

To: WPP Board
From: WPP Staff
Date: November 29, 2023
Meeting Date: December 6, 2023

Subject: Expense Reimbursement Policy

Background

During the September 11, 2023 meeting of the Northwest Power Pool, dba Western Power Pool's Finance and Audit Committee, the Committee recommended that the attached resolution be sent to the full Board of Directors.

Recommended Action

Staff recommends the Board of Directors approve the attached resolution regarding the adoption of an IRS Accountable Plan for board expense reimbursements.

**DRAFT RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTHWEST POWER POOL, DBA WESTERN POWER POOL
REGARDING ACCOUNTABLE PLAN**

WHEREAS, the Board Finance and Audit Committee (“Committee”) met on September 11, 2023;

WHEREAS, the Committee recommended that Northwest Power Pool, d/b/a Western Power Pool (“WPP”) adopt an expense reimbursement policy that meets IRS requirements for an accountable plan;

NOW THEREFORE, BE IT RESOLVED THAT:

The Northwest Power Pool, dba Western Power Pool (WPP) shall implement an expense reimbursement policy that meets IRS requirements for an accountable plan. As of the date of this resolution, such a policy must include the following requirements:

1. Board members and advisors (independent contractors of WPP) shall be reimbursed for any ordinary and necessary business and professional expenses incurred on behalf of WPP. When submitting expenses for reimbursement, the submitting party will affirm that the submitted expenses meet the above criteria.
2. Submitted expenses must be adequately substantiated. Documentation will include the amount, date, place, and business purposes of the expense, including the business relationship of any other person for whom expenses are submitted. A receipt will accompany the documentation for each expense. WPP will not reimburse any party for business or professional expenses incurred on behalf of WPP that are not properly substantiated.¹
3. All expenses must be substantiated within a reasonable period of time. This must be within 60 days after the expense is paid or incurred for the policy to comply under the “fixed date” safe harbor substantiation rule.
4. All charges to company credit cards must be substantiated in the same manner as the above-mentioned reimbursements.
5. Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.²

¹ This requirement is necessary to prevent WPP’s expense reimbursement plan from being classified as a “non-accountable” plan.

² WPP does not typically advance funds, but if it does so, a 120-day safe harbor substantiation rule applies.

6. WPP will keep records of the aforementioned reimbursements for a minimum of three years, or as required by IRS regulations.
7. The staff of WPP is hereby authorized to take all such further actions as they, or any of them, may deem necessary or appropriate to carry out the intention of the foregoing resolutions.

Susan Ackerman, Secretary

Date Approved by Board of Directors: _____, 2023