

RAILBELT RELIABILITY COUNCIL – BOARD POLICIES		POLICY NO.: P-03A
TITLE: <b>BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY</b>		REVISION NO.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 06/05/2023	PAGE 1 OF 6

## **BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY**

### **Table of Contents**

1.0	Policy Overview .....	1
2.0	Purpose & Scope .....	1
3.0	Definitions .....	1
4.0	Responsibilities of Key Personnel.....	2
5.0	Board Member Fees.....	2
6.0	Board Member Reimbursement of Expenses .....	4
7.0	Receipt of Voting Director Fees and Reimbursement of Expenses.....	5
8.0	IRS Reporting.....	6
9.0	Waiver .....	6

### **1.0 POLICY OVERVIEW**

This Policy establishes those activities for which Board Members may receive fees and reimbursement of eligible expenses and processes for approval and payment of the same.

### **2.0 PURPOSE & SCOPE**

This Policy:

- 1) Establishes eligibility for Board Member fees and expense reimbursement for participation in RRC Events;
- 2) Defines requirements for Board Member reporting, RRC review and approval, and RRC payment of fees and reimbursement of eligible expenses.

### **3.0 DEFINITIONS**

<b>Term</b>	<b>Definition</b>
Annual Meeting	The last regular Board meeting of each year pursuant to Bylaws Section 2.3.2.
Board	RRC Board of Directors.
Board Chair	Chair of the RRC Board of Directors.
Board Committee(s)	A committee of the Board, as provided in RRC Bylaws Section 2.4.
Board Member(s)	A primary or alternate director of the Board.
Board Treasurer	Treasurer of the RRC Board of Directors.
Bylaws	RRC Bylaws.
CEO	RRC Chief Executive Officer.
IRS	U.S. Department of the Treasury, Internal Revenue Service

RAILBELT RELIABILITY COUNCIL – BOARD POLICIES		POLICY NO.: P-03A
TITLE: <b>BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY</b>		REVISION NO.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 06/05/2023	PAGE 2 OF 6

Term	Definition
Personal Automobile	A personally owned car, van, pickup, panel truck, etc.
Policy	Board Member Fees & Reimbursement of Expenses Policy.
Qualified Representative	For the purposes of this Policy, Qualified Representative refers to Board Members who are appointed to and serve on a Technical Advisory Council working group.
RCA	Regulatory Commission of Alaska.
RRC	Railbelt Reliability Council.
RRC Event(s)	Either in-person, teleconference, or videoconference, meeting(s) of the Board or Board Committee(s); RRC Committee(s) as authorized by the Board or the Board Chair; Board or Board Chair approved training(s) or educational class(es)); or representing the RRC at other organizations as directed or authorized by the Board or the Board Chair.
RRC Committee	A committee, subcommittee, working group, task force, advisory committee, or other topic-specific group of the RRC, other than a Board Committee, that plays a role in RRC decision making.
Sponsoring Organization	The sponsoring organization for Board Members representing Board seats A through G, N, and O are entities defined in Bylaws Section 2.1.2. The sponsoring organization for Board Members representing Board seats H through L is the organization associated with and identified by the Board Member.
Voting Director(s)	A Board Member representing Board seat A, B, C, D, E, F, G, H, I, J, K, L, or M as defined in Bylaws Section 2.1.2.3 at the Board or upon a Board Committee.

#### 4.0 RESPONSIBILITIES OF KEY PERSONNEL

Title	Responsibilities
Board or Board Chair	Authorizes or directs Board Members to participate in RRC Events as defined herein. The Board shall direct staff to initiate a director fee study every other year. Reviews and approves Board Members fee and expense requests.
Board Member(s)	Responsible for maintaining their expense receipts and for properly submitting expense statements in a timely manner for reimbursement. Also, responsible for providing their appropriate Social Security Number (SSN) or Taxpayer Identification Number (TIN) to the RRC.
Board Treasurer	Reviews and approves Voting Director fee requests and Board Member reimbursement of expenses requests.
CEO	Oversees adherence to this Policy.
Governance Committee	Reviews Board Member fees annually in consideration of adjustments, consistent with RRC Bylaws Section 2.1.3.1.

#### 5.0 BOARD MEMBER FEES

Board Members that are Voting Directors are entitled to receive fees for their participation in RRC Events as defined in this section.

RAILBELT RELIABILITY COUNCIL – BOARD POLICIES		POLICY NO.: P-03A
TITLE: <b>BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY</b>		REVISION No.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 06/05/2023	PAGE 3 OF 6

## 5.1 Establishing Fee Amount

The amount of the fees for Voting Director participation in RRC Events shall be established by the Board in accordance with Bylaws Section 2.1.3.1 and 2.1.3.3.

Every other year the Board shall direct the initiation of a director fee study.

The RRC Governance Committee will annually review the amounts of the Board Member fees and bring a recommendation to the Board for consideration of adjustments. The most recent fee study will also inform the Governance Committee’s recommendation.

Changes to the meeting fees shall be set by the Board no later than thirty (30) days prior to the Annual Meeting and shall become effective on January 1<sup>st</sup> of the following year.

The value of Board Member fees is as established by the most recent action of the Board.

## 5.2 Eligibility for Fees

Pursuant to Bylaws Section 2.1.3.1, only Voting Directors shall be allowed to receive fees, which excludes Board Members representing Board seats N and O. Additionally, alternate Voting Directors are only eligible to receive fees when acting as their seat’s director on the Board, when serving as a member of a Board Committee, when serving on an RRC Committee as a Qualified Representative, or when specifically approved by the Board or Board Chair.

## 5.3 Types of Fee

### 5.3.1 Meeting Fee

A Voting Director is entitled to receive a single daily Meeting Fee per day for participation in RRC Events.

### 5.3.2 Travel Fee

A Voting Director is entitled to receive a single daily Travel Fee for the day before and a single daily Travel Fee for the day following participation in an in-person RRC Event, if the Voting Director was engaged in travel associated with an in-person RRC Event(s) on those days. A Voting Director is eligible to receive the Travel Fee(s) only when travel is necessary, and it is authorized by the Board or the Board Chair.

A Voting Director is entitled to receive a maximum of two (2) Travel Fees for any particular RRC Event. To the extent possible, Voting Directors shall minimize their travel days to in-person RRC Events.

### 5.3.3 Expert Witness Fee

A Voting Director is entitled to receive a daily Expert Witness Fee per day for service as an RRC witness for formal RCA hearings as authorized by the Board or the Board Chair.

RAILBELT RELIABILITY COUNCIL – BOARD POLICIES		POLICY NO.: P-03A
TITLE: <b>BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY</b>		REVISION NO.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 06/05/2023	PAGE 4 OF 6

### 5.3.4 Subject Matter Expert Fees

Board Members that are approved by the Board to serve as a Subject Matter Expert on or before an RRC Committee under Bylaws Section 3.1.2 may receive fees under this Policy for their attendance at that RRC Committee meeting.

### 5.4 Compounding Fees

A Voting Director is only entitled to receive one fee per day, regardless of whether the Voting Director participated in multiple meetings, expert witness service, travel, or other RRC Events. The Voting Director may select which fee they claim from the fees for which they are eligible.

Example: On the same day, a Voting Director serves as an RRC expert witness and later attends an RRC Committee meeting. In this scenario, the Voting Director is only entitled to receive one fee for that particular day and can choose either the Meeting Fee, referenced in Section 5.3.2, or the Expert Witness Fee, referenced in Section 5.3.3, but not both.

## 6.0 BOARD MEMBER REIMBURSEMENT OF EXPENSES

A Board Member is entitled to reimbursement of expenses incurred related to their participation in RRC Events as defined in this section.

### 6.1 Privately Owned Vehicle Transportation

A Board Member is entitled to reimbursement of expenses incurred when travel is necessary, authorized by the Board or Board Chair, and they use their Personal Automobile to travel in order to participate in an in-person RRC Event. Reimbursements are calculated using the current, applicable [Standard Mileage Rate](#) as published by the Internal Revenue Service (IRS). When feasible, carpooling is strongly encouraged.

### 6.2 Travel Expenses

A Board Member is entitled to reimbursement of reasonable travel expenses incurred when travel is necessary in order to participate in an in-person RRC Event. A Board Member is eligible to receive reimbursement for travel expenses incurred only when travel is necessary and authorized by the Board or Board Chair. Such travel expenses may include coach / economy fares for travel by air, bus, train, or ferry, lodging, meals, cab fare, travel-related gratuities, laundry and/or dry cleaning (depending on length of stay), and other expenses allowable under applicable IRS laws and regulations.

A Board Member may use U.S. Government-published per diem rates (“CONUS” and “OCONUS” as appropriate) in lieu of actual travel expenses. Current per diem rates can be found on the [U.S. General Services Administration’s website](#). In considering the use of per diem instead of actual expenses for reimbursement, Board Members should consider the increased costs for the RRC to track actual expenses.

A Board Member seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. If a circumstance arises that is not specifically covered in this Policy, then the most conservative course of action should be taken.

RAILBELT RELIABILITY COUNCIL – BOARD POLICIES		POLICY NO.: P-03A
TITLE: <b>BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY</b>		REVISION NO.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 06/05/2023	PAGE 5 OF 6

### 6.3 Course/Training Expenses

A Board Member is entitled to reimbursement of course/training expenses if it is approved by the Board or the Board Chair and if the expenses were paid directly by the Board Member or their Sponsoring Organization.

### 6.4 Travel and Education Arrangements

It is preferred that the RRC make travel and education payments on behalf of Board Members. Board Members should coordinate this with RRC staff.

## 7.0 RECEIPT OF VOTING DIRECTOR FEES AND REIMBURSEMENT OF EXPENSES

Board Members may decline to receive earned fees or may specify that earned fees be paid to themselves or to their Sponsoring Organization. This preference should be communicated to the RRC using the [Director Fee Designation Form](#). In order to receive fees and/or have expenses be reimbursed, Board Members must provide the appropriate Social Security Number (SSN) or Taxpayer Identification Number (TIN) to the RRC and properly submit the appropriate forms, as provided by the RRC, to RRC staff.

### 7.1 Fee Review and Approval

Voting Directors' properly completed [Director Fee Reimbursement Request Form](#) must be submitted to the Board Treasurer, who will review and approve the same in accordance with Bylaws provision 2.1.3.2. The Board Treasurer will coordinate with the Voting Director to clarify any ambiguities and may wholly approve, partially approve, or wholly disapprove the claimed fees. After review and approval by the Board Treasurer, the fee requests will be approved by the Board.

### 7.2 Expense Review and Approval

Board Members' properly completed [Board of Directors Expense Reimbursement Request Form](#) will be reviewed by the Board Treasurer for approval. This form should be submitted with receipts for all expenses to RRC staff. Any expense without a receipt requires the Board Member to submit a "Lost Receipt Form" for approval by the Board Treasurer. The Board Treasurer will coordinate with the Voting Director to clarify any ambiguities and may wholly approve, partially approve, or wholly disapprove reimbursement of the claimed expenses. After review and approval by the Board Treasurer, the expense requests will be approved by the Board.

### 7.3 Submittal Schedule

Reimbursement requests for fees and expenses are to be submitted to the RRC within four (4) months of the event being compensated.

Board Members should submit fee and expense reimbursement forms quarterly, within one (1) month of the end of each fiscal quarter (April 30<sup>th</sup> [Q1]; July 31<sup>st</sup> [Q2]; October 31<sup>st</sup> [Q3]; January 31<sup>st</sup> [Q4]). In all cases, fees and expenses incurred by a Board Member in a given year shall be submitted no later than

RAILBELT RELIABILITY COUNCIL – BOARD POLICIES		POLICY No.: P-03A
TITLE: <b>BOARD MEMBER FEES AND REIMBURSEMENT OF EXPENSES POLICY</b>		REVISION No.: 01
EFFECTIVE: 12/05/2022	LAST AMENDED: 06/05/2023	PAGE 6 OF 6

January 31<sup>st</sup> of the following year. Compensation for the previous year’s fees and expenses not submitted by this date is forfeit.

## **8.0 IRS REPORTING**

All compensation paid under this Policy shall, if and to the extent required by law, be reported to the IRS on form 1099 and 1096 with a copy of the former being timely furnished to the Board Member.

## **9.0 WAIVER**

Portions of this Policy may be waived for specific circumstances by a majority vote of the Board.