

 BOARD POLICY	Policy Name: Director Remuneration	Policy Number: 2.10	
	Approval Signature:	Section: FINANCE	Page 1 of 7 plus 2 Addendums
	Supersedes:		
	Approved by Board: June 23, 2025	Next Review Date: 2027	
	Policy Contact (Position): President	Name of Responsible Committee: Executive Committee	

DIRECTOR REMUNERATION POLICY

POLICY STATEMENT

This Director Remuneration Policy identifies key principles for the payment of remuneration for the members of the Board of the National Association of Community Councils Inc. (NACC).

Basis of Policy Requirement

- (a) The Directors of the NACC work together to govern the organization, playing an essential role in ensuring the organization fulfills its mandate and lives its values with respect to the member communities of the NACC.
- (b) Individually and collectively, elected Board members contribute to NACC at the highest level, and in so doing make an important contribution to the organization, as well as all the member communities that the NACC serves in Manitoba.
- (c) The Board plays a vital role in overseeing NACC's strategic priorities and objectives and in providing oversight and supervision of the management of the business and affairs of NACC (**Board Activities**).
- (d) Appropriate remuneration for services performed by the Board is part of good governance practices and must reflect the importance and professional nature of Board work, and attract and retain qualified individuals. NACC aspires to attract qualified individuals and recognizes the considerable time and energy necessary by Board members in order to fulfill their obligation to oversee the organization and serve the communities that are the members of NACC.
- (e) The establishment of guidelines for remuneration (which is separate from reimbursement of expenses of its Directors) promotes accountability and transparency.

- (f) Each year, Board members are required to attend Board meetings, an orientation session, and planning sessions, as well as other meetings and workshops. In addition, Board members may serve as Officers and participate in Committees and working groups. Board members will need to travel as necessary and to prepare thoroughly for each meeting. Whenever possible, in-person attendance at meetings is highly encouraged.
- (g) Remuneration is an important component in recognizing the significant time commitment of Board members. Remuneration differs from a salary in that Board members are not employed by NACC, but rather are elected to the Board.

PURPOSE

This Policy details how Board members (including the Board President) are compensated for their contributions to NACC. This Policy applies to the Board President, Board Vice President and all Board member positions.

AUTHORITY

- (a) NACC is subject to *The Corporations Act* (Manitoba). Section 275(f) of the Act states:

The directors of a corporation may pass by-laws, not contrary to this Act or to the articles of the corporation, regulating

. . .

 - (f) the qualifications of, and the remuneration of, the directors and the ex officio directors, if any;
- (b) In serving on the Board, Directors must meet their fiduciary duties, and must exercise the duty of care expected of Directors. NACC is a complex organization serving its member communities. Board remuneration recognizes Directors for performing Board activities by exercising their fiduciary responsibilities and for meeting their duty of care as expected.
- (c) The Policy is established pursuant to Sections 6(i) and 8 of the Amended By-laws (amended June 23, 2025) which prescribes the following:

(extract section 6(i))

 - (i) Remuneration

The Board may create policies to authorize remuneration of directors and reimbursement of reasonable expenses incurred in the performance of their duties.

(extract Section 8)

NOTE NEW ... needs to be added to the new Amended By-laws

8. POLICIES

The directors may adopt, amend, or repeal policies relating to the governance, management, operation, and affairs of the Corporation that are not inconsistent with these By-laws, as the directors may deem appropriate from time to time.

APPLICATION AND SCOPE

REMUNERATION PHILOSOPHY

This policy applies to all members of the Board of NACC.

NACC provides remuneration to its Board members in order to:

1. Affirm the Board members' responsibilities and the professional nature of the work that Board members are expected to perform.
2. Attract and retain qualified individuals to serve as Board members.
3. Partially compensate Board members for their time and lost opportunity costs and be seen as "value received" for value given.
4. Recognize the different levels of time and responsibility associated with Board President, Vice President and Board member positions.
5. Recognize an element of public service.
6. Reflect that regardless of how Board members come to sit on the Board, their role and responsibilities are the same and remuneration should be consistent to Board members performing similar roles.

POLICY FRAMEWORK

Definitions

1. **Board Business Meeting** means a gathering of two or more individuals, at least one of whom is a Director and has the purpose of conducting the business of the Board. Appendix A contains a non-exclusive list of meetings and events that are Board Business Meetings for the purposes of this Board Remuneration Policy. For the purposes of the definition of **Board Business Meeting**, attendance may be in-person or remotely, such as via videoconference or teleconference.
2. **Board Meeting** means a meeting of the Board that has been convened in accordance with NACC's By-Law No. 1 which is attended by Directors. A **Board Meeting** includes a meeting convened for strategic and or planning purposes.
3. **Board Attendance Fee** is for Meetings of the Board, Board Business Meetings, Committee Meetings. Board Remuneration does NOT include reimbursement of expenses incurred by a Director in performance of their duties as a Director of NACC which is a separate matter.
4. **Committee Meeting** means a meeting of a Committee of the Board that has been convened in accordance with By-Law No. 1 which is attended by a Director as a member of the Committee, or as part of their professional development. A Committee Meeting includes a meeting where, at the request of the President / Chair of the Board, a Director is conducting the business of the Board in connection with the responsibilities delegated to that Committee.
5. **Director** means an individual elected to the Board whose appointment remains in effect.

POLICY PRINCIPLES

1. The Board Remuneration Policy is based upon the following principles:
 - (a) **Accountability** – NACC is accountable to ensure that its funds used for Director Remuneration and reimbursement of Director related expenses are used prudently and responsibly. Director remuneration and Director related expenses must support the work of the Board.
 - (b) **Transparency** – NACC is transparent about how its funds are used. Director Remuneration should be paid and Director related expenses should be incurred and claimed in a manner that will not harm NACC's reputation as a good manager of its resources. The rules for payment of Director Remuneration and reimbursing expenses are clear, easily understood and available to NACC stakeholders and its member communities;
 - (c) **Value for Money** – NACC funds are to be used prudently and responsibly. Director reimbursement and related expenses must be reasonable with due regard for the objectives of the Board activities; and
 - (d) **Fairness** – NACC Board Remuneration and reimbursement of legitimate expenses incurred in conducting business on behalf of NACC will ensure a fair and consistent treatment of Directors who are required to incur business expenses in relation to Board activities.
2. This Policy recognizes that subject to availability of adequate funding, members of the NACC Board should receive Meeting Attendance Fees for:
 - (a) **Board Meetings**

Each Director who participates in a Board Meeting shall be paid a fee as fixed by this Policy (**Board Meeting Fee**) no matter the duration of the Board Meeting.
 - (b) **Meeting Preparation**

Each Director may, in addition to the actual Board Meeting Fee, be compensated for preparation and travel when attending a Board Meeting at a reduced Board Meeting Fee.
 - (c) **Committee Meetings**

Each Director who participates in a Committee Meeting shall be eligible to be paid a Board Meeting Fee.
 - (d) **Board Business Meeting**

Each Director who participates in a Board Business Meeting or related event shall be paid a fee equal to a Board Meeting Fee, as determined by the nature of the meeting

REMUNERATION

Subject to availability of adequate funding and the budget of the Association, Board members are entitled to Board Meeting Fees identified in Appendix A.

SETTING AND REVIEWING REMUNERATION

1. The Board is authorized to review and set their own remuneration identified in this Policy. The Board appreciates that there is an inherent conflict in setting compensation amounts that Directors will ultimately benefit from. To manage this conflict, the Board has established a comprehensive process to ensure that a clear, fair, reasonable, transparent, and easily administered process is in place.
2. The Board will review its meeting fees every three (3) years, or earlier if there is a material change to the costs and complexity of the current role profile. As part of the review, the Board may consider whether the:
 - (a) Policy remains aligned with the Board's values around the design of the remuneration scheme.
 - (b) Remuneration philosophy continues to serve the best interests of the NACC.
3. With support from the Executive Director, or other independent advisors, the Board shall review this policy, as guided by the remuneration philosophy and guiding principles (as set out in Appendix B), as part of the budget cycle of the review year, and provide recommendations for approval as part of the operating budget approval process.
4. To support the review, the Executive Director may assist the Board by:
 - (a) Identifying and recommending an appropriate list of comparable organizations;
 - (b) Reviewing the current remuneration scheme in light of any shifts in remuneration with comparable organizations or any provincial directives (if applicable) and/or any changes to the role profile and providing analysis on the suitability of the quantum against the guiding principles;
 - (c) Making recommendations regarding changes to the level of remuneration payable to Board members in consideration of operating budgets and financial constraints;
 - (d) Informing and supporting the review as otherwise requested.
5. The Board may make recommendations providing for remuneration for Directors participating in different capacities within the Board, including, without limitation, as the Board President, as chair of a committee or working groups of Board members, and in different situations relating to the work of the Board.
6. To inform and support the Board's review, the Board may seek independent advice or take such other steps as it determines appropriate.

PAYMENT OF MEETING FEE REMUNERATION

1. Meeting fees for Directors are payable in accordance with the following:
 - (a) In respect of meeting fees, staff support for the Board will be responsible for tracking meeting attendance.
 - (b) Provided the meeting or event activity is eligible for a meeting or event attendance fee under this Policy, the Director must complete a payment form to document their time attending the meeting. This form must be submitted for approval within a reasonable time and in any event within thirty (30) days of the meeting.
 - (c) A payment form requires sign-off by the President. A payment form for the President requires sign-off by the Vice-President. No claim incurred within a given fiscal year may be claimed later than 60 days after the fiscal year end.
 - (d) Payments will be made by cheque or direct deposit electronic transfer, depending on the preference of the Board member.
2. The Canada Revenue Agency regulations state that all honoraria payments are considered taxable under the Income Tax Act of Canada and are subject to a T4A slip being issued at each calendar year-end if the total of all payments is more than \$500. As a result, Board members receiving remuneration payments that exceed \$500 in a given calendar year will be issued a T4A for the payment(s) and will be asked to provide their SIN number and mailing address to the NACC.
3. Any questions or issues regarding remuneration and expenses will be referred to the Executive Director and President for resolution.

EXPENSES

All reasonable expenses incurred by a Director in performance of their duties including travel, meal and other expenses incurred as they carry out their duties during the year are eligible for reimbursement in accordance with the NACC Expense Policy. Expense reimbursements are required to be submitted by the Board member using the Expense Reimbursement Form in accordance with the NACC Expense Policy.

INELIGIBLE ACTIVITIES

Board Meeting Fees and expenses shall not be paid in relation to the following activities:

- attending seminars, meetings and conferences (except for those specifically addressing governance and board training issues, and for those areas of particular interest and benefit to NACC where, in the opinion of the President / Chair of the Board, the benefits to attend warrant a Board Meeting Fee be paid);
- voluntary attendance at an event where the Director has not been requested by the President / Chair of the Board to attend as an official representative of the Board of NACC; and
- secondary or informal contacts between Directors and/or team members of NACC.

AUDIT

All payments made to Directors for meeting fees, expenses, and travel time are subject to internal or external audit or audit by the funders.

ANNUAL DISCLOSURE

The total annual remuneration, comprised of meeting fees and expenses, will be reported in the NACC's annual report, as total amounts for the Board and as individual amounts by Director.

DIRECTORS

Each Director shall:

- comply with the principles in this Director Remuneration Policy;
- if unclear about how to deal with remuneration, ask for advice from the President or Executive Director; and
- report any actual or potential breach of the Board Remuneration Policy to the President or Executive as they become aware of it.

CROSS REFERENCE

The following related policies may be referred to for more information:

- 2-9 Expense Policy

POLICY GOVERNANCE

Policy Implementation

This Board Remuneration Policy shall become immediately effective upon its approval by the Board.

Review Cycle

The Board shall review this Policy every third year from the date of its approval or within 12 months of any material change in circumstances.

APPENDIX A

BOARD MEMBER REMUNERATION

BOARD MEETING FEES				
	President	Board Members	Other Executive Member	Other Board Member
Meetings	\$200.00/day	\$175.00/day	\$170.00/day	\$170.00/day
Virtual Meetings & Travel Days	\$100.00/day	\$100.00/day	\$100.00/day	\$100.00/day

- (a) **Subject to adequate funding and Board budget**, a Board member may be paid a Board Meeting Fee for attendance at mandatory meetings (regardless of number and format, whether in-person or virtually), orientation and education sessions, and the annual general conference of the Association.
- (b) The table on the next page sets out the activities that are considered mandatory responsibilities of a Board member and by which a Board member may be eligible for payment of a meeting fee. For any other activity not listed as eligible for remuneration, remuneration may be paid if approved by the Board President. Board Members are encouraged to seek approval in advance of the activity occurring, where possible.
- (c) Incoming or former Board members who, in that capacity, are invited to participate in prescheduled Board-related activities that occur before or after the end of their term may be eligible for remuneration, with prior approval from the Board President
- (d) The Board President will have discretion to determine that no meeting fee be payable in relation to a short meeting or any meeting or event at all. In making such a determination, the Board President will consider the amount of preparation required, the length of the meeting, remuneration already received in any given month, availability of funding and the budget of the Association.
- (e) Travel time shall not be included in calculation of meeting length. There shall be no fees payable for travel time unless travel is more than 100 kms from the residence of a Board member. Only reimbursement of reasonable and approved expenses is covered should any travel be required.

This table outlines activity where a Board Meeting Fee may be claimed by a Board member:

BOARD BUSINESS MEETING		BOARD MEETING FEE(S)
Board or Committee Business meeting ²		YES
Board or Committee Business Meeting preparation		YES
Board or Committee travel time		YES
Annual conference - AGM attendance ³		YES
EDUCATION AND DEVELOPMENT		
Board member orientation		YES
Board member education (if approved by President)		YES
OTHER CONFERENCES, OTHER MEETINGS OR OTHER EVENTS		
At the discretion of and if approved by President only		TBD

¹ Board Meetings should be set by calendar and budgeted

² Defined as any Board meeting or Board Committee meeting published in the Board calendar, as approved by the Board annually, or any Board meeting or Board Committee meeting added to the calendar during the course of the year.

A Board Business Meeting could include the following:

- ☐ meeting with the Minister, or their representative as an official representative of the NACC Board;
- ☐ meeting where attendance is requested by the NACC President / Chair of the Board of Directors (or their delegate) for attending an NACC function or event as an official representative of the NACC Board;
- ☐ meeting where attendance is required to meet with any external auditors, regulators, accountants, legal counsel or other similar advisor to review or discuss the business of the Board;
- ☐ meeting where attendance is requested by the Chair of the Board, or as part of a Director's professional development, for attending seminars, courses, meetings and conferences addressing governance and board training issues, and for those areas of particular interest and benefit to NACC where, in the opinion of the President / Chair of the NACC Board, the benefits to attend warrant a Meeting Fee being paid, and provided the Director shares the highlights and benefits of said seminar, course, meeting or conference;
- ☐ Meetings of special or ad hoc committees, task forces and working groups as an NACC Board representative;
- ☐ Attendance at Board Committee meetings at the request of the President / Chair of the NACC Board;

The following is a non-exclusive sample of circumstances where a related or deemed Board Meeting Fee could also be payable to a Director:

- ☐ A day of travel to or from an attendance at an event as a representative of the NACC would constitute a Deemed Board Meeting
- ☐ A day including preparation and review of materials for committee meetings, board meetings, or board business meetings would constitute a related or Deemed Board Meet

APPENDIX B: GUIDING PRINCIPLES

These guiding principles help the NACC Board to ensure that its decision-making regarding Board member remuneration is made thoughtfully and holistically.

GUIDING PRINCIPLE(S)	DEFINITION
Attracting Board members	Remuneration is provided to attract candidates that will bring required/desired skills and experience to the Board.
Public Service	Remuneration amounts take into account the public service nature of Board member role.
Reasonable	Remuneration is provided at rates that are comparable to similar organizations within the same industry, or with organizations of similar size and complexity ('comparable organizations'). The rates prescribed and set out by provincial directives (if any) may also be taken into consideration as part of a review.
Recognition	Remuneration is set to recognize aspects of the Board members' contribution or role. To varying degrees, it can recognize the value Board members bring to the organization, the extensive nature and responsibilities of their role, or the time that they give.