

## TRUST FUNDING POLICY AND GUIDELINES

### I. Policy and Purpose

The Sioux Valley Energy Customers' Trust will be funded by Operation Round-Up® voluntary contributions from members of the Sioux Valley Energy and from other sources of funds available to the Trust. Operation Round-Up® contributions will be used primarily in the local area 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

1. Programs, projects and organizations that 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 that enhance the cultural environment of communities in our local area.

#### B. Economic Development

1. 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.
2. Programs and projects that encourage cooperation among regional and community economic development organizations.
3. 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.

#### C. Education and Youth

1. School scholarships and other programs and projects with an emphasis on math and science education and cooperative educational programs.
2. Programs that are designed to combat critical social problems affecting our children and youth, with an emphasis on children and teens at risk.

3. Programs and projects that promote wellness and encourage youth participation in athletics and physical fitness activities.

D. Environment

1. Programs and projects that promote community recycling and natural resource preservation.
2. Community-based environmental quality education programs.
3. Environmentally sensitive agricultural research programs and projects.

E. Emergency Energy Assistance

1. Community Action Programs, Heatshare and other local and statewide fuel funds established by an energy provider, the States of South Dakota and 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.
2. Funds distributed under this funding category shall comply with Minnesota Statutes Section 268.371, and South Dakota Statutes Section 1-36-20.

F. Disaster Relief

Program 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.

III. Geographic Focus

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 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. labor organizations;
- c. Fund-raising dinners, raffles and other events;
- d. Individuals (except school scholarships and disaster relief);
- e. Capital fund campaigns;
- f. National fund drives; and
- g. Advertising.

V. 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 the 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.
2. It shall be the responsibility of all Trust Directors to evaluate funding requests and allocate contributions to accomplish the purposes and intent of this policy and these guidelines.

VI. Project Timing

1. Whenever possible, requests for funding should be for projects that will be completed within 12 months following the grant application. Requests for funding for projects that have already been completed will be given less priority.

Adopted 9/20/00  
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