

A graphic of a rolled-up scroll with a dark orange background and white text. The scroll is positioned in the center of the page. The text on the scroll reads:

Section 2:
Compensation
&
Reimbursement

Compensation and Reimbursement

It is an established norm in the nonprofit sector that board members (who are not employees) do not receive compensation for their board service, other than reimbursement for expenses directly related to board duties (Minnesota Council of Non-Profits Governance Basics, n.d.). On policymaking boards, it is common for the majority of participants to be professionally associated with the policy systems the board is addressing. For this reason, it is common practice to not compensate the participants for their board service either.

However, there are reasonable exceptions to these practices. Family member and youth consultants who serve on policymaking boards or boards of service organizations are often not compensated. They may have to take time off of work or school, pay for transportation, and secure childcare services in order to attend meetings.

Offering compensation for family and youth consultant participation shows the organization's commitment to the family and youth perspective and knowledge. For many service organizations, their families and consumers may be economically challenged and receive public benefits. For all of these reasons, a policy to compensate family and youth members not otherwise compensated for their board service is important.

Consensus around and financial support to sustain family involvement will call for (dedicated) funds. Opportunities may exist as a carve-out of current budgets or may require additional dollars. Your board or a designated fundraising subcommittee may need to explore grant writing to local or state foundations or make request to community or state agency partners for a financial contribution and/or offer ongoing peer support and/or training as an in-kind contribution.

Colorado Example: In Colorado, The Mental Health Planning and Advisory Council has made the most progress on the legal conditions of reimbursement for individuals receiving public assistance benefits. Family members and youth are an essential constituency by statute of the Council. Colorado and Nevada are leaders in moving consumer compensation issues forward nationally and have made necessary accommodations to ensure family members are reimbursed for their participation on Planning Councils.

Serving on a board should not in any way add economic stress to a family member or youth representative. Board applicants may receive public assistance benefits. An organization can alleviate any potential financial conflict by encouraging a family

member to meet with their benefits specialist before payment for board or committee participation is finalized.

A Colorado delegation is attending the first ever national policy academy on family-driven services, hosted by SAMHSA and the National Federation of Families for Children's Mental Health in February 2009. National reviewers recognized Colorado's outstanding efforts in the field of family involvement all levels of government. The Colorado delegation will benefit from an opportunity to meet with experts in order to establish a sustainable infrastructure for family involvement in the policy arena in Colorado.

Reimbursement and its Impact on Public Benefits

The challenge of compensating family member and youth consultants on public assistance for board participation is a common one. Some boards compensate family and youth members with cash stipends, while others use gift cards. Both gift cards and stipends can impact the public assistance benefits that a family member or youth representative may be receiving from state or local funds. As of January 2009, all federal (state and county distributed) assistance programs have similar guidelines for defining income:

Federal Income Definition: "Anything you receive in cash or in kind that you can use to meet your needs for food and shelter."

The rule for gift cards follows the basic Social Security Income (SSI) rules. If the item can be converted to food or shelter, it counts as income. If the gift card can be used to purchase food or shelter items, or if the card can be re-sold, the value counts as income under SSI rules. Thus, both gift cards and stipends are considered unearned income.

For a gift card not to count as income, it needs to have a prohibition on the resale or transfer of the card, and the card must be limited to purchases that are neither food nor shelter. It is important to note that the restriction on resale must be a legal one; e.g., a legally enforceable prohibition on resale or transfer of the card imposed by the card issuer/merchant and printed on the card.

For all of these reasons, the use of gift cards and stipends can be problematic for families and youth receiving public benefits including Social Security Income, Social Security Disability Income, Medicaid, Food Stamps, etc. For other families and youth, who do not receive benefits based on their income level, this may not be an issue.

It is highly recommended that the family and youth representatives contact their benefits managers to access the impact of any type of stipend on their benefits.

Reimbursement and Transportation and Parking

To reduce any burden on family and youth participation, you may consider reimbursement for parking, gas, and public transportation costs to and from board meetings. Since this does not constitute any funds toward food or shelter, reimbursement for transportation will not impact assistance programs. Example reimbursements include:

- Bus tokens;
- Mileage reimbursements;
- Reimbursement for taxis (if meetings are held at a location not easily accessible by bus, light rail, or other public transit options);
- Reimbursement or validation for parking lots; or
- Reimbursement for parking meters.

Depending on your funding streams, reimbursements for transportation may require a legal receipt.

A board representative could work with the family and youth representative on providing directions, recommending parking facilities in the area, identifying bus routes, or arranging for a ride share with another board member if possible.

Reimbursement and Childcare

To reduce any burden on family and youth participation, boards may wish to identify a policy for providing or reimbursing for childcare. Some options include:

- Direct reimbursement for childcare expenses. Since this does not constitute any funds toward food or shelter, reimbursement for childcare will not impact assistance programs.
- Providing childcare on-site or near the board meeting location. This may eliminate the need for family members to find childcare on their own time. However, the board may have the same issue that parents have: finding a reliable childcare provider for a special needs child can be very challenging

due to the extra attention, patience, and knowledge required. If the board chooses to provide childcare, we recommend that the board ensure the childcare provider has experience with special needs children.

- Offer assistance to family members through local resources, including helping arrange the childcare services, such as:
 - Colorado Association of Family Child Care:
<http://www.coloradochildcare.com> ;
 - Health Care Program for Children with Special Needs: Colorado Department of Public Health and Environment.
<http://www.cdphe.state.co.us/ps/hcp/> ;
 - Nannies Needed: Some nannies listed have experience with special needs children: www.nannyneeded.com/colorado.htm ;
 - Kidstreet at The Children's Hospital: Uniquely designed to care for infants and children with complex medical needs.
www.thechildrenshospital.org/conditions/rehab/kidstreet.aspx
 - Metro Denver Child Care Resource and Referral: A free childcare referral service of licensed providers available for Adams, Arapahoe, Denver, Douglas, Jefferson, and Broomfield counties.
<http://www.frcce.org/>
 - Head Start staff: Often staff people from Head Start programs have experience and skills to work with special needs children and may be available for evening or other off-hours childcare.
<http://www.coloheadstart.org/>
- Additional community resources for child-care may include:
 - Program staff already trained with working with the target population;
 - Local service / disability centers working with the population;
 - Local religious institutions;
 - Local college or university;
 - Respite providers; or
 - A baby-sitting co-op with other parents on board and committees.

Depending on your funding streams, reimbursements for childcare may require a legal receipt.

Reimbursement and Youth

Reimbursement for youth presents additional challenges. While adults may be expected to largely be able to manage their own transportation needs, the same may not be true for youth. Rather than reimbursing youth for transportation, your board may want to arrange transportation for the youth. Many boards are not comfortable providing cash stipends to youth, and gift cards are a common choice. However, it is important to ensure the gift cards are to stores that are relevant and of interest to youth participants. Please see Chapter 4 on youth participation for more information, options, and example reimbursement forms.

Other Reimbursement Considerations

Organizations will also be required to collect IRS form W-9 from each individual and issue IRS 1099 forms at the end of each year for the amount paid out.

An alternate or additional way to compensate board members may be to provide scholarships to family or youth members for conferences or trainings. Opportunities to co-present at conferences or trainings with other board members are also of value.

Materials and Examples

- ✓ Example Compensation and Reimbursement Form

Please note: The resources provided in this workbook are in no way exhaustive.