

CHARITON VALLEY ELECTRIC COOPERATIVE, INC.
GENERAL BOARD
BOARD POLICY 34

SUBJECT: Operation Round-Up Foundation
DATE: July 25, 2019, November 20, 2019

Chariton Valley Electric Cooperative (CVEC) recognizes that one of the most fundamental characteristics of a member-owned electric cooperative is its close relationship with the communities it serves. CVEC has special responsibility to the people in its service area that goes beyond simply providing reliable, economical electric energy.

In addition, CVEC recognizes there are a number of worthwhile projects, charities, educational programs and people in need in the communities served by CVEC and that some needs are unmet due to limited financial resources.

With this in mind, the CVEC Board of Directors hereby encourages the Cooperative's participation in the Operation Round Up ® program and supports the CVEC Operation Round-Up Foundation to make grants for charitable and educational purposes with distribution balanced across the CVEC service area as much as possible.

1. Purpose of CVEC Foundation

The purpose of the CVEC Foundation shall be the accumulation and disbursement of funds for charitable, economic development, educational, environmental, emergency assistance and disaster relief purposes primarily in the area served by the co-op. Upon dissolution of the CVEC Foundation, any remaining funds shall be distributed only for charitable and educational purposes.

2. Funding

The CVEC Foundation shall be funded by Operation Round Up voluntary contributions from members of CVEC and from any other source of funds available to the CVEC Foundation, including Capital Credits, and voluntary contributions from non-CVEC members.

3. CVEC Foundation Board

The CVEC Foundation shall be administered by a board of directors made up of nine (9) persons appointed by CVEC Board of Directors to serve a term of one to three-years during the inception of the ORU Foundation Board ; thereafter each ORU Foundation director shall serve a three-year term.

A CVEC Foundation Board member may serve two consecutive terms and thereafter, may be reappointed to the CVEC Board after being absent from the board for a period of three years.

CVEC Foundation Board members must be members of CVEC and should be actively involved in the community.

4. Participation Agreement

Participation will be voluntary. The monthly bills of participating members will automatically be rounded up to the next highest dollar and the difference will be contributed to the Operation Round Up Foundation fund for distribution under the guidelines of the program. A member may choose to participate or decline participation by simply indicating their desire in the area provided on the Application for Electric Service and Membership or by calling or writing CVEC.

5. Billing of Operation Round Up Funds

Rounding up a participants' energy bills will begin with the January 2020 billing cycle and thereafter, the month following receipt of the participation agreement mechanism and will continue each subsequent month until participation is terminated. Members may elect to terminate participation at any time by notifying CVEC. Members may also request a refund of all, or a portion of, contributions made through their electric account(s) to the Operation Round Up Fund for the previous 12-month period. Any contribution(s) made prior to the 12-month refund period shall remain in the Fund.

6. Record of Contribution

The member's monthly billing statement will serve as a record of the contributions made. No other statement will be issued by CVEC.

7. Major Funding Categories

Although there are many worthwhile charitable and educational projects and community needs in our local area, the limited and declining availability of funds requires CVEC establish funds priority categories with annual budget allocation ranges for each category. The following shall serve as a guide to the CVEC Foundation Board members as they distribute funds:

A. Community Service (up to 40%)

1. Programs, projects, and organizations that are important components of a community's overall quality of life, with emphasis on public safety, health care, self-sufficiency, and basic human needs such as food and housing.
2. Programs and projects that enhance the cultural environment of communities in our local area.

B. Economic Development (up to 30%)

1. Programs and projects designed to promote greater economic stability by helping to expand and diversify local economies, with emphasis on business retention and expansion, new business development, and tourism.
2. Programs and projects that encourage cooperation among regional and community economic development organizations.

3. Community leadership programs designed to improve problem-solving skills and empower people to become self-reliant in identifying solutions to local economic and social problems.

C. Education and Youth (up to 30%)

1. Educational scholarships and other youth development programs and projects.
2. Programs that are designed to combat critical social problems affecting our children and youth.
3. Programs and projects that promote wellness and encourage youth participation in athletics and physical fitness activities.
4. Unclaimed Capital Credits, which may be distributed to a tax-exempt organization pursuant to Iowa Statutes may be allocated under this funding category.

D. Environment (up to 15%)

1. Programs and projects that promote community recycling and natural resources and wildlife preservation.
2. Community-based environment quality education programs.
3. Environmentally sensitive agricultural research programs and projects.

E. Emergency Assistance (up to 30%)

1. Local agencies such as police, fire, ambulance, rescue and others providing emergency assistance for southcentral Iowa.

F. Disaster Relief (up to 15%)

1. Programs and projects to provide disaster relief and food, clothing, shelter, medical care, clean up and repairs and reconstruction in an emergency following an accident, a severe storm, or other natural causes.
2. Contributions will be focused geographically within the area served by CVEC and adjacent areas. Organizations that provide programs and benefits to people who live in this geographic area are eligible for funding consideration, even though the organization is located elsewhere.
3. Funds under this category may also be distributed for disaster planning and preparedness (e.g. pandemic preparedness).

8. Funding Restrictions

- A. Contributions will generally be made only to non-profit organizations that have been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) for non-controversial projects.

B. Contributions will generally not be made for:

1. Lobbying, political and governmental organizations;
2. The purpose of promoting a religion or religious point of view;
3. Fraternal and labor organizations;
4. Fund-raising dinners, raffles and other events;
5. Individuals (except school scholarships and disaster relief);
6. Major capital fund campaigns;
7. National fund drives; and/or
8. Advertising.

9. Evaluation Factors

A. The following factors will be considered in the evaluation of all funding requests:

1. Potential benefit to area residents and the entire community;
2. Level of community support for the program or project and/or the organization requesting the funds;
3. Fiscal and administrative capability of the organization to deliver a quality service or program; and
4. Results that can be evaluated.
5. It shall be the responsibility of all CVEC Foundation directors to evaluate the funding requests and allocate contributions to accomplish the purposes and intent of this policy and these guidelines.

10. Annual Attestation Service for CVEC ORU Foundation Board

The CVEC Foundation Board shall engage an independent certified public accountant to perform an annual attestation service, such as is determined to be reasonable and necessary in the discretion of the CVEC Foundation Board. The CVEC Foundation Board shall annually report such attestation services to the CVEC Board of Directors. The CVEC Board of Directors may require a more extensive audit at any time, and from time to time, in the event that they deem it appropriate for any reason, including, but not limited to, complying with the statutory requirements of the state of Iowa.

11. Destruction of ORU Applications and Other Grant Recipient Documentation

The CVEC Operation Round Up Foundation Board members authorize destruction of grant applications and other grant recipient documents older than five years using safe methods that protect sensitive personal identification information.

SECRETARY

DATE

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