

**Lady Creek Water System
Minor Expense Reimbursement Policy
April 20, 2021**

This policy was originally approved by the Lady Creek Water System (“LCWS”) Board of Directors on February 15, 2016. It was subsequently updated and approved at the April 20, 2021 Board meeting. The intent of this policy is to clarify policies concerning reimbursement of small out-of-pocket expenses for volunteers and contractors.

Background. LCWS relies on the services of many volunteers. Volunteers will not be compensated for their time or reimbursed for expenses unless expressly stated in this policy. The Board of Directors may approve exceptions to this policy, when extraordinary circumstances arise. Approval will be by a majority vote of Board members at a scheduled meeting.

Volunteers including Board will not be reimbursed for mileage, use of tool, personally owned equipment, meals, or travel expenses in the performance of LCWS business or activities. Board members and volunteers may be reimbursed for direct out-of-pocket expenditures made on behalf of LCWS if identified in this policy as an allowable reimbursable expense. Original receipts should be accompanied by a brief explanation as to the purpose of the purchase or which project the expenditure the expense relates to. In the case of expenditures by the President, direct out-of-pocket expenditures made on behalf of LCWS may be reimbursed if approved by the Board.

Examples of reimbursable expenditures include postage and stationary costs, office supplies and other minor expenses that directly relate to the business of LCWS.

Water Master. The Water Master performs services for LCWS under a contractual arrangement for which he/she is compensated. Out-of-pocket expenditures by the Water Master for materials and supplies made on behalf of LCWS are to be reimbursed at cost, provided appropriate documentation in the form of receipts or an expense report are provided. The expense report needs to state the nature of the expense and what specific project or circumstance required the expense. The Water Master is expected to maintain their own office facilities, at their expense. However, mileage may be reimbursed for attendance at Board Meetings, the Annual Members Meeting, or for unusual or non-routine travel over a significant distance if approved by the President of the Board in advance, at the current IRS published rate.

Other Contractors and Subcontractors. Other contractors and subcontractors perform services for LCWS under contractual arrangements. Out-of-pocket expenditures by such persons must be included in their bid or proposal to do the job for which they are contracted. If a project requires additional expenditures, those expenses need to be covered in a contract change order and that change order must be approved by the board. It is the Board’s policy to minimize change orders unless extraordinary circumstances arise.

Reimbursements under this policy should not exceed \$100. Amounts greater than \$100 should be made directly by the Treasurer as a direct payment to a vendor if the item is included in the budget.

All reimbursement requests shall be submitted to the Treasurer for reimbursement. This policy will guide the Treasurer in making any and all reimbursements.

Approved by the Board of Directors on April 20, 2021.