

**KAUA`I ISLAND UTILITY COOPERATIVE
BOARD POLICY NO. 8
(Reviewed 01/29/2019)**

**DIRECTOR AND COMMITTEE MEMBER
COMPENSATION AND EXPENSE REIMBURSEMENT**

PURPOSE OF POLICY:

This policy describes the circumstances and procedures developed to comply with Article III, Section 17, of the Association's By-laws with regard to compensation and expense reimbursement to Voting Directors (Directors") and non-Director, non-employee, Committee members ("Committee members").

POLICY CONTENT:

A. **STIPENDS.**

1. Article III, Section 17, of the Association's By-laws provides a stipend of \$150.00 (escalated by the CPI with 2001 as the base) will be paid for each day, or portion thereof, that Directors or Committee members actually spend on Association business. Without specific authorization from the Board, such compensation will be paid only under the following circumstances:

- (a) When attending regular or special Board meetings,
- (b) When attending formal Standing Committee meetings (including but not limited to Executive Committee meetings) as a member of the Committee;
- (c) When attending formal Standing Committee meetings at the specific request of the Committee Chair for good cause;
- (d) When attending regular or special Member meetings;

- (e) For newly elected, first-time Directors during the first year of their tenure for training purposes when attending up to two formal meetings of each Standing Committee where the Director is not a member of the Committee;
- (f) When attending as many meetings of the Nominating Committee as the Chair of that committee determines are substantial;
- (g) When attending as many meetings of formally appointed Ad Hoc Committees as the Chair of the committee determines are substantial;
- (h) When attending formal Director education courses necessary to attain and/or maintain CCD status;
- (i) When attending such other formal Director education courses as may be approved by the board Chair;
- (j) Attendance at annual NRECA member meetings, annual NRECA Directors meetings, and annual Region 7&9 meetings;
- (k) Attendance at CFC Forums, including follow-on or preceding formal education courses;
- (l) Attendance at annual NRECA Legislative Conference by the Chair of the Board's Government Relations/Legislative Committee, its members, or their Director Designees;
- (m) When otherwise representing the Association in an official capacity as approved in advance by the Board Chair for Directors or Committee members other than the Chair, or by the Board Executive Committee if the Chair, or as otherwise approved in advance by the Board.

2. A maximum of four (04) days stipends will be paid for the combined travel time spent traveling to and from mainland meetings or other authorized mainland functions.

3. To receive earned stipends, the individual entitled to a stipend or stipends shall report all stipend entitlements to the Executive Administrator who shall cause the Board Chair and Treasurer to verify entitlement, and, upon such verification by the Chair and Treasurer, submit a Payment Request to Accounts Payable for processing.

B. TRAVEL EXPENSES.

1. Directors and Committee members shall be reimbursed for all reasonable travel expenses incurred on Association business in accordance with the then-current KIUC Business Travel and Expense Policy upon submission of a report and appropriate receipts to the Executive Administrator, approval of the expenses by KIUC's Treasurer (except that such expenses for the Treasurer shall be approved by the Board Chair), and submission of the approved reimbursement form for the expenses to KIUC's Accounting Department by the Executive Administrator in accordance with current procedures.

2. The President & CEO shall be reimbursed for all reasonable travel expenses incurred on Association business in accordance with the then current KIUC Business Travel and Expense Policy upon approval of the expenses by KIUC's Treasurer and submission of the approved reimbursement form for the expenses to KIUC's Accounting Department in accordance with current procedures.

C. ENTERTAINMENT EXPENSES. The Association recognizes that from time to time it may be appropriate for Directors to make reasonable expenditures for entertainment or meals for others during the conduct of Association Business. No specific limitations have been placed on such expenditures other than they be necessary, reasonable, correct, and meet applicable Internal Revenue Service requirements.

1 All Directors and Committee Members making such expenditures shall be reimbursed for them in accordance with the then current KIUC Business Travel and Expense Policy upon submission of a report and appropriate receipts to the Executive Administrator, approval of the expenditure by KIUC's Treasurer (except that such expenses for the Treasurer shall

be approved by the Board Chair), and submission of the approved reimbursement form for the entertainment expenses to KIUC's Accounting Department by the Executive Administrator in accordance with current procedures.

2. Any such expenditure made by the President and CEO shall be reimbursed in accordance with the then-current KIUC Business Travel and Expense Policy upon approval of the expenditure by KIUC's Treasurer and submission of the approved reimbursement form for the entertainment expenses to KIUC's Accounting Department in accordance with current procedures.

RESPONSIBILITIES:

A. The Executive Administrator shall administer the Stipend portion of this policy, and process all requests hereunder for business travel and entertainment expense reimbursement in accordance with this Policy and the then-current KIUC Business Travel and Expense Policy.

B. KIUC's Treasurer shall review and approve all requests for reimbursement of business travel and entertainment expense made by Directors (except the Treasurer's own such expenses), Committee Members or the President and CEO.

C. The Board Chair shall review and approve all requests for reimbursement of business travel and entertainment expense made by KIUC's Treasurer.

D. A summary of the stipends and other expenses of Directors and Committee members shall be published annually.

Adopted on this 29th day of January, 2019

/s/ Calvin Murashige
Calvin Murashige
Secretary

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