



NATIONAL CREDIT UNION ADMINISTRATION
Washington, D.C. 20456

June 8, 1988

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3600

Office of General Counsel

Mr. Bobby E. Coomer
Director
L & N Federal Credit Union
8628 Glaser Road
Fern Creek, Kentucky 40291

Re: Compensation of Federal Credit Union Officials for
Attendance at Conferences (Your May 19, 1988, Letter)

Dear Mr. Coomer:

A Federal credit union ("FCU") may not reimburse board members for salary lost while attending credit union conferences or similar events. NCUA has issued a request for comments on a possible change in its regulations to permit reimbursement for wages or salary actually forfeited to attend FCU board and committee meetings. The request, however, does not include a proposed change to reimburse officials for lost work time while attending conferences.

Section 111 of the FCU Act [12 U.S.C. 1761] provides:

(c) No member of the board or of any other committee shall, as such, be compensated, except that reasonable health, accident, similar insurance protection, and the reimbursement of reasonable expenses incurred in the execution of the duties of the position shall not be considered compensation.

Sections 701.33(a) and (b) of the NCUA Rules and Regulations [12 C.F.R. 701.33(a), (b)] provide:

(a) With the exception of the treasurer, no director or member of a credit committee or supervisory committee may receive compensation for performing the duties or responsibilities of the board of [sic] committee position to which the person was elected or appointed.

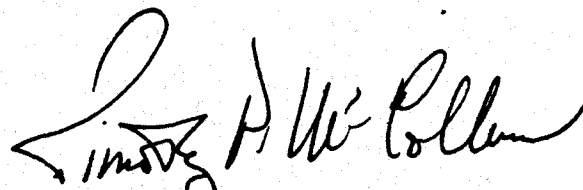
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(b) For purposes of this section, the term 'compensation' specifically excludes (1) reasonable and proper costs incurred by or on behalf of an official (whether on a reimbursement basis or directly by the credit union) in carrying out the responsibilities of the position to which the person was elected or appointed

We have consistently stated that the Section 701.33(b)(1) allowance of reimbursement, though including costs associated with a director's or officer's attendance at schools and conferences on behalf of the credit union, is limited to out-of-pocket monetary costs. More specifically, direct costs for travel, meals and lodging are reimbursable expenses under Section 701.33, but indirect costs, such as wages actually lost while attending such activities, are not. On February 10, 1988, NCUA proposed eliminating this distinction for FCU officials' attendance at board and committee meetings. But, this is only a proposal and would not, in any event, permit reimbursement for lost wages for carrying out any other official responsibility.

Sincerely,



TIMOTHY P. MCCOLLUM
Assistant General Counsel

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