



**EL CAMINO HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
COMPENSATION AND REIMBURSEMENT PROCEDURE**

**1.00 PAYMENT OF BOARD MEMBER STIPEND AND REIMBURSEMENT OF BUSINESS, EDUCATION AND TRAVEL EXPENSES**

A. Coverage

Stipends and expense reimbursement to members of the El Camino Healthcare District Board of Directors

B. Adopted

May 1, 2013 (Revised 3/5/14; revised 3/11/19; effective 3/16/19)

C. Policy Summary

It is the policy of the El Camino Healthcare District (the “District”) to pay Board members stipends in accordance California Health and Safety Code Section 32103, other applicable laws, and District Policy 1.00 and to reimburse Board members from operational funds for business, educational and associated travel expenses. The District will also pay Board members for attendance at meetings, as defined in Policy 1.00 as follows: \$100.00 per event up to 5 events per month.

Board members must submit a completed request (form #2085) for educational seminars and conferences, or necessary off-site business expenses incurred on behalf of the District.

Board members are expected to use prudent judgment in selecting their travel accommodations and otherwise incurring expenses which will be reimbursed by the District.

D. Eligibility for Payment or Reimbursement

1. Stipends

a. In accordance with Policy 1.00, staff will track Board members’ attendance at meetings and, on a monthly basis, provide Board members who have not opted out of the policy with a “Meeting Attendance Report Confirmation” form for signature.

b. Upon receipt of the signed Meeting Attendance Report Confirmation and following approval of the Board Chair, (or the Vice Chair, in the case of the Chair’s compensation) staff will forward the document to accounting.

c. Stipends paid to Directors are IRS Form 1099 – Miscellaneous reportable. Directors who have not opted out of participation in Policy 1.00 and are accepting stipend payments must submit IRS FORM W-9 to ECH Accounting before

receiving payment. Annually, ECH will provide IRS Form 1099-Miscellaneous to Directors receiving stipend compensation in excess of \$600.00 in a calendar year.

2. Use of Personal Vehicle for attendance at educational or other events on behalf of the District.

a. The District will pay the current IRS mileage rate for miles actually traveled, but not more than, from the Board member's home or usual place of business within California when traveling on behalf of the District. However, the District shall not reimburse Directors for miles traveled to meetings or events at El Camino Hospital.

b. To be reimbursed, the Board member must complete the Mileage Reimbursement form provided by the Director of Governance Services. The form must be signed by the Board Chair (or the Vice Chair in the case of the Chair's reimbursement) and sent to accounting (OAK200) for processing.

3. Educational seminars, conferences, events, etc. attended for the benefit of the District.

a. **Seminar/conference fees** will be reimbursed in full or at a pro-rated amount.

b. **Air travel** will be reimbursed at "coach" airfare rates. No reimbursement should be claimed for personal convenience fees such as those associated with priority boarding or seating upgrades.

c. **Ground travel** to a seminar or other event, with the exception of events at El Camino Hospital, using the Board member's personal vehicle will be reimbursed as noted in item D.1., at the current IRS mileage rate per mile. Board members should consider use of a rental car in cases where the expenses are expected to be less than the reimbursement for a personal vehicle.

d. **Taxi, bus, rail, limo or rental car service**, if required at the destination, may be reimbursed by the District if necessary for business purposes, as follows:

i) Reimbursement for car rental expenses incurred by the Board member will be limited to the amount charged for a standard "intermediate" car unless there is a business need for a larger vehicle (multiple travelers with luggage, for example). If the requester requests a larger automobile than is necessary to meet the business need, he/she is to have the rental agency document what the price would have been for a standard "intermediate" vehicle and seek reimbursement for only the lower amount. If a larger vehicle is required to meet a business need, this need must be documented on the "Business-Education-Travel Reimbursement Authorization" form.

ii) Limousine service is permitted if it is no more expensive than available alternatives.

iii) Board members should choose the least expensive available alternative suitable for the purpose and situation.

e. **Lodging** will be reimbursed at the standard private room rate at the selected motel/hotel.

f. **Meals** will be reimbursed at actual cost plus tip (normally 15%). The maximum average reimbursement per day is \$130.00. It is the responsibility of the Board member to decide how he/she spends the per day maximum allowable amount for meals. Detailed receipts indicating the items purchased must be submitted.

g. **Alcohol** will not be reimbursed unless approved by the Board Chair. Because approval will only be granted in unusual circumstances, it is recommended that Board members request approval in advance of the expenditure. The maximum average reimbursement of \$130.00 per day includes any approved expenses for alcohol.

h. **Telephone calls and Internet Service**, during travel, required for necessary District business will be reimbursed at cost. These expenses should be itemized on the statement. The District will also reimburse expenses for a personal telephone call home each day while on District business. The conversation should be kept to a reasonable length and will be reimbursed at cost.

4. The District will not advance or reimburse for the following:

a. Any expenses of a spouse or other individual who accompanies the Board member on travel.

b. Any additional expenses for travel by business or first class, or any charges for special boarding privileges or seats.

c. Lodging amenities such as subscription television, valet service, cleaning/pressing of clothes (if the function is greater than one week, this service is allowed), concierge, etc. In-room meal service is subject to the normal meal reimbursement rates detailed in D.2.f above.

d. If an offsite event is within a reasonable radius of the Board member's home or usual place of business and the function is starting after 7:30 a.m. and/or will be ending before 11:30 p.m., the Hospital will not pay for overnight accommodations, as it is expected that the Board member will commute that distance to and from the function within that business day.

e. Car rental fees on an individual basis where there is the opportunity to share a rental car for a group of participants.

f. Additional per mileage charge or gasoline expense by a car rental agency for personal pleasure driving.

g. Any entertainment such as theater, tours, nightclubs, etc.

h. Discretionary expenses for another Board member or staff, such as a birthday, holiday (e.g., Christmas), weddings, child birth, special days (i.e., Administrative Day, or some life event).

i. Professional memberships are generally not reimbursable.

E. Travel Reservations

When booking accommodations and/or air travel, the following points should be noted:

1. If a deposit is required to be made by the District, prior approval of the travel request must be received in sufficient time for Accounting to process the request and ensure that the payment reaches its destination by the required date.
2. When booking air travel utilizing a travel agency, the District's current travel agency must be used. Board members may book airfares over the Internet using the employee's personal credit card. The Board member must then seek reimbursement from the District.
3. In most cases, air travel should be booked as a non-refundable fare. The much-lower cost of these non-refundable fares is normally so great that the extra cost, should a trip be re-scheduled, is still much less than paying a full-price fare.

F. Expense Reporting

Expense reporting must be in conformity with minimum IRS standards and all expenses of \$25.00 or greater must be supported by detailed receipts. Expense reports must indicate as a minimum all of the following:

- Business purpose
- Date and location
- Name and position of Board member

Noncompliance with the above requirements could cause the reimbursement to be considered as additional compensation to the Board member and thus would become taxable (via a W-2 or Form 1099). To avoid this potential problem, the Board member must complete the "Business-Education-Travel Reimbursement Authorization" form and attach all supporting documentation.

G. Procedure for Completing Form

1. All Board members must complete the "Business-Education-Travel Reimbursement Authorization" form (Form 2085). Local business mileage reimbursement may be requested via the use of the Mileage Reimbursement form ([form #54.00a](#)).
2. Form #2085 is self-explanatory, but listed below are key points to remember.

All supporting documents must be attached to the request form. Examples of supporting documents include:

- Copy of registration form
- Lodging receipts
- *Detailed* meal receipts
- Car rental receipts
- Parking fee receipts

- a. In circumstances where a receipt is not obtainable (or lost), the Board member must attach a statement detailing the expense as to date, place, reason for expense, and amount. All reports with missing receipts require approval by the Board Chair.
  - b. Where receipts are given that include non-reimbursable expenses, these expenses must be marked in some fashion and deducted from the total so that only eligible expenses are reimbursed.
3. When travel advances are provided, the recipient must submit a final accounting of his/her expenses on the Business, Education, and Travel Expense form and return any excess advance, no later than 120 days from the date of the event. If this is not done, disciplinary action may be taken. In addition, any undocumented advance will be considered additional income to the recipient and reported as a W-2 or Form 1099 transaction.
    - The CEO shall have signature Authority (approval) for the completed form, as well as travel agency invoices.

#### H. Exceptions

Because it is impossible to foresee every possible situation, it is recognized that exceptions may sometimes be appropriate. As a result, expenses which are not generally reimbursed under this policy may be reimbursed by the District upon determination of the appropriateness and reasonableness of the expenses by the Board Chair (or the Vice Chair in the case of the board Chair's expenses). Any such exception, including the justification for the exception, shall be attached to the request for reimbursement.