

MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC
REVIEW/AUDIT OF BOARD MEMBER - CLAIMED
REIMBURSEMENT OF EXPENSES
BOARD POLICY NO. 116
New Policy

SUBJECT: Review of Board Member Compensation and Expenses

OBJECTIVE: To establish the procedures for systematic review of board member compensation and expenses by the Finance committee.

POLICY:

Section 11 of Article 4 of the Cooperative's Bylaws provides for the reimbursement in certain instances of per diem and mileage expenses and for payment of certain Board member expenses. The Board has established, in policy nos. 114 and 115 the criteria and procedures whereby Board members may be paid such per diem fees and expenses. By this policy no. 116, the Cooperative establishes the procedures for systematic review of such payments so as to ensure compliance with such policies, as follows:

1. It shall be the duty and responsibility of the Finance Committee, periodically but not less often than quarter annually, to convene and to receive and review the reports of reimbursement and/or expenses paid to or on behalf of all Board members.

2. After receiving and reviewing each such report, the Finance Committee shall take one or more of the following actions:

A. Approve the report as received.

B. Request additional information or data, from either the Cooperative or any affected Board member.

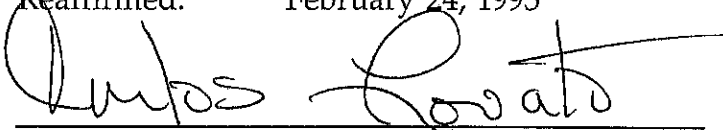
C. Confer with any Board member whose report may be questioned.

3. At the next appropriate Board meeting held after each Committee meeting, the Committee shall report its activities and actions to the Board. The report need not be in writing or, unless one or more Board members so request, be recorded in the Board meeting minutes.

4. Not inconsistently with the foregoing provisions of this Policy, it shall be implemented as discreetly and tactfully as possible.

The Board shall be responsible for the enforcement of this policy.

Approved: April 13, 1993
Effective: April 13, 1993
Reaffirmed: February 24, 1995

A handwritten signature in cursive script, appearing to read "Duane Lovato", written over a horizontal line.

Board Secretary

MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC.
FORM FOR CLAIMING BOARD MEMBER
REIMBURSEMENT AND EXPENSES
POLICY NO. 116-A
NEW POLICY

Board Member Reimbursement and Expense Invoice

The undersigned Board member hereby submits this invoice for reimbursement and/or expenses incurred in connection with the performance of his official and authorized duties as a Board member.

REIMBURSEMENT/EXPENSE INFORMATION

Description of meeting or other performance of authorized duty and its site: _____

Departed home at _____ o'clock _____ m. on _____, 199 _____

Returned at home _____ o'clock _____ m. on _____, 199 _____

Total reimbursable days \$ _____ (please pay undersigned): \$ _____

Date: _____, 199 _____ Signed: _____

EXPENSE INFORMATION

1. Transportation
 - (a) Personal automobile: _____ miles _____ \$ _____
 - (b) Other (specify)* _____ \$ _____
 - (c) Cabs, limousines _____ \$ _____
 - (d) Other (specify) _____ \$ _____

 2. Lodging (including allowable meals and other services that may be included in the bill for such) * \$ _____
 3. Food (not included in lodging bill) \$ _____
 4. Tips (not included in foregoing items) \$ _____
 5. Other expenses (specify)** _____ \$ _____
- Total Expenses: \$ _____
- Less funds advanced, if any: \$ _____

Net amount owed to undersigned, or owed
by undersigned and herewith refunded,
whichever is the case: \$ _____

Date: _____, 199 Signed: _____

APPROVAL

As submitted or as modified _____, 199_____

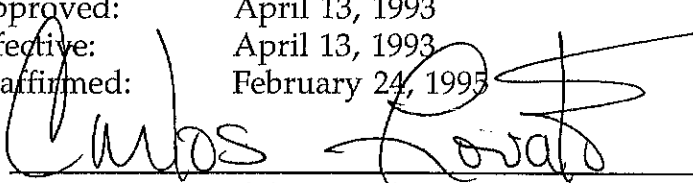
For the Finance Committee

- * Attach receipts unless paid directly by the Cooperative.
- ** Attach receipts for individual expenditures of \$25 or greater

Note: An itemized accounting of expenses should be kept by the Board member and should be made available to the Board Audit committee upon request. It could well be required by an IRS audit.

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