approved class.
- f) Directors shall report on their conference, training, or meeting to the entire Board and CEO. Reports should be sent via email or verbally at the regular board meeting.

III. RESPONSIBILITY

- A. The President of the Board is responsible for administrating this policy.

2/14/2024

Date



Secretary