



## **Board Policy on Reimbursement of Trustee Expenses**

Subject to the limited exception noted, the University will not reimburse trustees for the expenses, including travel, meals, and lodging, incurred in connection with their service as Board members. For most individuals, properly documented and reasonable expenses incurred because of one's service as a University trustee, such as travel expenses to meetings, are normally treated as charitable contributions for tax purposes. In all instances, a trustee should consult with his or her individual tax advisor to determine the proper treatment of expenses incurred in the furtherance of his or her service as a trustee.

It is recognized that for some individuals such trustee-related expenses may rise to a level that would impose an undue burden on their personal finances and possibly discourage them from accepting certain assignments or even to leave the Board. In such cases, the University will reimburse reasonable expenses incurred by the particular trustee at amounts consistent with general University expense reimbursement policies, provided the individual has received prior approval for such reimbursement by (i) the Board Chair in the instance of travel- and meeting-related expenses, and by (ii) the Executive Committee for all other expenses, and submits the required substantiating documentation to the University for such expenses in a timely manner after they have been incurred. Requests for reimbursement will not be entertained if there has not been the requisite prior approval for reimbursement of the particular category of expense either on a continuing or specific basis unless the Executive Committee for good cause shown determines otherwise. The Audit Committee of the Board will also be advised on a periodic basis of any reimbursements made to any trustee to assure that University expense reimbursement policies are being followed.

If a trustee has received approval for reimbursement of travel-related expenses, that trustee should obtain the pertinent University requirements for reimbursement of such expenses to University personnel and conform to them. These include limitations on class of travel, lodging and meal expense, and required documentation.

The University Bylaws provide for indemnification of current and former trustees in the event they are subject to claims or liabilities arising out of their service to the University, subject to the approval of the Board itself or the Executive Committee, as applicable. See Article XIII, American University Bylaws ("Indemnification"). With respect to requests for indemnification, the provisions of the Bylaws are controlling. With respect to any other expense for which a trustee may seek reimbursement, the provisions of this policy shall govern.