



FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY NO. 203
DIRECTORS FEES AND EXPENSES

I. POLICY STATEMENT

In conformity with the By-laws of the Cooperative, it shall be the policy to reimburse Directors for time and travel expenses as established in the provisions of this policy.

II. PURPOSE:

- A. To assure fair and equitable reimbursement for time spent, and expenses incurred, by Directors when attending regular or special board or committee meetings.
- B. To encourage adequate representation of the Cooperative by Directors at statewide, regional and national meetings, and training programs which will accrue to the benefit of the Cooperative.

III. RESPONSIBILITY:

The Board of Directors and the General Manager/CEO.

IV. PROVISIONS:

The following provisions and procedures shall apply to this policy:

A. Board compensation is administered pursuant to Article IV, Section 8, when authorized by the Board President.

B. Transportation Expenses:

Members of the Board of Directors shall be paid reasonable travel expenses in addition to the attendance fee for attending officially called committee, regular, or special meetings of the Board. The prevailing IRS rate per mile will be paid to the Director from his/her residence to the place where the meeting is held and return to his/her home, regardless of where he/she started from. The Board of Directors shall employ due diligence in traveling in a manner that considers the cost for travel on Cooperative business. If a Board member chooses to take a more expensive mode of travel for their convenience only, then they will be reimbursed the lesser amount of travel expenses.

Directors shall be reimbursed for transportation expenses for any other meeting as follows:

1. When traveling by personal automobile, a Director shall be reimbursed at the prevailing IRS rate per mile, for miles actually traveled.
2. When traveling by common carrier, a Director shall be reimbursed on the actual transportation expense incurred. In addition, he/she will be reimbursed taxicab fares or other public transportation from the terminal to and from the hotel or meeting place, and for automobile rentals.

C. Room Charges:

When a Director attends an authorized meeting, he/she shall be reimbursed for actual room charges for overnight lodging upon submitting a hotel bill.

D. Incidental Expenses, other than meals:

When a Director attends any of the meetings listed in Section A, above, as an authorized representative at any meeting or training session, he/she shall be reimbursed actual incidental expenses incurred.

E. Meals:

A Director shall be reimbursed for the cost of his/her meals while on authorized Cooperative business.

F. Meeting Called Off:

If the Director goes to a meeting that has been called off, and he/she was not notified, he/she shall be paid as if the meeting was attended.

G. Cooperative Car:

The Cooperative car may be used for Director travel to and from meetings other than Director's Meetings. However, if it is more convenient for a Director to take his/her own car, he/she shall be reimbursed for mileage. Directors are encouraged to car pool wherever possible.

H. Attempt to Attend Meetings:

If a Director makes an effort to get to a meeting he/she is authorized to attend and cannot get there because of conditions beyond his/her control, he/she shall be paid actual miles traveled, plus the regular per diem.

I. The General Manager/CEO shall be responsible for providing for the reimbursement of Directors upon the submission of expense vouchers approved by the Board. Each Board member shall submit an expense voucher for expenses incurred to the Board Secretary or representative for payment along with the proper documentation/receipt at the regular Board meetings.

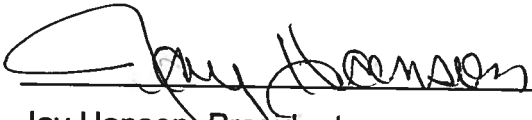
1. Fall River staff will review expenses in relation to this policy, discuss adjustments made with the respective Board member, and issue payment for expense vouchers.
2. Fall River staff will prepare a written report for the Board Secretary of all expenses submitted for payment by each board member to have approved at the next month's regular Board meeting.

3. Any denied expenses or discrepancies identified by the Board of Directors will be noted and proved to Fall River staff so corrections can be made to subsequent expense voucher disbursements.
4. Fall River staff will also produce periodic reports showing the monthly and year-to date Board member expenses for budgeting purposes.

V. **PRIMACY OF POLICY:**

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS



Jay Hanson, President

DATE EFFECTIVE: February 22, 1988

DATE REVISED: March 27, 2000

February 23, 2009

February 24, 2014

April 28, 2014

September 22, 2014