

KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 25
KIUC CHARITABLE/NONPROFIT GIVING
(Reviewed 11/27/2018)

PURPOSE OF POLICY:

The purpose of this policy is to govern KIUC's gifts to charitable and/or nonprofit entities using funds acquired from KIUC Margins ("KIUC Giving").

POLICY CONTENT:

A. The KIUC Giving Program

1. Basis. One of the seven Cooperative Principles is:

"7. Concern for Community. While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members."

2. Programs. In carrying out this principle KIUC, and Kauai Electric before it, have historically given money from corporate funds to various Kauai charitable and/or nonprofit entities. This giving has been accomplished using three separate programs/accounts:

- Sharing of Aloha. The Sharing of Aloha fund is a fund intended to assist various local non-profit organizations that contribute to Kauai's quality of living ("Kauai Non-Profits"). It is administered by a committee of rank-and-file employees with appropriate representation of various KIUC departments (the "Sharing of Aloha Committee").
- President's Fund. The President's Fund is a fund intended to support IRS 501(c)(3) qualified entities on Kauai or national organizations in servicing Kauai ("Kauai 501(c)(3) Entities") through direct donations to such entities selected by KIUC's President and CEO (including attendance by staff and directors at fundraising events).
- Corporate Fund. The Corporate Fund is a fund, separate from the President's Fund, that also supports Kauai 501(c)(3) Entities through direct donations to them by:
 - Matching (or partial matching) of KIUC employee contributions to appropriate Kauai 501(c)(3) Entities; or
 - Contributions to qualified Kauai 501(c)(3) Entities which have been previously vetted, and where contributions are appropriate to continue from year to year.

B. Recipients

1. Organizations Supported

The benefits or services provided by the requesting organization or potential recipient organization must be perceived as providing benefits or services on Kauai, i.e. there must

be a benefit or service provided to the people of Kauai or KIUC's members. Examples of organizations are:

a. Kauai Non-Profits:

- Youth sport teams and leagues
- Amateur adult sports teams and leagues
- Chambers of commerce
- Community service organizations
- State of Hawaii Department of Education schools and organizations
- Veterans organizations
- Others as appropriate

b. Kauai 501 (c)(3) Entities:

(1) Human Social Services Organizations:

- Senior citizens groups
- Emergency service organizations (food, clothing, shelter, disaster relief etc.)
- Youth care organizations
- Family counseling organizations

(2) Educational Organizations:

- Private primary and secondary schools
- Early education schools
- Public Charter Schools or their sponsoring organizations

(3) Health organizations

(4) Culture and Arts organizations

(5) Community Development organizations:

- Environmental and ecological programs
- Housing and urban renewal projects
- Economic development organizations

(6) Others as appropriate

2. Ineligible Organizations/Gifts:

- a. Organizations that seek to primarily benefit one individual or an individual's family
- b. Political organizations
- c. Organizations engaged in illegal discrimination
- d. Religious groups seeking funds primarily for religious purposes
- e. Funds for parties, trophies, gift checks, cash, and electric bill discounts or expenses, etc.

C. Guidance

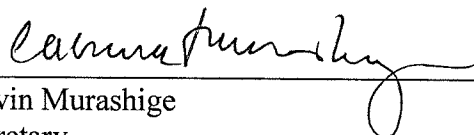
1. Funding Level. Where the use of funds is for a fundraising function of a 501(c)(3) organization that provides its benefits or services wholly or partially on Kauai, the level of contribution should usually be at an appropriate level.
2. Attendance. Attendance at functions should generally be shared between directors, management and rank-and-file employees as appropriate.
3. Budget. Except in unusual circumstances funding must have been budgeted in the current year's budget
4. Disclosure. The total dollar amount of all KIUC gifts or grants to Kauai Non-Profits or Kauai 501 (c)(3) Entities shall be disclosed each year in the annual report to the membership.

RESPONSIBILITY:

The responsibility for implementing this policy is as follows:

- A. The CEO is responsible for annually recommending an appropriate budget for KIUC Giving for each program set out in Policy Content paragraph A. 2. above.
- B. The CEO is responsible for supervising all KIUC Giving to ensure it complies with the guidance and procedures set out above.
- C. The KIUC Board of Directors is responsible for approving a budget for KIUC Giving each year in accordance with KIUC budgeting procedures.

Adopted on this 27th day of November, 2018



Calvin Murashige
Secretary

Reviewed: 11/27/2018
Revised: 11/29/2016
Reviewed: 12/16/2014
Original Adoption: 02/28/2012