

# Board of Directors Recognition and Reimbursement Procedure

## 1. Purpose

This procedure document (“Procedure”) establishes the rationale and process for determining, approving, and distributing recognition payments, reimbursements and other compensation to SelfDesign Learning Foundation (“SDLF”) directors (“Board Members”), who serve SDLF as directors, board officers, or in other management functions, ensuring alignment with the Board of Directors Recognition and Reimbursement Policy and the SDLF principles of Equity & Fairness, Transparency, Alignment, and Accountability.

## 2. Scope

This procedure applies to all active Board Members who fulfill their governance responsibilities and meet the criteria for receiving the recognition payments, reimbursements or other compensation as set out below.

## 3. Recognition Philosophy

As an organization, SDLF bases its approach to recognition and reimbursement on the following principles:

- a. Affirm the Board Members’ responsibilities and the nature of work that the Board Members are expected to perform.
- b. Recognize the varying levels of time and capacity required of Board Members in association with taking on additional roles.
- c. Support the recruitment and retention of skilled, qualified, and diverse individuals to serve as Board Members for such multifaceted governance as SDLF requires.

As a registered charity, SDLF must ensure that any recognition to its Board Members for their services, whether as directors, board officers or in any other capacity, is reasonable and does not confer an undue private benefit on them. Further, as a BC society, at all times, a majority of Board Members of SDLF must not receive or be entitled to receive remuneration from SDLF under contracts of employment or contracts for services, other than remuneration for being a director. All recognition payments will be made in adherence to the Societies Act (British Columbia) and the Income Tax Act (Canada).

#### **4. Recognition Rationale**

SDLF acknowledges the unique context in which the organization operates, resulting in heightened responsibilities beyond what is typically expected of volunteer Board Members in similar charitable or public education sectors.

First, SDLF is a registered charity and a certified K-12 education provider, delivering tuition-free, Ministry-funded education to over 2,000 diverse learners across British Columbia. SDLF directly operates its programs with over 200 contractors and a province-wide learning community, requiring more than typical board involvement in oversight, operational management, strategy, and implementation. As a result, in addition to roles carried on by the boards of independent schools, the SDLF board must function as a de facto school board.

Second, SDLF underwent a significant operational transition following changes in its executive management team. To ensure continued stability and effective oversight, the Board has increased its support for leadership operations, providing strategic guidance and continuity. Board Members are offering closer collaboration and oversight to support operational effectiveness and ensure alignment with SDLF's mission and priorities.

#### ***Board Member Recognition Principles***

Given the growing complexity of SDLF's operations and the Board's dual role as both a charitable governance body and a de facto school board, SDLF recognizes that Directors are now required to assume significantly expanded responsibilities. These include more active roles in year-round engagement in strategic planning, educational oversight, charitable compliance, enterprise governance, labour relations, risk management, and external sector engagement. Board Members must also provide policy directions and engage directly with government and sector partners on policy, programming and funding issues affecting BC education on a broader scale. The breadth and intensity of these duties exceed those of traditional volunteer boards in either the charitable or public education sectors

Therefore, SDLF wishes to recognize substantially increased responsibilities and time commitments of Board Members, through recognition payments tailored to the types of roles and functions Board Members assume within SDLF.

#### ***Management & Other Services Recognition***

While some additional responsibilities created as a result of operational changes can be distributed throughout the Board Members, SDLF is aware that key management functions will require ongoing commitment and availability on a daily basis, which go beyond the roles of directors, board officers or committee chairs. Accordingly, it may be in the best interests of SDLF that Board Members may be engaged for specific management or other services. To delineate such roles and functions, to ensure that such roles and functions are carried out

effectively and efficiently, and to distinguish them from the expanded board functions described above, SDLF will establish a separate policy and procedures.

### 5. Framework for Recognition - Board Member Per Diems

Effective January 2025, SDLF's amended Bylaws include an update to Section 8.3 (Remuneration of Directors and Officers and Reimbursement of Expenses), which expressly permits Directors to be remunerated for acting in their capacity as Directors, provided such compensation complies with the Income Tax Act and any applicable regulations, rules, policies, or guidance. This Procedure is aligned with that bylaw change and ensures that all recognition payments to Board Members are legally compliant and transparently administered.

As per the Bylaws of SDLF, Board Members may be remunerated for being a Director. Based on the advice received, Board Members will be paid a per diem related to board and committee meetings. The per diems are set below and are intended to cover preparation, board or committee meetings, and special board activities (such as meetings with regulators or attending conferences at the direction or request of the SDLF Board).

Meeting Type	Meeting Rate
Board Meetings	\$ 300.00
Working Group/Committee/Meetings	\$ 200.00
Retreat/Collab/Conferences	\$ 500.00

Recognizing different time commitments between regular Board Members and board officers who have taken on additional functions, such per diems should not exceed \$15,000 per year for regular Board Members, \$22,000 for the Chair, and \$18,000 for other Board officers.

A Board Member who is paid for specific management services as contemplated under section 4 of this policy shall not be entitled to any per diem payments to the extent these services overlap with the role of that Board Member as a director or officer.

### 6. Reimbursements

Board Members shall be reimbursed for reasonable expenses, pre-approved by the Chair, incurred in the performance of their duties, whether as directors, board officers, committee chairs or in management roles.

## **7. Board Recognition and Reimbursement Committee**

The SDLF board will establish a committee, to be known as the “Board Recognition and Reimbursement Committee,” consisting of at least two Board Members. The Chair, Vice Chair, Treasurer, any other committee chair, or any Board Member receiving recognition for carrying out separate management functions are not eligible to be members of the Board Recognition and Reimbursement Committee.

Each Board member shall be responsible for reporting to the executive assistant to the SDLF board (the “Board Executive Assistant”) the meetings they attended, and their function at such meetings. The Board Executive Assistant will be responsible for tracking meetings attended by Board Members in their respective functions and calculating per diems, and tracking per diem caps.

The finance team is to process payments on a quarterly schedule, not in advance, and is responsible for ensuring financial amounts are in line with the Board Recognition and Reimbursement Policy, this Board Recognition and Reimbursement Procedure including financial limits.

Payments are to be made via direct deposit or cheque, with records maintained by the Board Executive Assistant and the finance team for accountability and auditing purposes.

## **8. Review Cycle**

This procedure document is to be reviewed by the board annually, typically before the start of the budget cycle, in or around January of a given year.

In preparation of the board review, the Board Recognition and Reimbursement Committee will consider material change to the Board Member role profiles, and may seek advice from third-party advisors or select executive leadership members (e.g. the CFO) to ensure that recognition amounts remain aligned with SDLF’s guiding principles, budget considerations and applicable laws. The committee shall present any recommendations to the board for consideration in a timely manner prior to the annual board review.