

MOUNTAIN PARKS ELECTRIC, INC.

COMMUNICATIONS / COMMUNITY POLICIES AND PROCEDURES

SUBJECT: DONATIONS & SPONSORSHIPS POLICY	POLICY NO. C-2
EFFECTIVE DATE: OCTOBER 22, 2003	PAGE 1 OF 5
REVISED DATE: 6-10-10, 11-11-10, 6-13-13, 7-9-15, 8/13/2020, 10/6/2022, 4/13/2023	

I. OBJECTIVE

To support recognized charitable institutions, organizations, businesses and the education, cultural enrichment and public welfare of Mountain Parks Electric, Inc. through financial contributions and event sponsorships.

II. POLICY

A. Donations & Sponsorship Fund

1. Charitable Trust/Operation Round Up

Operation Round Up is administered by MPEI's Charitable Trust Board of Directors and is funded by voluntary contributions from MPEI consumers who round up their monthly electric bill to the next whole dollar (through Operation Round Up). These funds are earmarked to financially assist needy individuals for the public good, including minors, and families, or other charitable organizations whose purpose is to give financial aid and training or education (excluding public or private schools).

2. Unclaimed Capital Credit Fund

The Unclaimed Capital Credit Fund is administered by the MPEI Board of Directors and General Manager and is funded by unclaimed capital credits transferred to a special fund of the Cooperative pursuant to the Bylaws. These funds are limited by the MPEI Bylaws to support the educational or public welfare of persons residing within or projects within the MPEI service area. Examples of such projects include energy related, community centric, and other cultural programs benefiting MPEI's service area.

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3. Sponsorships

Sponsorships are administered through MPEI's staff and are funded through Touchstone Energy and the budgeting process. MPEI's average sponsorship for local events is approximately \$500.

4. Miscellaneous Donations & Sponsorships

Funding requests less than \$5,000 that fall outside of categories listed in this section shall fall under the guidelines of the General Manager's discretion.

B. Annual Spending Goals & Limits

To champion the cooperative principle of Concern for Community, the MPEI Board adopts the following annual donations & sponsorship spending goals:

1. Operation Round Up

Donations from Operation Round Up/the Charitable Trust shall be governed by the Bylaws of the Charitable Trust.

2. Unclaimed Capital Credit Fund

The annual spending goal is 90% of the 3-year average of unclaimed capital credits transferred to the Cooperative's special fund pursuant to the Bylaws. To ensure fund viability in future years, MPEI will retain a minimum balance of approximately \$300,000 or enough to fund scholarships and youth programs for 3 years. Requests less than \$5,000 are reviewed and may be approved by the MPEI General Manager with input provided by MPEI's Charitable Trust Board of Trustees, provided such approvals shall not exceed \$50,000.00 in total in any given fiscal year. Requests exceeding \$5,000 are reviewed and may be approved by the MPEI Board of Directors.

3. Sponsorships

Spending amounts will vary from year to year, dependent upon the number of requests and general budget dollars available.

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C. Criteria for Requesting Parties

Organizations considered for donations and contributions must meet the following criteria:

1. Not-for-profit organizations that meet the Internal Revenue Service tax-exempt status requirements or organizations within the MPEI service territory that conduct programs or events that benefit the Cooperative's membership.
2. All organizations must complete and submit the Donation/Sponsorship Request form available on MPEI's website.

D. Categories of Eligible Organizations

1. In general, donations will be authorized only for the following types of organizations:
 - a. Community Organizations – This category includes most types of organizations formed in the communities located within the Cooperative's service territory with the primary purpose to serve the members of those communities.
 - b. Civic Groups – Chamber of Commerce, Kiwanis, Lions, Rotary, and other similar groups.
 - c. School Programs that contribute to enhanced educational opportunities.
 - d. Community Economic Development Projects – Special development, which will benefit the community at large.
 - e. Community Care and Share Groups – Groups with the expressed purpose of helping the lower-income and disadvantaged members of the community.
 - f. Rural Health, Crisis Centers and Senior Citizen Programs – Quasi-governmental entities which benefit the community at large, including

programs directed at particular groups, including children, adults and students.

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- g. Youth Organizations – Local, organized activities for youth in our communities – 4-H, Scouts, team sports, etc.
- h. Special Events – specific events that have a stated purpose for the use of funds that enhance community services in the MPEI service area.
- i. Benevolent Organizations – These organizations provide specialized services for our communities in times of disaster and emergency conditions.
- j. Other Organizations – Occasionally, requests will be received for donations from associations and organizations outside the Cooperative’s service territory. Such requests may be approved if the request otherwise qualifies under this Policy.

E. Ineligible Organizations & Projects

MPEI will not make contributions to the following:

1. Political campaigns or political action committees.
2. Organizations which discriminate in violation of State or Federal law.
3. Organizations directly funded by way of tax assessments are ineligible, except for those organizations specifically identified in Section D above.

None of the following requests will be considered:

1. Requests rejected by the Charitable Trust or General Manager shall not be considered by the MPEI Board of Directors.
2. Expenses that are typically included in a business’s/organization’s general operating funds.

F. Funding Timeline

Donation requests under this policy will be reviewed as follows:

1. Operation Round Up
Every other month.

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2. Unclaimed Capital Credits
Three times a year: 21 days before MPEI's regular March, July and November board meetings.
3. Sponsorships
Throughout the year.

III. RESPONSIBILITY

The General Manager will be responsible for the administration and compliance of this policy.



 , PRESIDENT DATE:4/13/2023