

KIUC BOARD POLICY NO. 8
DIRECTOR AND COMMITTEE MEMBER
COMPENSATION AND EXPENSE REIMBURSEMENT

PURPOSE OF POLICY:

This policy describes the compensation and expense reimbursement for Directors, Board Committee members who are not Directors or employees, and the CEO.

POLICY CONTENT:

I. Management of the Board's Compensation and Expenses

Each year, as part of the approval of the annual budget, a budget for Board compensation and expenses is approved. The Board Chair shall manage this department budget. The Board Chair may establish a rule of thumb each year, such as "each Director may attend up to three qualifying events on the mainland and one event on another Hawaiian island", if such a practice is likely to result in Board expenses being less than or equal to that year's budget for Board compensation and travel expenditures. If expenditures are likely to exceed the budget, the Board Chair shall revise the rule of thumb or the board shall authorize an increase in this budget item.

II. Stipends

A. Days Qualifying for Stipends. The Bylaws provide for a stipend to be paid for each day, or portion thereof, that voting Directors or Committee members actually spend on KIUC business. Voting Directors and Committee members that are not Directors or employees shall be paid a stipend:

1. When attending regular or special Board meetings,
2. When attending Committee meetings as a member of the Committee;
3. When attending Committee meetings at the specific request of the Committee Chair for good cause;
4. When attending regular or special meetings of KIUC members; and
5. When otherwise representing KIUC in an official capacity as approved in advance by the Board Chair for Directors or Committee members other than the Chair; approved in advance by the Executive Committee of the Chair; or as otherwise approved in advance by the Board.

In addition, voting Directors shall be paid a stipend when attending NRECA Director courses or NRECA regional, annual, or legislative conferences, as long as the event

either is authorized explicitly by the Board Chair as being eligible for a stipend or it complies with the Board Chair's rule of thumb for the year.

B. Travel Days. A maximum of four (4) days of stipends will be paid for the combined travel time spent traveling to and from events on the mainland.

C. Approval Process. To receive stipends, the individual entitled to a stipend shall report all stipend entitlements to the KIUC employee who manages Board activities, who shall cause the Board Chair or Treasurer to verify entitlement, and, upon such verification by the Board Chair or Treasurer, submit a payment request to the accounting department for processing.

III. Travel Expenses

Directors and Committee members shall be reimbursed for all reasonable travel expenses incurred on KIUC business in accordance with the then-current KIUC business travel and expense policy, upon submission of a report and appropriate receipts to the Treasurer, approval of the expenses by the Treasurer (except that such expenses for the Treasurer, which shall be approved by the Board Chair), and submission of the approved reimbursement form for the expenses to KIUC's accounting department in accordance with current procedures.

The CEO shall be reimbursed for all reasonable travel expenses incurred on KIUC business in accordance with the then current KIUC business travel and expense policy, upon approval of the expenses by the Treasurer and submission of the approved reimbursement form for the expenses to KIUC's Accounting Department in accordance with current procedures.

IV. Entertainment Expenses

From time to time it may be appropriate for Directors, Committee members, or the CEO to make reasonable expenditures for entertainment or meals for others during the conduct of KIUC business. No specific limitations have been placed on such expenditures, other than they be necessary, reasonable, correct, and meet applicable Internal Revenue Service requirements. Requests for reimbursement of entertainment expenses shall be submitted and approved in the same manner as described above for travel expenses.

Adopted on this 26th day of May, 2022.

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Calvin Murashige
Calvin Murashige (May 27, 2022 11:15 HST)

Calvin Murashige
Secretary

Revised: 02/24/2009
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Final Audit Report

2022-05-27

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