

## In-House Corner: Setting the Board's Budget

This feature of our blog is where our in-house readers share tips, anecdotes and thoughts about things that come up in their daily practice. This particular batch of thoughts is about handling the board's budget [feel free to ping me and share your thoughts – they will be posted anonymously or with attribution, whichever you desire]:

1. "Definitely on the board budget are these things: Director Recruitment, Independent Compensation Consultant, Board Compensation, Legal Counsel specifically retained to advise the Board, Board travel, (generally) costs to respond to activists.

But should the company charge executive travel for board meetings to an executive's cost center if "but for" the board meeting the executive would have had no reason to travel to New Zealand?" – Princess Pluff Doe

2. "Corporate secretary's budget versus the board budget? Sometimes what goes where is not clear. Example: Board portal. Is that a board or corporate secretary cost? Annual Meeting and proxy solicitation costs? ISS consultation costs? An administrative person whose primary responsibility is supporting and liaising with the board? And so on. Sometimes it depends on the company's culture and approach to budgeting." – Steve Spurrier Doe
3. "There are boards with a budget? Seriously I've never seen that. It's a bottomless pit." – Johnny Depp Doe
4. "The board's budget seems to avoid scrutiny, but we're careful with our spend. The pandemic taught us that we can conduct high quality board meetings virtually. Though we are excited to be back meeting in-person, we're considering having one board meeting per year virtually. This unexpected development offers cost savings we couldn't have imagined pre-pandemic." – Maria Mutola Doe
5. "If you go over budget for the board, who is going to complain? Where will that excess money come from? It's a real dilemma." – Eric July Doe
6. "Going through the board budget process is important even if the board's budget isn't really capped. It helps you to understand where you can realize cost savings and helps keep the board accountable." – Penny Hardaway Doe
7. "Who from the board should be the most involved in the board budget process? The board chair obviously. And sometimes the corporate governance committee chair too. Keeping them in the loop helps with discipline from the board's side of things." – Rihanna Doe

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