

1800. DIRECTOR & COMMITTEE MEETING FEE POLICY

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INTRODUCTION

No member of the Board, or of any committee, may be compensated for performing their duties or responsibilities as a member, except as permitted by applicable law and as authorized by Resource One Credit Union's Bylaws. Board and Committee members may be provided with reasonable meeting fees and reimbursements as described in this policy.

Resource One Credit Union recognizes the value of continuing education and training for employees and volunteers. It is the policy of the Credit Union to provide training and educational opportunities in accordance with the guidelines outlined in the Credit Union's Director Education Policy (See Policy 1200) as time and resources permit.

The Texas Administrative Code rule 91.502 outlines rules pertaining to Director and Committee Member Fees, Insurance, Reimbursable Expenses, and Other Authorized Expenditures. Subject to the provisions of this rule, the Credit Union may pay a reasonable meeting fee to any of its directors, honorary directors, advisory directors, (hereafter referred to as directors) or committee members for attending duly called meetings at which appropriate credit union business is conducted. Additionally, the Credit Union may also provide:

- i. **Use of credit union equipment:** The Credit Union may provide personal computers, access to electronic mail, and other electronic conveniences to directors during their terms of office provided:
 - a. The board of directors determines that the equipment and the electronic means are necessary and appropriate for the directors to fulfill their duties and responsibilities
 - b. The board of directors develops and maintains written policies and procedures regarding this matter
 - c. The arrangement ceases immediately upon the person's leaving office
- ii. **Other Reimbursements:** The reimbursement of reasonable and proper expenses incurred in the execution of the duties of the Board or committee member's position. Each such reimbursement, however, must:
 - a. Be for an expense determined by the Board to be necessary or appropriate to carry out the official business of the Credit Union.
 - b. Must be in accordance with the written policies and procedures, including documentation requirements, established by the Board.

Revised: January 2018
Ratified: April 2019

Meeting Fees

The degree of accountability that Resource One Credit Union expects of its Directors, and the scope and complexity of the Credit Union's current operations and of the financial, economic, and regulatory environment in which it operates, demands significant preparation on the part of each Director. In recognition of these demands, the Credit Union will pay a fee for each regularly called Board meeting, each regularly called Committee meeting and each Annual Planning Meeting which a Director or Committee Member attends.

Annual Disclosure

The Credit Union shall annually disclose to the membership the fees paid in the prior calendar year and scheduled to be paid in the current calendar year. This disclosure may be provided to the members as part of the Credit Union's annual report as prescribed in §91.310 of the Texas Administrative Code (relating to annual report to membership). The Credit Union, however, may not pay any meeting fees to a director or committee member if the Credit Union is operating under a Net Worth Restoration Plan; or an order issued under Finance Code §122.257 or §122.258.

Tax Implications

Where appropriate, the Credit Union will issue an IRS Form 1099 or other applicable tax forms for fees paid or travel reimbursement purposes.

ANNUAL FEES

The annual meeting fee schedule for 2018 shall be:

	Per Meeting	Planning Session
Board Member	\$ 250.00	\$ 500.00
Committee Member (only)	\$ 150.00	\$ 300.00

Payment of meeting fees will be approved by the Board Secretary, who will be accountable to verify records of attendance. The Board Chairman will authorize fees for the Board Secretary.

Fees shall be paid in quarterly installments on or before the last day of the quarter, where a Director is duly elected or appointed and in the position as of the last day of the quarter. To receive fees, each Director or Committee member must submit an opt-in and fee allocation form to the Credit Union.

In the event of voluntary resignation, removal, death, or disability during a quarter, the director or director's estate shall be entitled to any unpaid portion of the applicable fee.

A Director may refuse payment of fees. The Board may elect to donate any refused fees to a charity of its choosing.

TRAVEL EXPENSE REIMBURSEMENT

Payment of meeting fees will not be a substitute for reimbursement to Directors for legitimate, approved out-of-pocket expenses incurred while conducting business on behalf of the Credit Union. Such business expenses will continue to be reimbursed according to a separate Board-approved travel and business expense policy.

Travel expense reimbursement will be provided for board meetings, committee meetings, director orientation, planning sessions and other director events scheduled concurrently with board meetings. Travel expenses include but are not limited to reasonable transportation, food, and hotel expenses.

Expense Procedures

No gift or entertainment expenses initiated by a Director shall be reimbursed without being prearranged by the Credit Union.

To qualify for reimbursement, all eligible expenses incurred must be submitted for payment within 90 days of the date that the expenses were incurred. This requirement may be waived at the discretion of the President or in the event of an error or omission.

Travel reimbursements will be approved by the President.

Air Travel & Class of Service

The Credit Union will pay the standard carrier expense for a director between the director's residence and the site of a credit union function and the return. The actual cost of private or premium class air travel will not be reimbursed, but the equivalent direct common carrier expense may be substituted.

Spouse/Caregiver Travel

The board may authorize the payment of travel expenses that are reasonable in relation to the Credit Union's financial condition and resources for one guest accompanying a director or committee member to an approved conference or educational program. The payment will not be considered compensation for purposes of Texas Finance Code §122.062 if:

- 1) it is determined by the board to be necessary or appropriate in order to carry out the official business of the credit union
- 2) it is in accordance with written board policies and procedures

Expenses of a Director's spouse or caregiver may be reimbursed in accordance with the Travel Expense Policy subject to a limit of two travel events per year. Spousal entertainment expenses incidental to the hotel property or event are permitted where prearranged by the Credit Union, subject to two travel events per year.

ANNUAL REVIEW BY BOARD

At least annually, the board, in good faith, shall review the director/committee member fees and director/committee member-related expenses incurred, paid, or reimbursed by the Credit Union to determine whether its policy continues to be in the best interest of the Credit Union. The Board's review shall be included as part of the minutes of the meeting at which the policy and the fees and expenses were studied. Fees and expenses shall be considered excessive when amounts paid are disproportionate to the services performed by a director or committee member, or unreasonable considering the financial condition of the institution and similar practices at credit unions of a comparable asset size, geographic location, and/or operational complexity.

Historical Record of Policy Changes

Date Revised: January 2018

Date Ratified: January 2018

New policy.

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