

Lyon-Lincoln Electric Cooperative

403 – OPERATION ROUND-UP

I. OBJECTIVE

To participate in the Operation Round-Up program and to establish the Lyon-Lincoln Electric Trust for charitable and educational purposes.

II. POLICY

A. Lyon-Lincoln Electric Trust

1. The purpose of the Lyon-Lincoln Electric Trust will be the accumulation and disbursement of funds for charitable and educational purposes primarily in the area served by the cooperative, including emergency energy assistance pursuant to Minnesota Statutes Section 268.371.
2. Upon dissolution of the Trust, any remaining funds will be distributed only for charitable and educational purposes.

B. Funding

The Trust will be funded by Operation Round-Up voluntary contributions from member-owners of the cooperative and from any other source of funds available to the Trust, including unclaimed capital credits and voluntary contributions from non-cooperative members.

C. Administration of the Trust

The Trust will be administered by a nine (9) person Board of Directors. Members will be appointed by the cooperative's Board to serve three year terms. A Trust Board member may serve two consecutive terms and thereafter may be reappointed to the Trust Board after being absent from the Board for a period of three years. Trust Board members may or may not be member-owners of the cooperative, but should be actively involved in the community.

D. Participation Agreement

The cooperative will utilize an automatic round-up method for participation. Monthly bills of participating member-owners will automatically be rounded up to the next highest dollar and the difference will be contributed to the Operation Round-up Trust fund for distribution under the guidelines of the program. A member-owner may decline participation in the program by

indicating so on the participation agreement, or by calling or writing to the cooperative.

E. Billing

Rounding up of participants' energy bills will begin the month following the mailing of the participation agreement, and will continue monthly unless the member-owner notifies the cooperative of their desire to terminate participation.

F. Contribution Records

Monthly billing statements will serve as a record of contributions made by member-owners to the Operations Round-Up Fund. While contributions may be tax deductible, the cooperative will not issue separate statements of amounts contributed to the Fund.

G. Funding Priorities

1. Community Service

- a. Programs, projects and organizations that are important components to a community's overall quality of life, with emphasis on public safety, health care, self-sufficiency, and basic human needs.
- b. Programs and projects that enhance the cultural environment of communities in the cooperative's local area.

2. Economic Development

- a. 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.
- b. Programs and project that encourage cooperation among regional and community economic development organizations.
- c. 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.

3. Education and Youth

- a. Educational scholarships and other programs and projects with an emphasis on math and science education, and cooperative educational programs.
- b. Programs that are designed to combat critical social problems affecting children and youth, with an emphasis on children and teens at risk.
- c. Programs and projects that promote wellness and encourage youth participation in athletics and physical fitness activities.
- d. Unclaimed capital credits that can be distributed to a tax exempt organization pursuant to Minnesota Statutes Section 308A.7 11 may be allocated under the Education and Youth funding category.

H. Geographic Focus

1. Environment

- a. Programs and projects that promote community recycling and natural resource and wildlife preservation.
- b. Community-based environmental quality education programs.
- c. Environmentally sensitive agricultural research programs and projects.

2. Emergency Energy Assistance

- a. Community Action Programs, Heatshare, and other local and statewide fuel funds established by an energy provider, the State of Minnesota, or any other entity that collects and distributes money for low-income emergency energy assistance and meets the minimum criteria, including income eligibility criteria, for receiving money from the Federal low-income Home Energy Assistance Program and the Program's Incentive Fund for Leveraging Non-Federal Resources.
- b. Funds distributed under this funding category will comply with Minnesota Statutes Section 268.371.

3. Disaster Relief

- a. 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.
- b. Contributions will be focused geographically within the area served by the cooperative and adjacent areas. Organizations that provide programs and benefits to people who live in this geographic area are eligible for funding consideration, even if the organization is located elsewhere.

I. Funding Restrictions

1. 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).
2. Contributions will generally not be made for:
 - a. Lobbying, political, and religious organizations;
 - b. Veteran, fraternal, and labor organizations;
 - c. Fund-raising dinners, raffles and other events;
 - d. Individuals (except school scholarships, emergency energy assistance and disaster relief);
 - e. Capital fund campaigns;
 - f. National fund drives; and
 - g. Advertising.

J. Funding Evaluation Criteria

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 or the organization requesting the funds;

3. Fiscal and administrative capability of the organization to deliver a quality service program; and
4. Results that are predictable and can be evaluated.

Approved by the Board of Directors _____
Board President

Adopted: 2/4/2011
Effective: 1/1/2011
Reviewed: 5/26/2015