

**WRIGHT-HENNEPIN ELECTRIC TRUST
OPERATION ROUND UP
FUNDING POLICY AND GUIDELINES**

I. *Policy and Purpose:*

The Wright-Hennepin Electric Trust will be funded by Operation Round-Up voluntary contributions from members of the Wright-Hennepin Cooperative Electric Association and from other sources of funds available to the Trust, including unclaimed capital credits. Operation Round-Up contributions will be used primarily in the local areas served by the Cooperative for charitable and educational purposes, including emergency energy assistance.

II. *Major Funding Categories:*

Although there are many worthy charitable and educational projects and community needs in our local area, the limited availability of funds requires us to establish funding priority categories as follows, with annual budget allocation ranges for each category:

A. *Community Service (20-40%):*

1. Programs, projects and organizations which are important components of a community's overall quality of life, with emphasis on public safety, health care, self-sufficiency, and basic human needs.
2. Programs and projects which enhance the cultural environment of communities in our local area.
3. Programs and projects that promote community recycling and natural resource preservation.
4. Community-based environmental quality education.

B. *Education and Youth (10-30%)*

1. Programs that are designed to combat critical social problems affecting children and youth, with an emphasis on children and teens at risk.
2. Unclaimed capital credits, which may be distributed to a tax-exempt organization pursuant to MN Statutes Section 308A711, shall be allocated under this funding category.

C. Emergency Energy Assistance (5-15%):

Community Action Programs, Heatshare and other local and statewide fuel funds established by an energy provider within the service area of Wright-Hennepin Cooperative Electric Association, 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.

D. Disaster Relief (5-15%):

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 causes.
2. Provide assistance for families or individuals in crisis due to a natural or medical disaster.

III. Geographic Focus:

Generally, contributions will be focused geographically within the area served by the Cooperative and adjacent areas. Organizations which provide programs and benefits to people who live in this geographic area are eligible for funding consideration, even though the organization is located elsewhere.

IV. Funding Restrictions:

1. Contributions will generally be made only to non-profit organizations, which have been granted tax-exempt status under Internal Revenue Code Section 501(c)(3).
2. Contributions will generally not be made for:
 - a. Lobbying, and political organizations;
 - b. Religious organizations unless the program does not include a requirement of prayer, religious education, attendance at a religious service, or to join a religion;
 - c. Fraternal, and labor organizations;
 - d. Individual except disaster relief or special circumstances;
 - e. Capital Fund campaigns (funding necessary for start up of an organization);

- f. Advertising;
 - g. Weapons and weapon training;
 - h. Trips;
 - i. National Fund Drives (unless they are local units of a national organization and the services rendered are local.);
 - j. Second party funding;
 - k. Athletic organizations and equipment
3. Funding and limits:
- a. Food shelves based on percentage of residents to the service territory.
 - b. Six month limit for the release of funds to an organization or individual. Approval necessary for an extension.
 - c. Maximum one donation per year per organization or individual unless there is an affirmative vote by two-thirds majority of the board.

Evaluation Factors:

- 1. The following factors will be considered in the evaluation of all funding requests:
 - a. Potential benefit to area residents and the entire community;
 - b. Level of community support for the program or project or the organization requesting funds;
 - c. Fiscal and administrative capability of the organization to deliver a quality service or program; and
 - d. Results that are predictable and can be evaluated;
 - e. Local scout and youth programs will receive priority over state and national funding;
 - f. When funding equipment, the WHET board will evaluate historical data and use the lowest price level whenever possible;
 - g. Priority given to organizations with low administrative costs (20% or less);
 - h. Lower priority given to applicants that have the power to levy.
- 2. It shall be the responsibility of all Trust Directors to evaluate requests and allocate contributions to accomplish the purposes and intent of this policy and these guidelines.