



NATIONAL CREDIT UNION ADMINISTRATION  
Washington, D.C. 20456

January 17, 1989

Office of General Counsel

Gerald E. Toland  
President/CEO  
La Dotd Federal Credit Union  
P.O. Box 44244  
Baton Rouge, LA 70804-4244

Re: Mileage Expense for Directors to Attend  
Monthly Directors' Meetings (Your  
December 1, 1988, Letter)

Dear Mr. Toland:

A Federal credit union ("FCU") can make a reasonable reimbursement to members of the board of directors for mileage expenses to and from monthly board meetings pursuant to the FCU Act and the NCUA Regulations. A decision to make such reimbursement is a policy matter to be made by the board of directors of each individual FCU.

Section 112 of the FCU Act provides that only one board officer may be compensated. Section 111(c) of the FCU Act (12 U.S.C. §1761(c)) provides, in part:

No member of the board or of any other committee shall, as such, be compensated, except that ... the reimbursement of reasonable expenses incurred in the execution of the duties of the position shall not be considered compensation.

Section 701.33(b) of the NCUA Rules and Regulations (12 C.F.R. §701.33(b)) interprets Section 111 of the FCU Act. It repeats the prohibition on compensation and further provides, in part:

(2) For purposes of this section, the term "compensation" specifically excludes:

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(i) payment (by reimbursement to an official or direct credit union payment to a third party) for reasonable and proper costs incurred by an official in carrying out the responsibilities of the position to which that person has been elected or appointed;

It has been longstanding NCUA policy that reimbursement for "reasonable expenses incurred" includes mileage expenses to and from FCU board meetings. A decision on whether or not to make such reimbursement rests with the board of directors of each FCU.

Sincerely,

*Hattie M. Ulan*

HATTIE M. ULAN  
Acting Assistant General  
Counsel

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