



UPPER PENINSULA LAND CONSERVANCY

Policy 4B: Payments to Board Members

Standard 4B: 2017 Land Trust Alliance Standards and Practices; 2021 Accreditation Requirements Manual

Board Approved: **May 10th, 2022**

Board Revision Approved: DATE, WHEN APPLICABLE

PURPOSE

The purpose of this policy is to ensure that those on the Board of Directors (Board) of the Upper Peninsula Land Conservancy (UPLC) remain compliant with charitable practices standards if a board member would need to be compensated. This policy outlines requirements for accompanying procedures, so that they align with Land Trust Alliance ***Standard 4B: Payments to Board Members***:

- 1. Do not financially compensate board members for board service, except for reimbursement of expenses*
- 2. If, in limited circumstances, the land trust compensates a board member for professional services that would otherwise be contracted out,
 - a. Document the circumstances surrounding the decision to do so*
 - b. Document how the land trust uses appropriate comparability data to determine the amount to be paid and to confirm that there is no private inurement*
 - c. Do not compensate the board's presiding officer or treasurer for professional services**
- 3. Do not provide loans to directors, officers or trustees*

INTRODUCTION

In order to satisfy the requirements for UPLC to retain tax-exempt status, it must demonstrate that the organization serves public, not private, interests. Payments to board members can be easily perceived as private benefit, requiring that policy be in place that clarifies compensation.

DEFINITIONS

Please refer to Policy [4A Conflict of Interest Policy APPROVED Apr 2022](#) for definitions not used in this policy but which apply to conflicts of interest in a broader sense.

REFERENCES

[Land Trust Standards and Practices 2021- Conflicts of Interest 4B: Payments to Board Members.](#)

[Policy 4A Conflict of Interest Policy APPROVED Apr 2022.](#)

UPLC's [Bylaws](#).

In addition, please refer to the supporting document, [Conflict of Interest Disclosure Form](#).

POLICY

Summary:

The policy of UPLC is to ensure that those on the Board of UPLC remain compliant with charitable practices standards, including when it is acceptable for a board member to receive compensation.

1. Board members shall not receive compensation for their service to the Board, except for reimbursement of expenses incurred.
2. If, in a limited circumstance, UPLC compensates a board member for professional services that would otherwise be contracted out, UPLC:
 - a. shall document the circumstances surrounding the decision to do so
 - b. shall document how UPLC uses appropriate comparability data to determine the amount to be paid and to confirm that there is no private inurement
 - c. shall not compensate the board's presiding officer or treasurer for professional services.
3. UPLC shall not provide loans to directors or officers, and Board members shall not accept loans from UPLC.

This policy does not apply to reimbursement of travel expenses to and/or from Board meetings, annual meetings, properties protected by UPLC, and other routine activities of the organization. Rather, it may be applied to long distance or overnight travel for the Land Trust Alliance's *Rally* conference, to other conferences or meetings where the discussion and/or educational activities relate directly to land conservation, or where the president or his/her/their designee represents UPLC.

If UPLC compensates a board member following the conditions stated above, the Executive Committee shall approve the reimbursement prior to sending its recommendation to the Board. The Board may authorize the reimbursement by a simple majority vote.

The Executive Committee and staff are responsible for adherence to this policy.

REVISIONS

This policy should be reviewed by the Conflict of Interest Committee on an annual basis. Any amendments shall be approved by vote of the Board and require a simple majority to be changed.

This policy may be amended or repealed, and new related policies may be adopted, from time to time by the Board of UPLC, except that no change in the policies will affect obligations accepted by UPLC for funds or properties donated prior to the change, unless such change is approved in writing by the donor or donors of such properties, interests, or funds.