

Payment of Board Member Fees and expenses

Purpose

1. This document outlines the process for payment of Board member fees and expenses, and for the recording, and reporting, of Board member hours.

Billing rates and time

2. Your time should be charged by the hour at your contracted rate (the daily rate, divided by 8). You may charge for partial hours in increments of 15 minutes.
3. You may only claim in each 12-month period during your term for hours up to the maximum hours per annum set out in your terms of appointment. Your terms of appointment may provide for additional or contingency hours to be claimed subject to certain conditions.
4. You should provide a record of time charged either in a separate document, on the schedular payment form, or as part of your invoice.
5. You may charge (up to a maximum 8 hours per day¹) for the following:
 - a. Board meetings (including out of cycle meetings)
 - b. Review of circular resolutions
 - c. Preparation for Board meetings (up to an equivalent of 1 hour preparation per 1 hour in-meeting).
 - d. Committee meetings (including out of cycle meetings)
 - e. Preparation for Committee meetings (up to an equivalent of 1 hour preparation per 1 hour in-meeting).
 - f. Travel time to attend Health NZ Board or committee meetings or other Board related activities (where permitted under the current Cabinet Fees framework).²
 - f. Reasonable general Board related reading, outside of meeting preparation.
 - g. Board related meetings with relevant parties.
 - h. Authorised Site visits.

¹ A day is equivalent to eight hours. In the event that a member works longer than eight hours in a day, the additional hours worked do not attract extra payment.

² Members cannot charge for time spent in travel to and from meetings or on Health NZ business, except in instances where a daily fee is paid, and the member has to travel for more than a total of three hours in the course of a normal business day of approximately 8 hours. (see Cabinet Office Circular CO (25) 2, Fees framework for members appointed to bodies in which the Crown has an interest for more detail on claiming for travel time).

- i. Board training and induction activities.
 - j. Chair/Deputy Chair specific duties.
6. To enable the required reporting to the Ministry, time charged should be categorised as follows:
- a. Meeting Preparation
 - b. Meeting Attendance
 - c. Authorised Site visits
 - d. Non-Board or Committee meetings
 - e. Working with the CE and ELT
 - f. Engagement with Stakeholders
 - g. Representing Health NZ externally
 - h. Administration
 - i. General Communications
 - j. Planning and Analysis (for example reviewing and providing feedback on draft accountability documents)
7. Unless you are using a Health NZ Scheduler Payment Form, record your hours separately to your expenses.
8. Calculate your rate both before and after withholding tax, where applicable.
9. Calculate your GST on fees where this applies. GST should not be added to expenses, as this is already included in the expense and should be charged separately.
10. If your arrangement is such that you do not claim a meeting fee, you must still submit a monthly record of hours incurred for monitoring and reporting purposes.

Submitting invoices

11. Upon appointment, Directors must submit a supplier maintenance form. This will generate a purchase order number which should be included in all invoices as a reference. [[Supplier Maintenance Form](#)]
12. Invoices must be submitted on the template provided by the Board Secretariat [[Invoice Template](#)] and e-mailed to the Board Secretariat inbox: <mailto:hnzboard@tewhatuora.govt.nz>
13. Invoices for your time and expenses in the preceding month must be submitted between the 1st and 6th of the month for payment on the next working day after the 20th of the month. If invoices are submitted outside these deadlines, then payment may be delayed.
14. Unless otherwise authorised by the Board Chair, Board member payments are made on a monthly basis for work in the preceding month. There are three options for payment:

- a. Scheduling payments with withholding tax and without GST (in general, Board fees are classed as 'honoraria' for the purposes of income tax regulations and are not subject to GST).
 - b. Scheduling payment with withholding tax and GST.
 - c. Billing through a company.
15. If you are billing using Scheduling Payments, you must complete an IR330C form. Information on Scheduling Payments and the IR330C form is available here: <https://www.ird.govt.nz/income-tax/withholding-taxes/scheduling-payments>

Actual and reasonable expenses

16. Your expenses should be charged using a separate invoice and receipts must be provided.
17. You are entitled to reimbursement for your taxi costs to and from meetings and accommodation on Board business.
18. You are entitled to be reimbursed for actual and reasonable travel and other expenses incurred while carrying out your duties (section 48 Crown Entities Act 2004). Such reimbursement is to be in accordance with Cabinet Office Circular CO (25) 2, *Fees framework for members appointed to bodies in which the Crown has an interest*.
19. You are entitled to reimbursement for your transportation costs to Board meetings where this replaces taxis or flights at Health NZ's standard per km rate. This does not include travel from your home to the airport or a local meeting, unless under exceptional circumstances and with the approval of the Board Chair.
20. You are entitled to reimbursement for your parking costs. If you have arranged to stay additional nights for non Board reasons, you may not expense your additional parking costs.
21. You are entitled to reimbursement for your meal costs while out of town, in accordance with the guidance given in the above stated Cabinet Fees Framework and standard Health NZ daily limits. If you have arranged to stay additional nights for non-Board reasons, associated expenses are to be at your own cost.
22. The purchase of alcohol cannot be expensed to Health NZ.
23. Other charges that are incurred in accordance with the Cabinet Fees Framework may be reimbursed with prior approval of the Board Chair.

Travel arrangements

24. Your flights must be arranged by the Board Secretariat and not expensed to Health NZ. Any exceptions must be approved by the Board Chair.
25. Your accommodation must be arranged by the Board Secretariat and not expensed to Health NZ. Any exceptions must be approved by the Board Chair.

Ministry Reporting

26. The Board Chair is required to maintain clear oversight of Board member activity and to ensure that this is appropriately focused on governance activities.
27. The Ministry of Health requires the Board Chair to provide detailed quarterly reports on the time spent on board activity by all members, broken down by month and type of activity
28. Quarterly reports are required to include the following information at a minimum:
 - a. A detailed breakdown of duties undertaken in the relevant quarter broken down by month and type of activity;
 - b. Confirmation of Board meeting/committee meeting attendance to date
2. The Board Secretariat will prepare quarterly reports for submission to the Ministry of Health.
29. The Board Secretariat will monitor the fees and hours utilised by each Board member to ensure they do not exceed the per annum hours cap provided for before contingency fees may be accessed. If any Board member is approaching the per annum hours cap, the Board Secretariat will notify the Chair and, subject to his/her approval, will prepare a letter to the Minister of Health requesting access to the contingency days. Requests must include an overview of what activity will be conducted through approval of contingency days.
30. Contingency days may not be utilised without prior approval of the Minister.

Employees of the public service

31. Fees in addition to remuneration for the substantive role, are not payable to an employee of the Public Service who is acting as a member of the statutory entity as a representative of all or any part of the public service (section 47(2)(c) Crown Entities Act 2004).