

Community Support – PEC Power of Change Program Policy PEDERNALES ELECTRIC COOPERATIVE, INC.

1. Purpose:

1.1. Pedernales Electric Cooperative, Inc. (the "Cooperative" or "PEC") has adopted a Community Support Policy to address those organizations and individuals to which PEC may make a direct, monetary donations. This PEC Power of Change Program Policy establishes the guidelines for the Cooperative's on-bill roundup and donation program and provides for the implementation of the program.

2. Scope:

2.1. This Policy applies to all Members participating in PEC's on-bill round up and donation program. This Policy provides guidelines to employees or contractors administering the on-bill roundup and donation program.

3. Definitions:

3.1. Policy - means this "Community Support – PEC Power of Change Program Policy" establishing the guidelines for the Cooperative's voluntary on-bill roundup and donation program.

3.2. PEC Power of Change - means the voluntary on-bill round up and donation program of the Cooperative established as a component of the Cooperative's charitable giving and community support programs.

4. Policy Statement and Implementation:

4.1. This Policy establishes the program requirements for PEC's voluntary on-bill round up and donation program. Members must "opt-in" to become participants in Power of Change.

4.2. Program Terms

4.2.1. PEC Power of Change funds are intended to support the Cooperative's community support programs and associated charitable giving. PEC Power of Change proceeds will first be utilized to fund the Community Grants Program and then to other programs prior to allocating funds from the PEC General Fund. To the extent Power of Change funds are available for additional programs outlined in the Community Support Policy, the Board may allocate Power of Change funds to those additional programs.

4.2.2. PEC Power of Change funds are intended to be disbursed equitably throughout the Cooperative's service area and communities surrounded by the Cooperative's service area.

4.2.3. Members or organizations receiving PEC Power of Change funds must submit appropriate applications or documentation under the current PEC program guidelines for which the funds are utilized.

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4.3. Member Accounts

- 4.3.1. As a voluntary program, Members must evidence their wish to contribute to PEC Power of Change through the methods established by the Cooperative.
- 4.3.2. Members may withdraw their participation in PEC Power of Change at any time. Withdrawal shall be effective upon the next possible billing cycle.
- 4.3.3. Once authorized, a Member's monthly bill shall be rounded up to the nearest whole dollar. Alternatively, a Member may designate a one-time donation or recurring monthly donation for the Power of Change program.
- 4.3.4. After Member authorization, a line-item for "Power of Change" will be added to the member's bill each month.

4.4. Tax Deductibility

- 4.4.1. Contributions by Members to PEC Power of Change are not tax deductible unless PEC later establishes a qualified IRS tax exempt organization for PEC Power of Change.

4.5. Prohibitions

- 4.5.1. PEC Power of Change funds shall not be granted to any agency or organization requesting funds for the Community Grants program that does not have a qualified, non-profit tax exempt status granted by the Internal Revenue Service, including but not limited to 501(c)(3) qualified entities or 501(c)(4) qualified entities
- 4.5.2. PEC Power of Change funds shall not be granted to person or entities that are not eligible as outlined in the Community Support Policy.

5. Procedure Responsibilities

- 5.1. The CEO or his designee is responsible for implementation and administration of this Policy.

6. Enforcement

- 6.1. The Board and Management shall enforce this Policy. Violations of this Policy may result in disciplinary or corrective action, up to and including, termination.

7. Superseding Effect

- 7.1. Except for the Tariff provisions applicable to this program, this Policy supersedes and replaces all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.

8. References and Related Documents:

- 8.1. Tariff
- 8.2. Community Support Policy

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Policy Title:	Community Support – PEC Power of Change Program Policy
Review Frequency:	Triennially
Last Reviewed:	December 19, 2016
Date Adopted:	March 21, 2016
Effective Date:	March 21, 2016
Amendment Dates:	December 19, 2016
Approver:	Board of Directors
Applies to:	All Members and employees or contractors administering the program.
Administrator:	Connections & Community Engagement
Superseding Effect	Except for the Tariff provisions applicable to this program, this Policy supersedes and replaces all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.