

Operation Round Up Program

Name of Program

The name of the program shall be the Farmers Electric Operation Round Up Program. (ORUP)

Purpose

The purpose of the ORUP shall be the accumulation and disbursement of funds for charitable purposes to organizations and individual and/or family emergencies/disasters in the service area of Farmers Electric Cooperative, Inc. Recipients of the ORUP funds do NOT have to be members of Farmers Electric, but must reside in Adair, Audubon, Cass, Guthrie, Madison, or Union county. Upon dissolution of the ORUP, any remaining funds shall be distributed only for charitable purposes.

Funding

The ORUP shall be funded with the monies collected by rounding up participating members' electric bills and/or rounding down participating employees paychecks. Participation in the ORUP is strictly voluntary.

Administration

The ORUP shall be administered by a voluntary, independent Operation Round-Up Board (ORB), with one director from each district, and 2 directors at-large. No administrative fees will be assessed for the ORUP (mileage will be reimbursed).

Application Process

Application forms for charitable organizations and individuals/families will be available at the Farmers Electric office and also on the website, www.farmersrec.com.

Applications will be reviewed by the ORB on a quarterly basis.

Applications should be received no later than the 15th of the month at the end of the quarter

Emergency applications will be considered on a case by case basis

Check Signing

Any and all checks issued by the ORUP, for any purpose, shall be signed by two (2) officers or one (1) such other person or two (2) such other persons as may be designated by the ORB as having check signing authority.

Disbursement of Funds

Except as otherwise provided by this policy, the ORB shall have the full and sole responsibility for the disbursement of all monies of the ORUP in accordance with this policy.

Prior to the consideration of any disbursement, members of the ORB shall disclose and explain any personal and/or business interest, connection, kinship, or other association he or she has with the person, family, group, corporation or other entity under consideration for funding by the ORUP.

Such member shall, if requested by the president or any three (3) members of ORB, excuse himself or herself from the meeting and not participate in the discussion of or voting on the disbursement.

If no request is made that the interested director excuse himself or herself from the meeting, then and in that event, said director may participate in the discussion of the disbursement but shall not vote on the disbursement.

Accumulation of Funds

Farmers Electric shall transfer funds collected by it for the benefit of the ORUP on a monthly basis. Contributions to the ORUP will not qualify as tax deductible contributions.

Investment of Funds

The ORB shall be responsible for the funds entrusted to the Farmers Electric ORUP and shall make such investment of said funds in a manner which is reasonable and prudent and in keeping with this policy.

Accounting System and Reports

The ORB shall cause to be established and maintained a complete accounting system that is consistent with sound financial management. The ORB shall make reports on the operation and expenditures of the ORUP as may be necessary and prudent, but in no case less than annually.

Political Contributions

No funds of the ORUP shall in any fashion be used to support any candidate for political office or any political purpose.

Emergency Expenditures

A committee of at least three (3) members as designated by the ORB may from time to time make expenditures on an emergency basis, in accordance with this policy; and in accordance with the purpose of this ORUP, in any amount not exceeding \$1,000, to any person, family, group or organization. Such emergency expenditure shall be fully disclosed by the committee at the next regularly called meeting of the ORB.

Amount of Expenditures

Unless otherwise provided by this policy and in keeping with the purpose of the ORUP, the ORB may make annual expenditures of ORUP funds by majority vote of members present at a meeting and constituting a quorum according to the following rules:

- Not more than \$2,000 annually to any individual
- Not more than \$5,000 annually to any family unit, group, organization, charity or like organization

Audit

The accounting records of the ORUP shall be included in Farmers Electric's annual audit.