

KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 24
(Reviewed 12/19/2018)

FUNDING THE KIUC CHARITABLE FOUNDATION

PURPOSE OF POLICY:

The purpose of this policy is to govern the funding of the KIUC Charitable Foundation (the "Foundation").

POLICY CONTENT:

A. Objectives

The Foundation is organized exclusively to benefit charitable, scientific, educational, and public purposes and entities. Examples include, but are not limited to:

1. Assisting local non-profit and other community organizations which contribute to Kaua'i's quality of life.
2. Supporting and encouraging KIUC employees and directors to assume active roles in the community via local non-profit and other community organizations which contribute to Kaua'i's quality of life.
3. Making grants and/or loans to non-profit entities or needy individuals in furtherance of the purposes of the organizations.
4. Applying for private and public grants and funding to accomplish the purposes of the corporation.
5. Transacting any or all lawful activities for which nonprofit corporations may be incorporated under Chapter 414D, Hawaii Revised Statutes.

B. Foundation Funding

It is the policy of this Board of Directors to fund the charitable activities of the Foundation from:

1. Unclaimed patronage capital refunds, as those funds are reported annually to State of Hawaii Director of Finance in accordance with the requirements of the Hawaii Revised Statutes HRS §421C-41 that exempts KIUC from the provisions of HRS Chapter 523A dealing with "Unclaimed Property".

In the event KIUC successfully issues any refunds more than five years after they become unclaimed, that amount will be deducted from the next annual set of unclaimed funds paid to the Foundation in accordance with this policy.

2. The Makana Program, a community support program which enables members to donate to local charities and service organizations by allowing KIUC to round up electric bills to the next highest dollar. All monthly contributions are transferred to the Foundation.

C. Guidance

1. Patronage capital refunds will be deemed unclaimed when a refund check is not cashed and/or is returned to KIUC as unclaimed or undeliverable; provided that even after such funds are deemed unclaimed KIUC will continue such reasonable efforts as it believes are appropriate to locate the owners of such funds.
2. The Makana Program is a voluntary program where participants “opt-in” by authorizing KIUC to include a round-up charge to the next dollar on their monthly electric bill until such time the customer chooses to be removed from the program. The participant will also have the option to make a one-time donation or add an additional monthly amount to the program.

RESPONSIBILITY:

The responsibility for implementing this policy is assigned as follows:

- A. The CEO has the responsibility for accounting for Foundation funding.
- B. The CEO has the responsibility to transfer funds to the Foundation in accordance with this policy.
- C. The CEO has the responsibility to report annually to the Board of Directors the amount of Foundation funds including the amounts transferred to the Foundation in the period covered by the report.
- D. The Board of Directors, with the advice of CEO, has the responsibility for reviewing the Foundation funds and transfers to the Foundation for compliance with this policy.

Adopted on this **19th** day of **December**, **2018**

/s/ Calvin Murashige
Calvin Murashige
Secretary

Reviewed: 12/19/2018
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