

MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.
BOARD MEMBER EXPENSES
BOARD POLICY NO. 115
Supersedes Policy No. 4

SUBJECT: Board Member Travel and Related Expenses

OBJECTIVE: To Establish Standards and Conditions for the Advancement or Reimbursement of Board Member Travel and Related Expenses

POLICY:

Section 11 of Article 4 of the Cooperative's Bylaws provide for advancement or reimbursement of Board member travel and out of pocket expenses actually, necessarily and reasonably incurred in the performance of their duties. By this Policy No.115 the Cooperative establishes the standards and conditions for such advancements or reimbursements, as follows:

I. Fixed Sum. A Board Member shall receive the sum fixed by the then current resolution of the Board pursuant to Article IV, Section 11 of the Bylaws of the Mora-San Miguel Electric Cooperative, for each day, or portion thereof, spent on Cooperative business, including commercial travel time and attendance at Board and Committee meetings, conferences, training programs, national and other meetings, and other authorized assignments. This payment is subject to the limitation contained in said Bylaw that such sums may be allowed for attendance at no more than two (2) meetings, conferences, training programs, etc., within any one month.

II. Expenses.

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 director subject to the following:

A. Travel by personal automobile is permanently authorized for travel within the State of New Mexico. Use of personal automobile will also be allowed when the meeting or activity site is out of state and so located as to make transportation by air thereto, unfeasible or unduly inconvenient. Authorization for payment of mileage for automobile transportation out of state shall be approved in advance by the Board.

Board members will be paid mileage only for himself and the use of his own automobile or a rental automobile for which the Board member is paying the rental fee. Mileage reimbursement for automobile travel will be paid for only 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. Except as allowable under 2 A above, if travel by airline economy or coach fare, taking into account related tips, mileage to and from the airport, parking and cab fares would prove to be more economical than travel by personal automobile, only such fare and appropriately estimated related expenses shall be paid, except that:

(1) 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 midnight at the Board member's premises served by the Cooperative and ends 14 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 will 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. A Board member's commercial travel and also his out of pocket travel expenses, which are actually incurred, reasonable and necessary, shall also be advanced or reimbursed to him, or paid on his behalf, and shall include, but not necessarily be limited to, the following:

- A. Airline coach or economy fare;
- B. Tips, cabs and other out of pocket expenses;
- C. Hotel bills and food;
- D. Laundry and dry cleaning where the site and length of the meeting make such reasonable; and
- E. All other expenses which would be allowable under applicable IRS laws and regulations.

4. The Cooperative will pay, either by advance or after the expense has been incurred, whichever is appropriate, the expenses provided for in this Policy, except that all advances and reimbursements shall be accounted for in accordance with "Board Member Compensation and Expense Invoice" provided by the Cooperative.

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) The accompanying of a Board member by such spouse or other companion is necessary due to his physical disability.

The Board shall be responsible for the enforcement of this Policy.

Approved: April 13, 1993
Effective: April 13, 1993
Reaffirmed: February 24, 1995
Amended: 10-29, 1996


Board Secretary