



# Southern Iowa Electric Cooperative

A Touchstone Energy® Cooperative



## General Admin Handbook



Updated: January 2025

**Southern Iowa Electric Cooperative, Inc.  
General Administration Policies**

| <b>Policy#</b> | <b>Title</b>                                   | <b>Last Revised</b> |
|----------------|--|---------------------|
| #100           | SIEC Mission, Policy Formulation, and Approval | 02/26/2021          |
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| #140           | FEMA Cost Principles and Allowable Costs       | 08/01/2019          |
| #145           | FEMA Advances of Federal Funds                 | 08/01/2019          |
| #150           | FEMA Solid Waste Management Plan               | 08/01/2019          |
| #155           | FEMA Cost Determination Procedures             | 08/01/2019          |
| #160           | SIEC Procurement Policies and Procedures       | 08/01/2019          |

## **SIEC Mission, Policy Formulation, and Approval**

### **I. PURPOSE**

- A. Our mission: Providing safe, reliable electricity.
- B. By-Law Article III, Section 6: Rules and Regulations. The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative, or these By-Laws, as it may deem advisable for the management, administrations, and regulation of the business and affairs of the Cooperative.
- C. Under the provisions of this section, it becomes incumbent upon the Board of Directors to make and adopt, from time to time and as deemed necessary by the operations of the business, broad statements of policy, to provide the management of the Cooperative with guidelines for the day-by-day conduct of the business of the Cooperative. The purpose of this policy is to establish the basis by which the various policies, rules and regulations for the operation of the Cooperative shall be proposed, promulgated, adopted and enforced so there can be consistency of operations, and so that, members, directors, management and employees can be assured equitable and fair treatment in their relationships with the Cooperative.
- D. In the context of this policy, a policy shall be understood to be an official action of the Board of Directors to cover the need for specific management decisions in relation to recurring situations affecting the operations of the business and affairs of the Cooperative. Policy statements are not prepared to cover board actions concerning situations that occur only once, or very occasionally, in the life of the Cooperative.

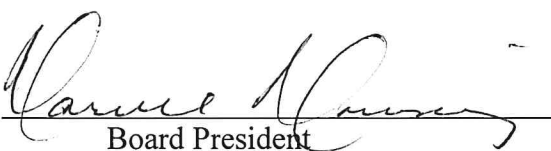
### **II. GUIDELINES**

- A. The Board shall formally consider and approve policies that express the Board's expectations and standards regarding Board, Director, Management and organizational performance.
- B. The CEO/Manager shall coordinate the development of policy in conjunction with the Board of Directors. Both parties shall jointly make recommendations for the Board's consideration.
- C. All policies shall be maintained in an up-to-date policy manual – which may be electronically stored.
- D. Each policy should be reviewed systematically and periodically by the Board of Directors and CEO/Manager, who should coordinate the process and who may recommend revisions or changes.
- E. The CEO/Manager shall be accountable to the Board for carrying out these policies.

- F. Each policy shall identify the date of approval and the date of most recent revision.
- G. In the event there is a conflict between any policy and the law, the By-Laws, the Articles of Incorporation, or the rules and regulations of a lending or regulatory agency, the law, By-Laws, Articles of Incorporation, or such rules and regulations – will prevail over the policy.

**III. RESPONSIBILITY**

- A. Directors—It shall be the responsibility of each individual Director to assist in development of Board policies including Bylaws, Articles of Incorporation, General Board Policies, Employee Handbook Policies, Tariffs, and contracts. Directors shall also comply with Board Policies, including but not limited to the Annual Conflict of Interest Disclosure (see Board Policy #215) and the Code of Conduct for Directors. (see Board Policy #210)
- B. Board President—It shall be the responsibility of the President to be the spokesperson for the Board of Directors between board meetings while keeping in mind the decision making authority only resides within the collective decision of the entire Board of Directors at an official board meeting. The Board President should make sure that a board meeting agenda is followed and that each Director is encouraged to participate in making the board decisions. It is the ultimate goal for the Board President to seek a clear and unified direction from the Board to the CEO/Manager.
- C. CEO/Manager—It shall be the responsibility of the CEO/Manager to recommend changes or additions to the Policies or Organizational Chart (see Gen Admin Policy #105). In doing so the CEO/Manager should keep the Board informed of the details of the management and operation of the Cooperative but only the CEO has the responsibility to take actions to fulfill the daily implementation of the policy objectives of the Board of Directors.  
The CEO/Manager, in consultation with the General Counsel, shall ensure that all proposed policies or revisions to existing policies meet all lending institutions and state and federal legal requirements.
- D. Other Employees—It shall be the responsibility of the other employees to meet the directives of the CEO/Manager while complying with Employee Policies, including the Annual Conflict of Interest Disclosure (see Board Policy #215) and the Employee Code of Conduct (see Employee Policy# 648).

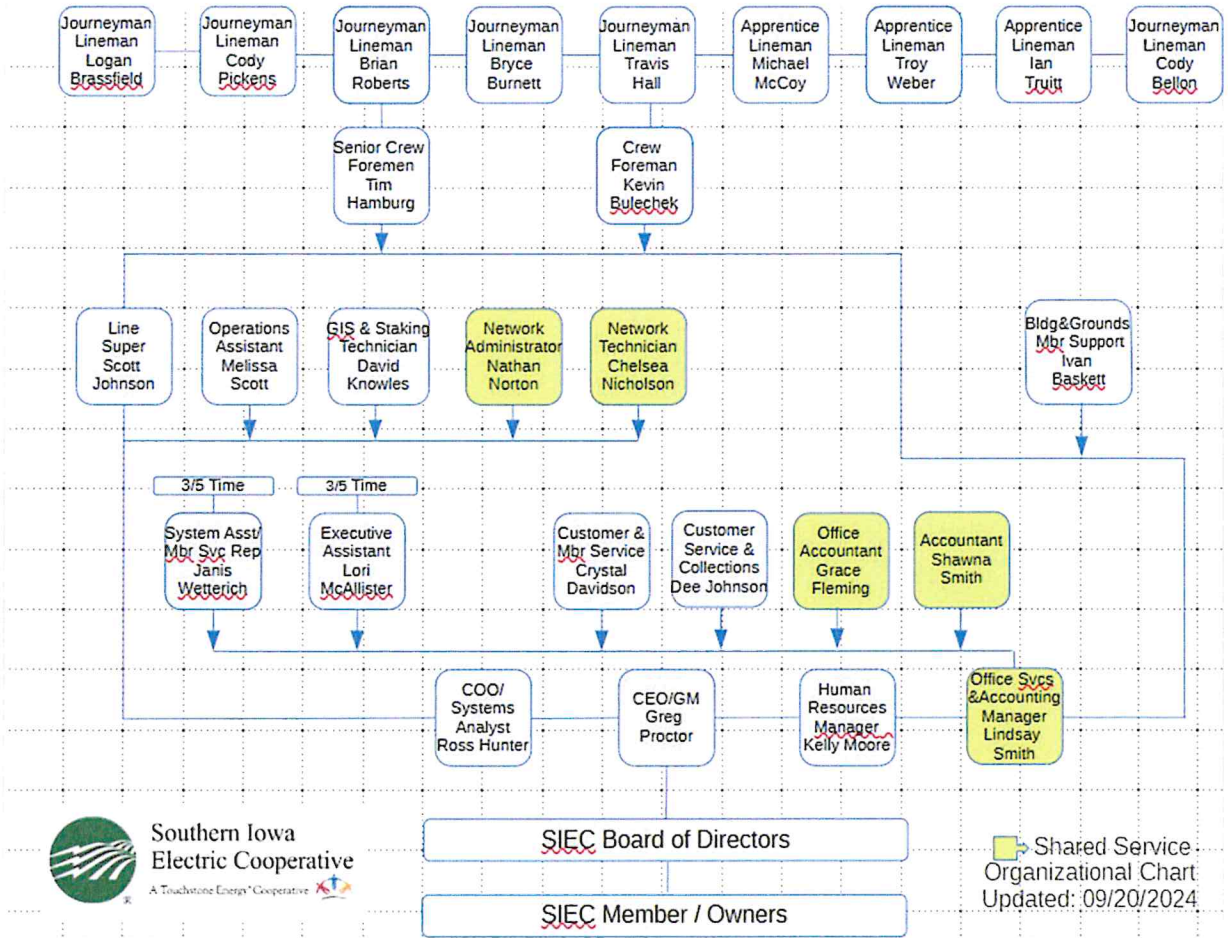
ATTESTED:   
Board President

DATE: 11/21/2024

Reviewed: November 30, 1995  
July 25, 2024  
Revised: July 19, 2012  
September 4, 2018  
February 26, 2021



SIEC Organizational Chart



ATTESTED: *Carol Ann Conway* DATE: 11/21/2024  
Board President

- Reviewed: August 1, 2017
- July 25, 2024
- Revised: August 1, 2017
- September 4, 2018
- February 26, 2021
- July 22, 2021
- May 25, 2023

### SIEC Statement of Ideals and Objectives

#### I. PURPOSE

- A. To communicate the expectations of the Membership to the Directors and employees of the Cooperative.
- B. To acknowledge the Cooperative's role as an essential service provider for the Community and the necessity to provide exceptional service ethically and with integrity.
- C. To acknowledge the responsibility of each Director and employee to always function in the best interest of the Membership due, in part, to the influence each decision has on the local economy and social conditions.

#### II. GUIDELINES

- A. Provide and maintain a safe and reliable supply of electricity consistent with the Cooperative's "Not-for-profit" status.
- B. Educate the Membership and General public regarding:
  - 1. Sources of energy and the associated economic/social impacts.
  - 2. Safety and hazard recognition.
  - 3. Efficient use of energy.
- C. Provide community and industry leadership by prioritizing:
  - 1. Conducting business in an ethical, economically responsible and compassionate manner.
  - 2. Promoting and supporting economic growth and innovation.
  - 3. Excelling at Member service.
- D. Manage the Membership's assets, both physical and financial, to ensure service reliability without imposing undue expense on future generations.

### III. RESPONSIBILITY

- A. The Southern Iowa Electric Cooperative Board of Directors shall lead by example and shall direct and hold accountable the employees of the Cooperative to serve the Membership consistent with these ideals and objectives.

ATTESTED:   
Board President

DATE: 11/21/2024

Reviewed: November 30, 1995  
November 16, 2006  
October 23, 2008  
August 22, 2024  
Revised: July 19, 2012  
September 4, 2018  
April 22, 2021

## **SIEC Annual Meeting of Members**

### **I. PURPOSE**

- A. Bylaws, Article II, Section 1; Annual Meetings of the Members shall be held at such time and place as shall be designated by the Board of Directors, which time and place shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting.
- B. The annual meeting of members shall normally be held between the first day of September and the twentieth day of September each year. An election of directors shall normally be held, and immediately following the annual membership meeting a Board of Directors meeting will be held for the election of officers for the coming year. Other local area meetings or advisory committee meetings will be planned to encourage member education and goodwill.

### **II. GUIDELINES**

#### A. Notice of members meetings:

- 1. Bylaws, Article II, Section 3; Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than thirty-five (35) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed delivered when deposited in the United States Mail, addressed to the member at his address, as it appears on the records of the Cooperative, with postage thereupon prepaid. In case of a joint membership, notice given to any one of the joint members shall be deemed notice to each of the joint members. The failure of any member to receive notice of an Annual or Special Meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

#### B. Attendance:

- 1. In addition to attendance by the cooperative directors and members, any membership meeting of the cooperative shall be open for attendance by:
  - a. Staff members of the Cooperative;
  - b. Directors and staff members of Northeast Missouri Electric Power Cooperative and Associated Electric Power Cooperative, and of national and statewide or other cooperative service organizations;



- c. Invited guests;
- d. Media representatives, including accredited representatives of all daily and weekly newspapers having circulation in the general service area of the cooperative, and of radio and television stations in such general service area;
- e. Any members of the public, who register, giving his or her name, address, organization represented, and interest or basis of concern in the meeting. In the event of space limitations, attendance shall be prioritized in accordance with the order of classification listed above.

C. Speaking participation:

- 1. While only those on the program, directors, and members, shall have the right to participate in the discussion of business before the meeting, time permitting, the chairman of the meeting, may permit any other person in attendance to speak on any issue before the meeting, subject to the appropriate limitation as to time as the chairman may impose. The chairperson or vice- chairperson of the Nominating Committee should attend the SIEC Annual Meeting to present the Nominating Committee report, and respond to questions concerning the same.

D. Voting participation:

- 1. Bylaws; Article II, Section 5. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting in person or by mail, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these By-Laws. If a two or more people hold a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. Further, the election of Directors shall be decided by a plurality vote.
  - a. In the event of a tie vote in connection with the election of directors, where the prevailing candidate(s) cannot be determined, the Chairman of the Ballot Counting Committee shall break the tie by drawing a winning name or names from among the names of the candidates receiving the same number of votes. In the event there is one or more candidates that receive the same number of votes; but a winner can be declared from among the other candidates, then there shall be no need for a draw.
  - b. Vote counts will be announced as winners are declared during the meeting of members.
  - c. All ballots will be retained for a period of eleven months, until the next annual meeting of the members.

E. Voting by mail:

- 1. Bylaws, Article II, Section 6; Any member may vote by mail upon any motion or resolution to be acted upon at any such meeting with respect to an amendment to the Articles of Incorporation or the By-Laws, or any action submitted pursuant to a resolution adopted by the Board of Directors or by petition of not less than ten per centum (10%) of the members.

The Secretary shall enclose with the notice of such meeting an exact copy of such motion or resolution to be acted upon and the members who elect to vote by mail shall express their vote thereon by marking "Yes" or "No" on each such motion or resolution in the space provided therefore and enclose each such copy so marked in a sealed envelope bearing his name and address to the Secretary. When such written vote so enclosed is received by mail from any member prior to the meeting, it shall be accepted and counted as a vote of such member at such meeting. Any member may also vote by mail in the election of directors by ballot as hereinafter provided in these By-Laws. Any persons holding a joint membership shall jointly be entitled to vote by mail as provided in this Section. The failure of any member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

F. Instructions for the nominating committee and the ballot counting committee are attached.


G. Quorum:

Bylaws, Article II, Section 4; As long as the total number of members does not exceed five hundred (500), at least ten per centum (10%) of the total number of members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the total number of members shall exceed five hundred (500), then at least fifty (50) members present in person or voting by mail or electronically as authorized by the Board of Directors shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of any one or more of the joint members, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

H. Order of business:

1. Bylaws, Article II, Section 7; The order of business at the Annual Meeting of the Members, and so far as possible at all other meetings of the members, shall be essentially as follows:
  - a. Call of the roll.
  - b. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the wavier or waivers of notice of the meeting, as the case may be.
  - c. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereof.
  - d. Presentation and consideration of, and acting upon, reports of officers, directors, and committees.
  - e. Election of directors.
  - f. Unfinished business.
  - g. New business.

h. Adjournment.

ATTESTED:  DATE: 11/21/2024  
Board President

Reviewed: November 30, 1995  
Revised: July 29, 2010  
July 28, 2011  
July 19, 2012  
September 27, 2012  
September 4, 2018  
April 22, 2021  
September 26, 2024

Attachment 1:

**INSTRUCTIONS FOR THE NOMINATING COMMITTEE**

1. To accept the position of Nominating Committee member
  - A. The Board of Directors will appoint Committee members from as many of the geographic areas of the service territory as possible, per SIEC Bylaws, including counties of Appanoose, Davis, Van Buren and Wapello.
  - B. A Nominating Committee member should be a member in good financial standing with SIEC and be willing to confidentially work with their fellow Committee members until it is time for a public pronouncement of results.
  - C. A Nominating Committee member should be available to meet at least twice at a mutually agreeable time with the other appointed Committee members. A per diem will be paid of \$65 plus mileage at the IRS mileage rate.
  - D. All Nominating Committee members are encouraged to attend the SIEC Annual Meeting.
  - E. The Nominating Committee member should be willing to allow the SIEC Staff to publish the Nominating Committee member mailing address or other contact information of their choosing for the members to be able to contact them directly to suggest a name to be placed on the ballot.
2. There needs to be a Chairman and Vice Chairman of the Nominating Committee chosen which are able to attend the SIEC Annual Meeting.
3. When giving the Nominating Committee Report, the Chairman or Vice Chairman shall be prepared to answer any questions from the audience of the SIEC Annual Meeting relative to the nomination process with the support of the Cooperative Attorney. (Such as, Why were there not an equal or greater number of non-incumbents as incumbents on the ballot?) The person giving the report will be paid a per diem of \$65 plus mileage at the IRS mileage rate.
4. The Bylaws of the Cooperative do not specify the number of candidates to be nominated by the Nominating Committee; however, the Committee is encouraged to seek to nominate a sufficient number of candidates so as to ensure a contested election.
5. When nominating candidates, the Committee members should take into consideration the location of the candidate's residence in comparison to that of the other candidates and the incumbent directors, so as to encourage representation throughout the Cooperative's service area. Other considerations that the Committee may take into account include occupation, experience or other factors that may allow the Board to be an accurate representation of the entire SIEC Membership in as many demographic ways as possible.



Attachment 2:

**INSTRUCTIONS FOR THE BALLOT COUNTING COMMITTEE**

1. To accept a position of Ballot Counting Committee member
  - A. The Board of Directors will appoint the Ballot Committee members.
  - B. A Ballot Counting Committee member should be a member in good financial standing with SIEC and be willing to confidentially work with their fellow Committee members until it is time for a public pronouncement of results.
  - C. A Ballot Counting Committee member must be available to meet the afternoon of the SIEC Annual Meeting to count the mail-in ballots and then to count the ballots turned in at the meeting before the official announcement that the ballots are closed. A per diem will be paid of \$180 plus mileage at the IRS mileage rate.
  - D. All Ballot Counting Committee members are encouraged to attend the remaining portion of the SIEC Annual Meeting.
2. There needs to be a Chairman of the Ballot Counting Committee chosen from among those on the Ballot Counting Committee.
3. Legal counsel for the Cooperative shall oversee the work of the Committee and be available to assist in determining the validity of any ballots. While it is not possible to list all reasons a ballot may be invalid, the following general rules shall apply:
  - A. If there is more than one ballot in an envelope, the Committee shall only count one if they are both marked the same. If they are marked differently then the Committee shall declare both void.
  - B. If there are two marked ballots for the same account, then the first one received should be counted and the second one is to be declared void.
  - C. Ballots that are marked with write in candidates for the Board shall be declared void.
  - D. A ballot shall be declared void if the member has voted for more candidates than the number to be elected.
4. Per Board Policy #220 : In the event of a tie vote in connection with the election of directors, where the prevailing candidate(s) cannot be determined, the Chairman of the Ballot Counting Committee shall break the tie by drawing the winning name or names from among the names of the candidates receiving the same number of votes. In the event there is one or more candidates that receive the same number of votes; but a winner can be declared from among the other candidates, then there shall be no need for a draw.



## General Admin Policy# 120

### SIEC Non-Director Fees and Expenses

#### I. PURPOSE

- A. To assure fair and equitable compensation for attendance of non-director committee members and to encourage attendance.

#### II. GUIDELINES

- A. Non-Director Committee member per diem plus the IRS mileage rate:

1. Includes:  
Nominating Committee - \$65  
Counting Committee - \$180
2. Excludes:  
Advisory Committee  
Revolving Loan Fund Committee

- B. Expense Reports:

1. Each non-director committee member shall submit an itemized expense report (Attached) to include per diem, mileage allowance, and other eligible expenses for each committee meeting of cooperative interest before receiving payment thereof.

#### III. RESPONSIBILITY

- A. Non-director Committee members—It shall be the responsibility of each individual to provide an accurate accounting for expenses incurred and to submit timely reports thereof.
- B. CEO/Manager—It shall be the responsibility of the CEO/Manager to review the expense report submitted by the Non-director Committee member to see that compensation is provided as stipulated under the scope of this policy.

ATTESTED:   
Board President

DATE: 3/23/2023

Reviewed: July 19, 2012  
May 27, 2021

Revised: September 4, 2018  
December 15, 2022

Attachment 1:

**SOUTHERN IOWA ELECTRIC COOPERATIVE, INC.  
Counting Committee**

Per Diem

| <b>Date</b>  | <b>Purpose</b>   | <b>Place</b>   | <b>Miles<br/>@<br/>0.625</b> | <b>\$180 Per<br/>Comm. Mtg.</b> | <b>Total<br/>Expense</b> |
|--------------|------------------|----------------|------------------------------|---------------------------------|--------------------------|
|              | Counting Ballots | Bloomfield, IA |                              |                                 |                          |
|              |                  |                |                              |                                 |                          |
|              |                  |                |                              |                                 |                          |
|              |                  |                |                              |                                 |                          |
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|              |                  |                |                              |                                 |                          |
|              |                  |                |                              |                                 |                          |
|              |                  |                |                              |                                 |                          |
| <b>TOTAL</b> |                  |                |                              |                                 |                          |

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

Attachment 2:

**SOUTHERN IOWA ELECTRIC COOPERATIVE, INC.  
Nominating Committee**

Per Diem

| <b>Date</b>  | <b>Purpose</b>                        | <b>Place</b>   | <b>Miles<br/>@<br/>0.625</b> | <b>\$65 Per<br/>Comm. Mtg.</b> | <b>Total<br/>Expense</b> |
|--------------|---------------------------------------|----------------|------------------------------|--------------------------------|--------------------------|
|              | Nominating Candidates<br>for Director | Bloomfield, IA |                              |                                |                          |
|              |                                       |                |                              |                                |                          |
|              |                                       |                |                              |                                |                          |
|              |                                       |                |                              |                                |                          |
|              |                                       |                |                              |                                |                          |
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|              |                                       |                |                              |                                |                          |
|              |                                       |                |                              |                                |                          |
|              |                                       |                |                              |                                |                          |
| <b>TOTAL</b> |                                       |                |                              |                                |                          |

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_



## **SIEC Inspection of Books and Records**

### **I. PURPOSE**

- A. The following is hereby adopted as the policy pertaining to the right of Cooperative members to inspect the books and records of the Cooperative.

### **II. GUIDELINES**

A. General Governing Principles:

1. Any member of the cooperative may in person or through a duly authorized agency or attorney, inspect the books and records of the cooperative, subject only to the following conditions and limitations:
  - a. Such member must be acting in good faith;
  - b. The inspection sought must be for a proper purpose;
  - c. The books and records sought to be inspected must be pertinent to such proper purpose;
  - d. The inspection must be at a reasonable time;
  - e. The inspection must be based upon prior written application substantially in the form of the application attached hereto, made not less than one (1) week prior to the time of inspection.
2. The right of inspection shall extend to books and records of the cooperative and its possession, including:
  - a. Monthly or other periodic operating reports;
  - b. Minutes of membership and board meetings;
  - c. Cost and rate studies;
  - d. Power requirement studies;
  - e. Financial reports and ratio;
  - f. Loan application to Rural Utilities Services (RUS) or other lending agencies;
  - g. Memorandums or reports pertaining to electrical usage, legislation of concern to rural electric consumers, commission and court decisions, By-Law changes or proposed changes,

load management studies and recommendations; and like memorandums, reports and recommendations.

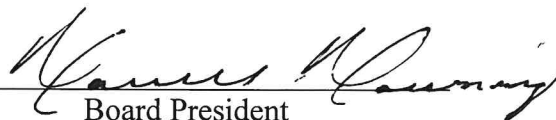
3. Copies

- a. A member of the cooperative may make notes on or copies of cooperative books and records inspected. The cooperative will furnish photo static copies of such records on request, provided the applicant pays the reasonable cost thereof, including the employees time, duplicating materials and use of duplicating equipment and upon advance deposit of an amount estimated to cover such cost.
4. The following books and records shall not be open to inspection by any member except by specific authorization by the Board of Directors:
  - a. Personnel action such a promotions, demotions, disciplinary matters, and compensation of individual employees by name; but excepting compensation of employees by classification positions;
  - b. Trade secrets and like information where disclosure might cause competitive disadvantage to the cooperative;
  - c. Price or bid quotations for equipment, materials, and fuel prior to acceptance;
  - d. Confidential interoffice memoranda or communications prior to acceptance by management as a part of management policy;
  - e. Material or communications possibly libelous in nature.

**III. RESPONSIBILITY**

- A. The initial determinations of good faith and proper purpose shall be the responsibility of the cooperative CEO/Manager. In case of doubt, the CEO/Manager in each case may refer such determination to the Board of Directors. In all cases, any determination by the board shall be final.
1. Interpretations of the forgoing principles and particularly the determination of good faith and proper purpose shall be those established by the weight of court decisions in connection with common law and statutory rights of shareholders of business corporations and members of cooperatives to inspect the books and records of the enterprises in which they have an ownership interest, including that for the purpose of inspections to be a proper one such purpose must be one to protect the financial interest of the individual applicant and the cooperative and not one merely to satisfy curiosity, promote some political or social goal, or non-cooperative commercial interest of another person or enterprise.

ATTESTED:

  
Board President

DATE:

9/30/2021

Reviewed: November 30, 1995  
June 24, 2021  
Revised: February 2, 2006  
July 19, 2012  
April 25, 2019

Attachment 1:

APPLICATION TO INSPECT COOPERATIVE  
BOOKS AND RECORDS

The undersigned member of Southern Iowa Electric Cooperative, Inc. as applicant, does hereby make application to inspect certain of the books and records of the cooperative and in support thereof does hereby represent and state that:

1. Applicant is a member of the above-named cooperative and has been a member since \_\_\_\_\_.
2. Applicant is acting in good faith in seeking such inspection solely for the following purpose:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. The books and records of the cooperative sought to be inspected are pertinent to the purpose set forth under paragraph 2 and consist of the following:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Applicant agrees that if this application is granted, such inspection shall be for the sole use of applicant, and for the use of no other person, or organization, and for no other purpose than the one stated above.
5. The applicant hereby appoints \_\_\_\_\_ as his (her) authorized attorney or agent to make, or assist applicant in making such inspection.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
APPLICANT

\_\_\_\_\_

\_\_\_\_\_  
ADDRESS

State of \_\_\_\_\_

ss:

County of \_\_\_\_\_

\_\_\_\_\_, being first duly sworn on oath, deposes and says that she/he is the applicant above-named and has read the foregoing application and knows the contents thereof and that the statements made therein are true and made for the sole purpose therein stated.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

## **SIEC Document Retention Policy**

### **I. PURPOSE**

- A. All the Cooperative's records, whether paper or digital, are subject to the retention requirements of this procedure. All records produced by an employee or consultant on behalf of the Cooperative are the property of the Cooperative and may not be copied for non-cooperative use or removed from the Cooperative's offices without approval of the Department Head responsible for the record or utilizing General Admin Policy# 130 SIEC Inspection of Books and Records.
- B. The goals of the policy are to:
  - 1. Retain important documents for reference and future use
  - 2. Delete documents that are no longer necessary for the proper functioning of the Cooperative
  - 3. Organize important documents for efficient retrieval
  - 4. Ensure that employees know what documents should be retained, the length of their retention, means of storage and when and how they should be destroyed
- C. "Records" discussed herein refers to all business records of the Cooperative (and is used interchangeably with "documents"), including written, printed and recorded materials, as well as electronic records (i.e. emails and documents saved electronically).

### **II. GUIDELINES**

#### **A. Retention Periods:**

- 1. The required retention periods, by record type, are as follows in Sub Policy# 135.1 thru 135.19

#### **B. Storage:**

- 1. Each data item that is stored is marked with the name of the record, the record type, the original owner of the data, the information classification, the date of storage, the required retention period, the planned date of destruction, and any special information related to the data.
- 2. The Cooperative will specify where and how to access the data stored on all electronic media. The CFO should review the work to ensure that no falsification of the records takes place. All employees should ensure that those records entrusted to their care are protected



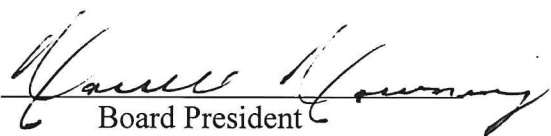
from unauthorized alteration or premature destruction. Records should be protected from damage due to moisture, fire or other causes.

C. Litigation:

1. If the Cooperative is involved in a lawsuit, regulatory action, complaint or legal document request (or if such action is reasonably anticipated) all relevant records shall be retained until the action is finally resolved and times for appeal have expired or the normal retention period has expired, whichever is later. In these situations ALL RECORD DESTRUCTION RELATING TO THE LAWSUIT, REGULATORY ACTION, COMPLAINT OR LEGAL DOCUMENT REQUEST MUST CEASE IMMEDIATELY. A critical understanding of this section is imperative. Should you fail to follow this protocol, you or the Cooperative may be subject to fines and penalties, among other sanctions.

**III. RESPONSIBILITY**

- A. The CEO/Manager is responsible for the retention of all such records of Cooperative with the assistance of Department Heads. Employees are required to inform the CEO/Manager of any violations of this policy known to them or suspected by them.
- B. The Cooperative should annually review the Document Retention Policy, modify it accordingly, and inform and educate all employees on any such changes. All questions relating to document retention and/or destruction should be directly addressed to the CEO/Manager.
- C. The CFO is responsible for destroying data once it has reached the end of the retention period specified in this policy, except E-Mails deleted in the ordinary course of business. Destruction should be completed within 30 days of the planned retention period. Destruction of all electronically stored media shall be done in a way to completely erase and destroy such electronic media.

ATTESTED:  DATE: 9/30/2021  
Board President

Reviewed: October 23, 2008  
July 22, 2021  
Revised: July 19, 2012  
May 31, 2019

## SUMMARY SCHEDULE INDEX

### **Corporate Records...Page 6**

|   |                             |
|---|-----------------------------|
| Reports to Members/Annual Reports             | 10 Years                    |
| Minutes of Board Meetings/Membership Meetings | Permanently                 |
| Articles of Incorporation/Bylaws/Amendments   | Permanently                 |
| Contracts/Agreements/or Related Documents     | 10 Years after expiration   |
| Legal Documents                               | 10 Years                    |
| Business Correspondence                       | 10 Years                    |
| Audit Reports/Related Work Papers             | 7Years after date of report |
| Audit/Form 7                                  | Permanently                 |

### **Information Technology Management...Page 7**

|                                   |  |
|-----------------------------------|--|
| Automatic Data Processing Records | <b>Retention Period</b><br>As long as active program |
|-----------------------------------|--|

### **General Accounting Ledgers/Supporting Doc's...Page 8**

|  |  |
|--|--|
| General Ledger                               | <b>Retention Period</b><br>Permanently |
| Accounting Records                           | 10 Years after RUS Audit               |
| Charging Plant Accounts                      | Permanently                            |
| Journal Vouchers/Journal Entries             | 25 Years                               |
| Vouchers/Invoices/Bank Statements            | 7 Years                                |
| Financial Requirement/Expenditure Statements | 1 Year after "as of date"              |

### **E-mails...Page 9**

|         |                                    |
|---------|------------------------------------|
| E-mails | <b>Retention Period</b><br>90 Days |
|---------|------------------------------------|

### **Insurance Policies/Premium Records Pd/Coverage...Page 10**

|                           |  |
|---------------------------|--|
| Insurance Records         | <b>Retention Period</b><br>10 Years after expiration |
| Insurance Claims Paid Out | 7 Years  |
| Accident Reports          | 7 Years  |

### **Operations and Maintenance...Page 11**

|                                    |                                    |
|------------------------------------|------------------------------------|
| Transmission and Distribution      | <b>Retention Period</b><br>3 Years |
| Transformer History Records        | Life of Transformer                |
| Outage Sheets                      | 7 Years                            |
| Meter Test Data                    | 3 Years after meter retired        |
| Maintenance Work Orders/Job Orders | 7 Years                            |

### **Plant and Depreciation...Page 12**

|  |                                     |
|--|-------------------------------------|
| Plant Ledgers                                  | <b>Retention Period</b><br>25 Years |
| Special Equipment                              | Permanently                         |
| Plant Records/CPR Units                        | Permanently                         |
| Depreciation Records                           | Permanently                         |
| Work Orders/Material Sheets/JE's/Contributions | 7 Years until RUS Audit             |
| Construction & Retirement Work in Progress     |                                     |
| Engineering Records/Drawings                   | Permanently                         |
| RUS Forms/219's & Others                       | Permanently                         |
| Records Relating to Sale of Assets             | 7 Years after Sale                  |
| Determination of Properties Written Up or Down | 10 Years after Transaction          |

|   |                           |
|---|---------------------------|
| Summary Sheets/Distribution Sheets          | 7 Years                   |
| Appraisals/Valuations                       | 10 Years after Completion |
| Engineering Records/Drawings                | Permanently               |
| Contracts Relating to Utility Plant         | Permanently               |
| Records to Reclassify Utility Plant         | 7 Years                   |
| Records for Depreciation/Depletion of Plant | Permanently               |
| Vehicle Inspections Forms/Repair Records    | Life of Vehicle           |

**Purchase and Stores...Page 15**

|   |                                    |
|---|------------------------------------|
| Procurement                             | <b>Retention Period</b><br>6 Years |
| Purchase Orders                         | 7 Years                            |
| Material Sheets                         | 7Years or after RUS Audit          |
| Material/Supplies received and issued   | 6 Years                            |
| Records of Sales of Scrap and Materials | 3 Years                            |

**Revenue Accounting & Collecting...Page 16**

|  |   |
|--|---|
| Customer Service Application/Contracts     | <b>Retention Period</b><br>4 Years after Expiration |
| Rate Schedules/Member Tax Exempt Docs      | 7 Years after Superseded                            |
| Maximum Demand/Demand Meter Records        | 1 Year  |
| Consumer Consumption/Billing Records       | 7 Years   |
| Misc. Billing Data                         | Kept till Patronage Paid                            |
| Patronage Records                          | 5 Years after Paid Out                              |
| Special Retirements (Estates/Past Members) | Permanently   |
| Inactive Member Files                      | After Paid Out & Audited                            |
| Revenue Summaries                          | 5 Years   |
| Monthly Sales Reports                      | 7 Years   |
| RLF Plan/Loan Files                        | 3 Years after Loan Paid                             |

**Tax...Page 18**

|                                    |  |
|------------------------------------|--|
| Tax Returns/990                    | <b>Retention Period</b><br>Permanently |
| Replacement Tax/Sales Tax/ Use Tax | 7 Years                                |
| Property Tax/Assessments           |  |

**Treasury...Page 19**

|   |                                    |
|---|------------------------------------|
| Statement of Funds and Deposits           | <b>Retention Period</b><br>3 Years |
| Records of Deposits with Banks and Others | 7 Years                            |
| Bank Statements/Check Stubs/Registers     |                                    |
| Loan Documents                            | Permanently                        |

**Miscellaneous...Page 20**

|  |                                    |
|--|------------------------------------|
| Statistics Financial/Operating & Statistical Reports | <b>Retention Period</b><br>7 Years |
| Budget and Forecasts                                 | 7 Years                            |
| Tax Reports to Federal and State                     | 7 Years                            |
| Advertising Copies                                   | 2 Years                            |

**Employment Related...Page 21**

|   |                                    |
|---|------------------------------------|
| Safety CDL/OSHA 300 & 301               | <b>Retention Period</b><br>5 Years |
| Controlled Substance and Alcohol Record | 5 Years                            |
| Accident Records                        | 7 Years                            |

|   |                           |
|---|---------------------------|
| Safety Training Records   | 5 Years                   |
| Employment Applications/Not Hired   | 1 Year                    |
| Personnel Records   | 7 Years                   |
| PTO Sheets  | 7 Years                   |
| Time Sheets   | 7 Years after RUS Audit   |
| Payroll & Other Records Not Included in Personnel<br>File Containing Confidential Information | 3 Years                   |
| Affirmative Action Plans  | 3 Years                   |
| EEO-1 Forms   | 5 Years                   |
| ERISA – SPD, SAR, & Annual Reports  | 6 Years after Filing Date |
| Personnel Documents Relating to Terms and<br>Conditions of Employment                         | 10 Years after Leaving    |

**Motor Vehicle Safety...Page 24**

|                                       |                             |
|---------------------------------------|-----------------------------|
| Inspection/Repair/Maintenance Records | 1 Year / 6 Mo's after Sold  |
| Daily Driver Inspections              | 03 Months                   |
| Periodic Inspections                  | 14 Months                   |
| Inspector Qualifications              | 1 Yr after Inspector Leaves |
| Brake Inspector Qualifications        | 1 Yr after Inspector Leaves |
| Roadside Inspection Report            | 1 Yr from Inspection Date   |

**Occupational Safety...Page 25**

|  |                             |
|--|-----------------------------|
| OSHA 300 Logs/Annual Summary Reports         | 5 Years                     |
| Personal Occupation Exposure Records         | 30 Years                    |
| Asbestos and Lead Inspections Records        | 25 Years after Bldg is gone |
| Area/Bulk Sampling                           | 5 Years then Review         |
| Asbestos Area Air Sampling Reports           | 25 Years then Review        |
| Material Safety Data Sheets                  | Until no longer of value    |
| Confined Space Entry Permits & Records       | 1 Year                      |
| Respiratory Protection Program Training      | Employment + 5 Years        |
| Occupational Injury/Illness Reports          | 5 Years                     |
| All Select Agent Logs/Training Documentation | 3 Years                     |

**Environmental Affairs...Page 26**

Refer to Detail Descriptions

**Fire Safety...Page 27**

|  |                           |
|--|---------------------------|
| Fire Protection Equipment Inspection Records | Life of Bldg. then review |
| Building Audits                              | 25 Years then review      |

**Misc. Licenses/Permits & Other Requirements...Page 28**

|      |             |
|------|-------------|
| FCC  | Permanently |
| NERC | 3 Years     |

**Service Related...Page 29**

|  |  |
|--|--|
| Records Kept in Relation to Service-Related Events | Retention Period<br>Until Applicable Statute<br>of Limitations has Passed<br>or Litigation Settled |
|--|--|

**General Admin Sub-Policy# 135.1**

**Corporate Records**

Reports to Members/Annual Reports  
 Minutes of Board Meetings/Membership Meetings  
 Articles of Incorporation/Bylaws/Amendments  
 Contracts/Agreements/or Related Documents  
 Legal Documents  
 Business Correspondence  
 Audit Reports/Related Work Papers  
 Audit/Form 7

**Retention Period**

10 Years  
 Permanently  
 Permanently  
 10 Years after expiration  
 10 Years  
 10 Years  
 7Years after date of report  
 Permanently

**Detailed Supporting Data:**

|  |  |
|--|--|
| Reports to Members: Annual reports or statements to Members.<br>Reference from NRECA   | 10 years   |
| Minutes of Board Meetings / Membership Meetings<br>Organizational documents:<br>(a) Minute books of member, board and board committee meetings;<br><i>Record of all actions taken by the shareholders or board without a meeting; all actions taken by a committee of the board in place of the board on behalf of the corporation</i><br>(b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the utility, if applicable.<br>(c) <i>Articles and amendments in effect; Bylaws and amendments in effect; Board resolutions regarding member classes or rights</i><br>Reference from NRECA   | Permanently  |
| By Laws, Articles of Incorporation   | Permanently  |
| Contracts, Agreements, or related documents<br>Contracts, including amendments and agreements (except contracts provided for elsewhere):<br>(a) Service contracts, such as for management, accounting, and financial services. (All contracts, related memoranda, and revisions.)<br>(b) Contracts with others for transmission or the purchase, sale or interchange of product. (All contracts, related memoranda, and revisions)<br>(c) Memoranda essential to clarifying or explaining Provisions of contracts listed above, including requests for discounts.<br>(d) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts, and payments under such contracts.<br>Reference from NRECA | 10 years after expiration unless otherwise specified in the contract, agreement or document. |
| Legal Documents  | 10 years or after consultation with legal counsel  |
| Business Correspondence  | 10 Years   |
| Audit Reports – related work papers<br>Accountants’ and auditors’ reports:<br>(a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility.<br>(b) Internal audit reports and working papers<br>Reference from NRECA  | 7 years after date of report   |
| Audit and Form 7   | Permanently  |



**General Admin Sub-Policy# 135.2**

**Information Technology Management**

Automatic Data Processing Records

**Retention Period**

As long as active program

Detailed Supporting Data:

|  |  |
|--|--|
| <p>Information Technology Management:<br/>Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule): Software program documentation and revisions thereto.<br/>Reference from NRECA</p> | <p>Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter.</p> |
|--|--|

**General Admin Sub-Policy# 135.3**

**General Accounting Ledgers/Supporting Doc's**

**Retention Period**

|  |                           |
|--|---------------------------|
| General Ledger                               | Permanently               |
| Accounting Records                           | 10 Years after RUS Audit  |
| Charging Plant Accounts                      | Permanently               |
| Journal Vouchers/Journal Entries             | 25 Years                  |
| Vouchers/Invoices/Bank Statements            | 7 Years                   |
| Financial Requirement/Expenditure Statements | 1 Year after "as of date" |

**Detailed Supporting Data:**

|  |   |
|--|---|
| General Ledger   | Permanently   |
| Accounting Records:<br>General and subsidiary ledgers:<br>(a) Ledgers:<br>(1) General ledgers<br>(2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere.<br>(b) Indexes:<br>(1) Indexes to general ledgers<br>(2) Indexes to subsidiary ledgers except ledgers provided for elsewhere.<br>(c) Trial balance sheets of general and subsidiary ledgers<br>Reference from NRECA   | 10 years (after RUS Audit)  |
| Charging Plant Accounts<br>Reference from NRECA  | Permanently   |
| Journal vouchers and journal entries including supporting detail:<br>(a) Journal vouchers and journal entries<br>(b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries:<br>(1) Charging all other accounts<br>Reference from NRECA   | 25 years. See § 125.2(g).   |
| Vouchers, invoices, bank statements<br>Vouchers:<br>(a) Paid and canceled vouchers (one copy-analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers).<br>(b) Original bills and invoices for materials, services, etc., paid by vouchers.<br>(c) Paid checks and receipts for payments of specific vouchers. i.e. Petty cash, cash sheets, rebates, powerbills, and per diems (with AP).<br>(d) Authorization for the payment of specific vouchers<br>(e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills.<br>(f) Voucher indexes<br>Reference from NRECA | 7 years   |
| Financial requirement and expenditure statements, which are not otherwise reflected in this schedule<br>Reference from NRECA   | 1 year after the "as of date" of RUS' loan fund and Accounting review [RUS rule. Typically, RUS field accountants audit a borrower every 2 or 3 years, in tandem with a review of financed construction. So, 1 year after the audit is completed and accepted.] |

**General Admin Sub-Policy# 135.4**

**E-mails**  
E-mails

**Retention Period**  
90 Days

Detailed Supporting Data:

|  |  |
|--|--|
| <p>E-mails (E-mails that need to be saved should be printed and kept in the appropriate file or downloaded to a computer file and kept electronically as a separate file. All other e-mails should be deleted from the hard drive or network within 90 days after receipt of an E-mail message. The content of the E-mail determines the retention requirement.)</p> | <p>General E-mails 90 days, unless pursuant to Litigation hold or otherwise necessary for business operation</p> |
|--|--|

**General Admin Sub-Policy# 135.5**

**Insurance Policies/Premium Records Paid/Coverage**

**Retention Period**

Insurance Records

10 Years after expiration

Insurance Claims Paid Out

7 Years

Accident Reports

7 Years

**Detailed Supporting Data:**

|   |                                  |
|---|----------------------------------|
| <p>Insurance records:<br/>                 (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates.<br/>                 (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses, and supporting papers.<br/>                 (c) <i>Applications for insurance policies in force.</i><br/>                 Reference from NRECA</p> | <p>10 years after expiration</p> |
| <p>Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers</p>   | <p>7 Years</p>                   |
| <p>Accident Records</p>   | <p>7 Years</p>                   |

**General Admin Sub-Policy# 135.6**

**Operations and Maintenance**

- Transmission and Distribution
- Transformer History Records
- Outage Sheets
- Meter Test Data
- Maintenance Work Orders/Job Orders

**Retention Period**

- 3 Years
- Life of Transformer
- 7 Years
- 3 Years after meter retired
- 7 Years

**Detailed Supporting Data:**

|   |                             |
|---|-----------------------------|
| <p>Transmission and distribution:<br/>                 (a) Substation and transmission line logs<br/>                 (b) System operator's daily logs and reports of operation<br/>                 (c) Records of transformer inspections, oil tests, etc.<br/>                 (d) <i>Records of other inspections, assessments, tests of component parts of the utility system, and Emergency Restoration Plan exercises</i><br/>                 Reference from NRECA</p>  | 3 years                     |
| Transformer history records   | Life of transformer         |
| Outage Sheets   | 7 years                     |
| Meter Test Data   | 3 years after meter retired |
| <p>Maintenance work orders and job orders:<br/>                 (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.<br/>                 (b) Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance, and other work pertaining to utility operations.<br/>                 (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of plant accounts).<br/>                 Reference from NRECA</p> | 7 years                     |



**General Admin Sub-Policy# 135.7**

**Plant and Depreciation**

**Retention Period**

|  |                            |
|--|----------------------------|
| Plant Ledgers                                  | 25 Years                   |
| Special Equipment                              | Permanently                |
| Plant Records/CPR Units                        | Permanently                |
| Depreciation Records                           | Permanently                |
| Work Orders/Material Sheets/JE's/Contributions | 7 Years until RUS Audit    |
| Construction & Retirement Work in Progress     |                            |
| Engineering Records/Drawings                   | Permanently                |
| RUS Forms/219's & Others                       | Permanently                |
| Records Relating to Sale of Assets             | 7 Years after Sale         |
| Determination of Properties Written Up or Down | 10 Years after Transaction |
| Summary Sheets/Distribution Sheets             | 7 Years                    |
| Appraisals/Valuations                          | 10 Years after Completion  |
| Engineering Records/Drawings                   | Permanently                |
| Contracts Relating to Utility Plant            | Permanently                |
| Records to Reclassify Utility Plant            | 7 Years                    |
| Records for Depreciation/Depletion of Plant    | Permanently                |
| Vehicle Inspections Forms/Repair Records       | Life of Vehicle            |

**Detailed Supporting Data:**

|  |   |
|--|---|
| <p>Plant ledgers:<br/>                 (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes.<br/>                 (b) Continuing plant inventory ledger, book or card<br/>                 Plant ledgers:<br/>                 (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes.<br/>                 (b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned.<br/>                 (c) <i>Life &amp; mortality study data for depreciation purposes</i><br/> <i>Reference from NRECA</i></p> | <p>25 years. See § 125.2(g). <i>[Per RUS rule, "...records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by [RUS] or other regulatory body having jurisdiction."]</i></p> |
| <p>Special Equipment</p>   | <p>Permanently</p>  |
| <p>Plant Records<br/>CPR Units</p>   | <p>Permanently</p>  |
| <p>Depreciation records</p>  | <p>Permanently</p>  |
| <p>Work Orders, job orders, and related documents, material sheets, journal entries and contributions.<br/>                 Construction and Retirement work in progress ledgers, work orders, and supplemental records:<br/>                 (a) Construction work in progress ledgers<br/>                 (b) Work orders sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion.</p>  | <p>7 years (until RUS Audit)</p>  |

|  |   |
|--|---|
| <p>(c) Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost, and the bases therefor (including original and revised or subsequent authorizations).</p> <p>(d) Requisitions and registers of authorizations for utility plant expenditures.</p> <p>(e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for utility plant additions.</p> <p>(f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours etc., in connection with completed construction project.</p> <p>(g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts.</p> <p><i>Reference from NRECA</i><br/>Retirement work in progress ledgers, work orders, and supplemental records:</p> <p>(a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retirement.</p> <p>(b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination to be retired and estimates of salvage and removal costs.</p> <p>(c) Registers of retirement work</p> <p><i>Reference from NRECA</i></p> |   |
| <p>Original or reproduction of engineering records, drawings, and supporting data for proposed or as-constructed utility facilities</p>  | <p>Permanently</p>  |
| <p>RUS Forms, 219's &amp; Others</p>   | <p>Permanently</p>  |
| <p>Records relating to sale of assets</p>  | <p>7 years after sale</p>   |
| <p>Determinations of amounts by which properties or investments will be either written up or written down as a result</p>  | <p>10 years after completion of transaction, after recognition of asset impairment, or after the written up or down</p> |
| <p>Summary sheets, distribution sheets, reports, statements and papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records</p>   | <p>7 years</p>  |
| <p>Appraisals and valuations:</p> <p>(a) Appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies. (Includes all records essential thereto.).</p> <p>(b) Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of:</p> <p>(1) Mergers or acquisitions</p> <p>(2) Asset impairments</p> <p>(3) Other bases</p> <p><i>Reference from NRECA</i></p>  | <p>10 years after completion of transaction or as ordered by regulatory commission, if applicable</p>                   |
| <p>The original or reproduction of engineering records, drawings, and other supporting data for proposed or as-constructed utility facilities: Maps, staking sheets, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of</p>   | <p>Permanently</p>  |

|  |                           |
|--|---------------------------|
| <p>engineering studies, and similar records showing the location of proposed or as-constructed facilities.<br/> <i>Reference from NRECA</i></p>  |                           |
| <p>Contracts relating to utility plant:<br/> (a) Contracts relating to acquisition or sale of plant<br/> (b) Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work).<br/> <i>Reference from NRECA</i></p>  | Permanently               |
| <p>Records pertaining to reclassification of utility plant accounts to conform to prescribed systems of accounts including supporting papers showing the bases for such reclassifications.<br/> <i>Reference from NRECA</i></p>  | 7 years                   |
| <p>Records of accumulated provisions for depreciation and depletion of utility plant and supporting computation of expense:<br/> (a) Detailed records or analysis sheets segregating the accumulated depreciation according to functional classification of plant.<br/> (b) Records reflecting the service life of property and the percentage of salvage and cost of removal for property retired from each account for depreciable utility plant.<br/> <i>Reference from NRECA</i></p> | Permanently               |
| <p>Vehicle Inspection Forms, Repair and Maintenance Records</p>  | Life of vehicle ownership |

**General Admin Sub-Policy# 135.8**

**Purchase and Stores**

**Retention Period**

Procurement

6 Years

Purchase Orders

7 Years

Material Sheets

7Years or after RUS Audit

Material/Supplies received and issued

6 Years

Records of Sales of Scrap and Materials

3 Years

**Details Supporting Data:**

|  |                                   |
|--|-----------------------------------|
| <p>Procurement:<br/>                 (a) Agreements entered into for the acquisition of goods or the performance of services. Includes all forms of agreements not specifically set forth in Subsection 7 such as but not limited to: Letters of intent, exchange of correspondence, master agreements, term contracts, rental agreements, and the various types of purchase orders:<br/>                 (1) For goods or services relating to plant construction<br/>                 (2) For other goods or services<br/>                 (b) Supporting documents including accepted and unaccepted bids or proposals (summaries of unaccepted bids or proposals may be kept in lieu of originals) evidencing all relevant elements of the procurement.<br/>                 Reference per NRECA</p> | <p>6 years. See § 125.2(g).</p>   |
| <p>Purchase orders, supporting documentation, bids</p>   | <p>7 years</p>                    |
| <p>Material Sheets: Ledger sheets of materials and supplies received, issued, and on hand.<br/>                 Reference per NRECA</p>  | <p>7 years or after RUS Audit</p> |
| <p>Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods.<br/>                 Reference per NRECA</p>  | <p>6 years. See § 125.2(g).</p>   |
| <p>Records of sales of scrap and materials and supplies:<br/>                 (a) Authorization for sale of scrap and materials and supplies.<br/>                 (b) Contracts for sale of scrap materials and supplies<br/>                 Reference per NRECA</p>   | <p>3 years</p>                    |

**General Admin Sub-Policy# 135.9**

**Revenue Accounting & Collecting**

Customer Service Application/Contracts  
 Rate Schedules/Member Tax Exempt Docs  
 Maximum Demand/Demand Meter Records  
 Consumer Consumption/Billing Records  
 Misc. Billing Data  
 Patronage Records  
 Special Retirements (Estates/Past Members)  
 Inactive Member Files  
 Revenue Summaries  
 Monthly Sales Reports  
 RLF Plan/Loan Files

**Retention Period**

4 Years after Expiration  
 7 Years after Superseded  
 1 Year  
 7 Years  
 Kept till Patronage Paid  
 5 Years after Paid Out  
 Permanently  
 After Paid Out & Audited  
 5 Years  
 7 Years  
 3 Years after Loan Paid

**Detailed Supporting Data:**

|  |   |
|--|---|
| <p>Customers' service applications and contracts: Contracts, including amendments for extensions of service, for which contributions are made by customers and others<br/>                 Reference from NRECA</p>  | <p>4 years after expiration</p>   |
| <p>Rate schedules: General files of [FERC: published] rate sheets and schedules of utility service. Including schedules suspended or superseded.<br/>                 Reference from NRECA<br/>                 Member tax exempt documents</p>  | <p>7 years after published rate sheets and schedules are superseded or no longer used to charge for utility service</p>   |
| <p>Maximum demand, and demand meter record cards<br/>                 Reference from NRECA</p>   | <p>1 year, except where the basic chart information is transferred to another record the charts need only be retained 6 months, provided the basic data is retained 1 year.</p>   |
| <p>Consumer consumption and billing records</p>  | <p>7 years</p>  |
| <p>Miscellaneous billing data: Billing department's copies of contracts with customers (other than contracts in general files) "Consumer accounts' records".<br/>                 Reference from NRECA</p> <p><i>Customer records-the utility shall retain records as may be necessary to effectuate compliance with 20.4 (14) and 20.6 (6) but not less than 5 years. Records for customer shall show where applicable:</i><br/>                 (a) kWh meter reading<br/>                 (b) kWh consumption<br/>                 (c) kW meter reading<br/>                 (d) kW measured demand<br/>                 (e) kW billing demand<br/>                 (f) total amount of bill<br/>                 Reference Iowa Code 20.4 (13)</p> | <p><i>"Kept for those years for which patronage capital has not been allocated" [This is language in RUS' new rule. Typically, such allocations are done annually. It probably makes sense, to retain records indicating the last known address for members and patrons with their annual patronage totals for at least as long as the cooperative's capital credit rotation cycle or preferably permanently. Permanent retention is probably needed for a few reasons. One reason is that if the cooperative is making early capital credit retirements at a discount, then the co-op will need to keep such records permanently or until after liquidation of the cooperative. Further, see Rev. Ruling 72-36, which requires the allocation of the appreciated value of real property to patrons. See also, applicable state dissolution statutes that may require allocation at dissolution based on historical patronage.]</i></p> |
| <p>Patronage records</p>   | <p>5 years after payment of final patronage payment</p>   |



|  |   |
|--|---|
| Special Retirements (Estates and Past Members) Assignment & Agreement Form   | Permanently   |
| Inactive member files (paper or digital)   | Destroy after the Audit for the year in which all capital credits have been fully retired |
| Revenue summaries: Summaries of monthly operating revenues according to classes of service. Including summaries of forfeited discounts and penalties<br>Reference from NRECA | 5 years   |
| Monthly sales reports  | 7 years   |
| RLF Plan – RLF Loan Files  | 3 full years after loan is paid in full   |

**General Admin Sub-Policy# 135.10**

**Tax**  
 Tax Returns/990  
 Replacement Tax/Sales Tax/ Use Tax  
 Property Tax/Assessments

**Retention Period**  
 Permanently  
 7 Years

Detailed Supporting Data:

|  |                    |
|--|--------------------|
| <p>Tax records:<br/>                 (a) Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. See Subsection 11(b) for vouchers evidencing disbursements:<br/>                 (1) Income tax returns (<i>e.g. IRS Form 990s, including amended returns</i>)<br/>                 (2) Property tax returns<br/>                 (3) Sales and other use taxes.<br/>                 (4) Other taxes<br/>                 (5) Agreements between associate companies as to allocation of consolidated income taxes.<br/>                 (6) Schedule of allocation of consolidated Federal income taxes among associate companies.<br/>                 (b) Filings with taxing authorities to qualify employee benefit plans.<br/>                 (c) Information returns and reports to taxing authorities.<br/>                 (d) <i>Tax exemption application and determination letter (e.g. currently, Form 1024, and all accompanying documentation) and any IRS rulings (e.g. private letter ruling)</i><br/> <i>Reference from NRECA</i></p> | <p>Permanently</p> |
| <p>Replacement tax<br/>                 Sales tax<br/>                 Use tax<br/>                 Property tax<br/>                 Assessments</p>  | <p>7 years</p>     |

**General Admin Sub-Policy# 135.11**

**Treasury**

Statement of Funds and Deposits  
 Records of Deposits with Banks and Others  
     Bank Statements/Check Stubs/Registers  
 Loan Documents

**Retention Period**

3 Years  
 7 Years

Permanently

**Detailed Supporting Data:**

|   |                    |
|---|--------------------|
| <p>Statements of funds and deposits<br/>         (a) Statements of periodic deposits with fund administrators or trustees.<br/>         (b) Statements of periodic withdrawals from fund<br/>         (c) Statements prepared by fund administrator or trustees of fund activity including:<br/>             (1) Beginning of the year balance of fund;<br/>             (2) Deposits with the fund;<br/>             (3) Acquisition of investments held by the fund;<br/>             (4) Disposition of investments held by the fund;<br/>             (5) Disbursements from the fund, including party to whom disbursement was made;<br/>             (6) End of year balance of fund.<br/>         Reference from NRECA</p> | <p>3 years</p>     |
| <p>Records of deposits with banks and others:<br/>         (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit.<br/>         (b) Check stubs, registers, or other records of checks issued.</p>   | <p>7 years</p>     |
| <p>Records of financial commitments with lenders, loan documents<br/>         (a) loan applications, approval letters &amp; loan contracts<br/>         (b) mortgages, other security instruments associated with loans<br/>         (c) release of lien<br/>         (d) notification from lender to borrower of satisfaction of financial commitment<br/>         Reference from NRECA</p>  | <p>Permanently</p> |

**General Admin Sub-Policy# 135.12**

**Miscellaneous**

Statistics Financial/Operating & Statistical Reports  
 Budget and Forecasts  
 Tax Reports to Federal and State  
 Advertising Copies

**Retention Period**

7 Years  
 7 Years  
 7 Years  
 2 Years

**Detailed Supporting Data:**

|   |         |
|---|---------|
| Statistics: Financial, operating and statistical reports used for internal administrative or operating purposes.<br>Reference from NRECA  | 7 years |
| Budgets and other forecasts (prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations, including acquisitions and disposals of properties or investments.<br>Reference from NRECA<br><br>NEP Budget Info   | 7 years |
| Reports to Federal and State regulatory commissions including annual financial, operating and statistical reports. [ <i>Form EIA-861 "Annual Electric Power Industry Report", RUS Form 7, etc.</i> ]<br>Reference from NRECA <ul style="list-style-type: none"> <li>• <i>Use Tax</i></li> <li>• <i>Payroll Taxes, SWT, FWT</i></li> <li>• <i>Sales/Options</i></li> </ul>                 | 7 years |
| Advertising: Copies of advertisements by or for the company on behalf of itself or any associate company in newspapers, magazines, and other publications, including costs and other records relevant thereto (excluding advertising of appliances, employment opportunities, routine notices, and invitations for bids all of which may be destroyed at option).<br>Reference from NRECA | 2 years |

**General Admin Sub-Policy# 135.13**

| <b>Employment Related</b>   | <b>Retention Period</b>   |
|---|---------------------------|
| Safety CDL/OSHA 300 & 301   | 5 Years                   |
| Controlled Substance and Alcohol Record   | 5 Years                   |
| Accident Records  | 7 Years                   |
| Safety Training Records   | 5 Years                   |
| Employment Applications/Not Hired   | 1 Year                    |
| Personnel Records   | 7 Years                   |
| PTO Sheets  | 7 Years                   |
| Time Sheets   | 7 Years after RUS Audit   |
| Payroll & Other Records Not Included in Personnel<br>File Containing Confidential Information | 3 Years                   |
| Affirmative Action Plans  | 3 Years                   |
| EEO-1 Forms   | 5 Years                   |
| ERISA – SPD, SAR, & Annual Reports  | 6 Years after Filing Date |
| Personnel Documents Relating to Terms and<br>Conditions of Employment                         | 10 Years after Leaving    |

**Detailed Supporting Data:**

|  |   |
|--|---|
| Safety<br>(a) CDL driver qualification files<br>(b) CDL driver drug & alcohol tests & results<br>(c) OSHA 300 Log & OSHA 301 incident reports<br>Reference from NRECA  | 5 years   |
| Controlled Substance and Alcohol Record<br>•Records of driver testing .02 or greater<br>•Records of driver with verified positive controlled substance test<br>•Documentation of refusal to test<br>•Drive evaluations and refusals<br>•Copies of annual calendar year summary<br>•Records related to alcohol and controlled substance collection process<br>•Records of negative testing<br>•Records regarding education and training on controlled substances and alcohol  | 5 years   |
| Accident Records   | 7 years   |
| Safety Training Records  | 5 years   |
| Employment applications for individuals not hired, including but not limited to applications, resumé, references, interview notes, credit checks, results of background investigation  | 1 year  |
| Personnel<br>(a) Payroll records, collective bargaining agreements (Union Contracts, Personnel records, W-2 forms, 1099 forms)<br>(b) Performance reviews & other documentation about treatment on the job, job applications and resumes, etc.<br>(c) Employee benefits plan records, retirement, 401K<br>(d) I-9 Forms for all employees hired after 11/6/1986<br>(e) Payroll & unemployment taxes<br>(f) Wage/earnings records (e.g. time cards, wage rate tables, etc.)<br>(g) Dates of FMLA leave, notices to or from employees re FMLA, records of any disputes, etc. | 7 years or 3 years after employee or contractor leaves, whichever is longer |

|   |                                  |
|---|----------------------------------|
| Reference from NRECA  |                                  |
| PTO Sheets  | 7 years                          |
| Time Sheets   | 7 years or after RUS audit       |
| Payroll and other records not included in personnel file containing name, address, date of birth, occupation, rate of pay, and weekly compensation<br>Reference IAEC Environmental Safety & DOT   | 3 years                          |
| Affirmative action plans and supporting documentation<br>Reference IAEC Environmental Safety & DOT  | 3 years                          |
| EEO-1 forms<br>Reference IAEC Environmental Safety & DOT  | 5 years                          |
| ERISA – SPD, SAR, Annual Reports<br>Reference IAEC Environmental Safety & DOT   | 6 years after filing date        |
| Personnel files, including all documents relating to terms and conditions of employment<br>Reference IAEC Environmental Safety & DOT  | 10 years after employment ceases |
| <p>Personnel files must contain all records relating to application for employment, performance, discipline, requests for leave, requests for paid time off, customer compliments and complaints, benefit enrollment and change forms, emergency contact information, acknowledgment forms for Cooperative handbook and specific policies, inventory of Cooperative property provided to employee, documentation for wage rate changes, and transfer requests.</p> <p>The only records Supervisors are to maintain on employees are the personnel files. Supervisors are not to maintain separate “side” or “desk” files on employees, or separate calendars or diaries on employees’ activities. If a Supervisor has any question about whether a document should be retained in the personnel file, Human Resources should be contacted. No document should be destroyed if there is question as to whether it should be retained.</p> <p>Supervisors will be responsible for maintaining personnel files of the individuals they supervise. All other records will be maintained by Human Resources. Upon completion of the interview process, Supervisors must forward all materials relating to applicants to Human Resources for filing.</p> <p>If a discrimination charge or lawsuit is filed by an employee under your supervision or by an unsuccessful applicant, the law requires that records pertaining to that individual be retained for as long as any legal proceedings are in process. The law also requires that records relating to “similarly situated individuals” also be retained for the same time period. You will be informed by Human Resources if such a charge or lawsuit is filed. Once you have been notified that a charge or lawsuit is pending, you should not destroy any documents without obtaining permission of legal counsel.</p> <p>Files relating to investigation of employee misconduct should be forwarded to Human Resources. Only information relating to the imposition of discipline as the result of any investigation should be maintained in the employee’s personnel file.</p> <p>In addition to normal “paper” documents, you may also find it necessary to retain electronic records, such as e-mail. You should make hard copies of any e-mail messages that relate to an employee’s terms or conditions of employment or serve as the basis for a performance review or issuance of discipline. Although it is possible</p> |                                  |



to retrieve e-mail messages after an employee has deleted the message, it may be difficult and time consuming to do so. Therefore, if in doubt, you should print the e-mail message and consult with Human Resources as to whether it should be placed in the personnel file. Personnel files contain private information of employees, as well as Cooperative information relating to items such as compensation systems. In order to ensure that these records remain confidential, personnel files must be locked either in the Supervisor's desk or kept in a secure central location to which other employees do not have access.

In no event should Supervisors take home any documents relating to employment. Removing such documents or making copies of documents to take home is considered theft of Cooperative property and will lead to appropriate discipline, up to and including termination.

In addition to the records described above, the following retention periods apply to the environmental, safety and transportation-related records listed below:

Reference IAEC Environmental Safety & DOT

**General Admin Sub-Policy# 135.14**

**Motor Vehicle Safety**

- Inspection/Repair/Maintenance Records
- Daily Driver Inspections
- Periodic Inspections
- Inspector Qualifications
- Brake Inspector Qualifications
- Roadside Inspection Report

**Retention Period**

- 1 Year / 6 Mo's after Sold
- 03 Months
- 14 Months
- 1Yr after Inspector Leaves
- 1Yr after Inspector Leaves
- 1 Yr from Inspection Date

Detailed Supporting Data:

|  |   |
|--|---|
| Motor vehicle inspection, repair, and maintenance records<br>Reference IAEC Environmental Safety & DOT | One year at location where vehicle stored and 6 months after vehicle sold |
| Driver daily inspections<br>Reference IAEC Environmental Safety & DOT                                  | Three months  |
| Periodic inspections<br>Reference IAEC Environmental Safety & DOT                                      | 14 months   |
| Inspector qualifications<br>Reference IAEC Environmental Safety & DOT                                  | 1 year after inspector ceases to perform inspections                      |
| Brake inspector qualifications<br>Reference IAEC Environmental Safety & DOT                            | 1 year after inspector ceases to perform inspections                      |
| Roadside inspection report<br>Reference IAEC Environmental Safety & DOT                                | 1 year from date of inspection  |

**General Admin Sub-Policy# 135.15**

**Occupational Safety**

OSHA 300 Logs/Annual Summary Reports  
 Personal Occupation Exposure Records  
 Asbestos and Lead Inspections Records  
 Area/Bulk Sampling  
 Asbestos Area Air Sampling Reports  
 Material Safety Data Sheets  
 Confined Space Entry Permits & Records  
 Respiratory Protection Program Training  
 Occupational Injury/Illness Reports  
 All Select Agent Logs/Training Documentation

**Retention Period**

5 Years  
 30 Years  
 25 Years after Bldg is gone  
 5 Years then Review  
 25 Years then Review  
 Until no longer of value  
 1 Year  
 Employment + 5 Years  
 5 Years  
 3 Years

**Detailed Supporting Data:**

|   |  |
|---|--|
| OSHA 300 logs and annual summary reports<br>Reference IAEC Environmental Safety & DOT                           | 5 years  |
| Personal occupational exposure records<br>Reference IAEC Environmental Safety & DOT                             | 30 years or duration of employment plus 5 years, whichever is longer |
| Asbestos and lead inspection records<br>Reference IAEC Environmental Safety & DOT                               | 25 years after building has been demolished                          |
| Area/bulk sampling<br>Reference IAEC Environmental Safety & DOT   | 5 years & review for administrative value                            |
| Asbestos area air sampling reports<br>Reference IAEC Environmental Safety & DOT                                 | 25 years then review for historical/administrative value             |
| Material Safety Data Sheets<br>Reference IAEC Environmental Safety & DOT  | Until no longer of administrative value                              |
| Confined space entry permits, evaluations,<br>and related records<br>Reference IAEC Environmental Safety & DOT  | 1 year   |
| Respiratory protection program training<br>and fit testing records<br>Reference IAEC Environmental Safety & DOT | Duration of employment plus 5 years                                  |
| Occupational injury/illness reports<br>Reference IAEC Environmental Safety & DOT                                | 5 years  |
| All Select agent logs, and training documentation<br>Reference IAEC Environmental Safety & DOT                  | 3 years  |

**General Admin Sub-Policy# 135.16**

**Environmental Affairs**

**Retention Period**

See Detailed Data Below:

|   |  |
|---|--|
| <p>Hazardous Waste/Toxic Chemicals (reports, inspection logs, training records, waste shipment manifests or records, sampling and monitoring data)<br/>                 (a) Community Right to Know/TRI reports &amp; supporting documentation<br/>                 (b) PCB equipment inspection and maintenance history<br/>                 (c) PCB spills<br/>                 (d) Used Oil: Spill Prevention Protection &amp; Control plans, procedures and record of tests &amp; inspections<br/>                 (e) Haz mat incident reports<br/>                 (f) Employee exposures to certain substances (e.g. asbestos, benzene, etc.), including medical evaluations<br/>                 (g) Hazardous waste records (shipping manifests, filed reports, test results, etc.)<br/>                 (h) Records related to underground storage tanks for fuel (tests results, monitoring, calibration, maintenance or repair records, spills)<br/>                 Reference from NRECA</p> | <p>(a) 3 years from submission of the report [See 40 C.F.R. § 372.10]<br/>                 (b) 3 years after disposal [See 40 C.F.R. § 761.30]<br/>                 (c) 5 years after clean-up [See 40 C.F.R. § 761.125(a)]<br/>                 (d) 3 years [See 40 C.F.R. § 112.7(e)]<br/> <br/>                 (e) 2 years [See 40 C.F.R. § 171.16]<br/>                 (f) 30 years [See, e.g., 29 C.F.R. §§ 1910.1001(m), 1910.20, 1910.1028(k)]<br/>                 (g) 3 years [See 40 C.F.R. § 262.40]<br/> <br/>                 (h) 1 year or for another reasonable time period determined by State EPA [See 40 C.F.R. §§ 280.34 &amp; 45]</p> |
| <p>Water<br/>                 (a) NPDES Permits &amp; related documentation (including storm water prevention plans, reports, certifications, data used for the notice of intent, etc.)<br/>                 (b) Section 404 wetlands permits &amp; related documentation (e.g. related to dredge &amp; fill activities during utility line construction)<br/>                 Reference from NRECA</p>   | <p>3 years from the date the permit expires or is terminated [See 40 C.F.R. §122.41(j)(2)]</p>   |
| <p>Hazardous waste manifests with related transportation and disposal records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>  | <p>Indefinite</p>  |
| <p>Internal waste pick-up records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>  | <p>Indefinite</p>  |
| <p>Title V records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>   | <p>10 years then review for historical/administrative value</p>  |
| <p>Spill prevention control and countermeasures records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>  | <p>10 years</p>  |
| <p>Chemical release clean-up reports<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>   | <p>25 years then review for historical/administrative value</p>  |
| <p>Phase I and II environmental assessment<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>   | <p>25 years then review for historical/administrative value</p>  |
| <p>PCB records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>   | <p>25 years then review for historical/administrative value</p>  |
| <p>Infectious waste records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>  | <p>5 years</p>   |
| <p>National Pollution Discharge Elimination System records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>   | <p>10 years then review for historical/administrative value</p>  |
| <p>Above &amp; underground storage tank service records including permit, registrations, and test reports<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>  | <p>Life of tank system</p>   |
| <p>Above &amp; underground storage tank closure records<br/>                 Reference IAEC Environmental Safety &amp; DOT</p>  | <p>Indefinite</p>  |

**General Admin Sub-Policy# 135.17**

**Fire Safety**

Fire Protection Equipment Inspection Records  
Building Audits

**Retention Period**

Life of Bldg. then review  
25 Years then review

|   |   |
|---|---|
| Fire protection equipment inspection records<br>Reference IAEC Environmental Safety & DOT | Life of the building then review for<br>historical/administrative value |
| Building audits<br>Reference IAEC Environmental Safety & DOT                              | 25 years then review for historical/administrative value                |

**General Admin Sub-Policy# 135.18**

**Miscellaneous Licenses/Permits & Other Requirements**

FCC  
NERC

**Retention Period**

Permanently  
3 Years

Detailed Supporting Data:

|   |   |
|---|---|
| <p>FCC –<br/>(a) radio frequency spectrum licenses<br/>(b) private land mobile radio and microwave station records<br/>(c) correspondence with the FCC<br/>Reference from NRECA</p> | <p>Permanently, or until cooperative no longer holds an FCC license</p>   |
| <p>NERC Reliability Standards – (can include audit records, system testing, personnel training, etc.)<br/>Reference from NRECA</p>  | <p>Most common is 3 years. But some are less and others are longer. Other standards have no specified retention period but should be maintained to demonstrate compliance in the event of an audit or investigation.]</p> |



**General Admin Sub-Policy# 135.19**

**Service Related**

Records Kept in Relation to Service-Related Events

**Retention Period**

Until Applicable Statute  
of Limitations has Passed  
or Litigation Settled

Detailed Supporting Data:

|   |   |
|---|---|
| <p>Records kept in relation to service-related events<br/>(a) Consumer complaints (including correspondence, voice recordings, investigation reports, etc.)<br/>(b) Outages (investigation reports, operational records, etc.)<br/>(c) Accidents (investigation reports, photographs, operational records, etc.)<br/>Reference from NRECA</p> | <p>Until the applicable statute of limitations has passed or litigation is finally decided or settled. (Some state regulatory commissions require the utilities under their jurisdiction to keep records of complaints, outages, and accidents. It would seem prudent that even in the absence of such requirements to maintain appropriate records related to these events in the likely event of subsequent investigation and/or litigation.)</p> |
|---|---|

## **FEMA Cost Principles and Allowable costs**

### **I. PURPOSE**

- A. This Cooperative, in its capacity as a sub-grantee, shall use applicable cost principles to determine the reasonableness, allowability and allocability of costs incurred under a Project Grant Agreement for the completion of an approved hazard mitigation project scope of work.
- B. Legal requirements; Cost Principles, Subpart E-2CFR §§200.400 – .475; 44 CFR §207.3 – Management Costs, Applicability and eligibility; 44 CFR §207.6(b) – Management Costs, Use of funds.

### **II. GUIDELINES**

#### A. General:

1. The Accounting and Finance Department shall ensure that costs charged to federal grants are:
  - a. Necessary and reasonable for proper and efficient administration of the grant program, be allowable under the principles contained in the above-referenced regulations and except as specifically provided in a regulation, not be general expenses required to carry out the overall responsibilities of the Cooperative;
  - b. Authorized and not prohibited under Federal, State or local laws or regulations;
  - c. Conform to any limitations or exclusions set forth in the principles, Federal laws, or other governing limitations as to types or amounts of cost items;
  - d. Consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of this Cooperative;
  - e. Be accorded consistent treatment and except as otherwise provided in 2 CFR Part 200, determined to be in accordance with Generally Accepted Accounting Principles;
  - f. Not included as a cost or used to meet cost sharing or matching requirements of any other federally financed program except as specifically provided by Federal law or regulation.
2. The Accounting and Finance Department shall ensure that costs are accorded consistent treatment through application of generally accepted accounting principle.
3. The Accounting and Finance Department shall maintain source documentation to support accounting records and documents that permit the tracing of funds to a level of expenditure

adequate to establish that funds have not been used in violation of the applicable restrictions of the uses of such funds.

4. The Accounting and Finance Department shall ensure that applicable credits are used to reduce the cost of the program or are returned to the awarding agency.

B. Management Costs:

1. Pursuant to 44 CFR §207.3, "Management Costs, Applicability and eligibility" and 44 CFR §207.6(b), "Management Costs, Use of funds", Public Assistance (PA) and Hazard Mitigation Grant Program (HMGP) grantees with PA and HMGP awarded pursuant to major disasters and emergencies declared by the President are eligible apply to FEMA for management cost funding.
2. This Cooperative will use management cost funds provided in accordance with 2 CFR part 200, subpart E—Cost Principles, and only for costs related to administration of PA or HMGP, respectively. All charges will be properly documented. Indirect costs will not be charged directly to a project or reimbursed separately but rather are considered to be eligible management costs.

C. Indirect Costs:

1. In conformance with Appendix IV To Part 200—Indirect (F&A) Costs Identification And Assignment, And Rate Determination For Nonprofit Organizations the allocation of indirect costs and the computation of an indirect cost rate is accomplished through the simplified allocation procedures, described in section B.2 of Appendix IV.
2. This Cooperative's major functions benefit from its indirect costs to approximately the same degree, as a result, the allocation of indirect costs is accomplished by:
  - a. Separating the organization's total costs for the base period as either direct or indirect, and
  - b. Dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual Federal awards. The rate is expressed as the percentage which the total amount of allowable indirect costs bears to the base selected.
3. Both the direct costs and the indirect costs exclude capital expenditures and unallowable costs. However, unallowable costs which represent activities are included in the direct costs for purposes of determining facilities and administrative (F&A) indirect cost rates and be allocated their equitable share of the non-Federal entity's indirect costs, pursuant to 2 CFR §200.413(e) if they represent activities which:
  - a. Include the salaries of personnel,
  - b. Occupy space, and
  - c. Benefit from this Cooperative's indirect (F&A) costs.


4. The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as sub. Subawards for \$25,000 or more), direct salaries and wages, or other base which results in an equitable distribution. The distribution base must exclude participant support costs. *Participant support costs* means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.
5. Except where a special rate(s) is required the indirect cost rate developed under the above principles is applicable to all Federal awards of the organization. If a special rate(s) is required, appropriate modifications must be made in order to develop the special rate(s).

D. Special Indirect Cost Rates:

1. In some instances, a single indirect cost rate for all activities of an organization or for each major function of the organization may not be appropriate, since it would not take into account those different factors which may substantially affect the indirect costs applicable to a particular segment of work. For this purpose, a particular segment of work may be that performed under a single Federal award or it may consist of work under a group of Federal awards performed in a common environment. These factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or other resources employed, the scientific disciplines or technical skills involved, the organizational arrangements used, or any combination thereof. When a particular segment of work is performed in an environment which appears to generate a significantly different level of indirect costs, provisions will be made for a separate indirect cost pool applicable to such work. The separate indirect cost pool will be developed during the course of the regular allocation process, and the separate indirect cost rate resulting therefrom will be used, provided it is determined that:
  - a. The rate differs significantly from that which would have been obtained under the other allocation methods described in Appendix IV, and
  - b. The volume of work to which the rate would apply is material.

**III. RESPONSIBILITY**

- A. The responsibility for understanding and adhering to the Cost Principles enumerated in this Policy will be shared by the Accounting and Finance Department and Operations Department.

ATTESTED:  DATE: 9/30/2021  
Board President

Reviewed: October 18, 2012  
August 26, 2021  
Revised: July 21, 2016  
August 1, 2019



## **FEMA Advances of Federal Funds**

### **I. PURPOSE**

- A. This Cooperative, in its capacity as a sub-grantee, shall disburse federal funds received in advance of expenditure to minimize the time elapsing between the transfer of funds from the Federal government and disbursement.
- B. Legal Requirements; 2 CFR §200.80 – Program Income; 31 CFR Part 205 – Rules and Procedures for Efficient Federal State Funds Transfers

### **II. GUIDELINES**

#### A. General:

- 1. It is recognized that the hazard mitigation program is primarily, but not exclusively, a reimbursement program. As such, only actual costs are reimbursed after they are incurred. However, there are procedures in place for the requesting of advances in anticipation of expenditures.
- 2. Under the Cash Management Improvement Act, written procedures must be adopted by recipients of federal funds to minimize the time elapsing between the transfer of those funds from the U.S. Treasury and the issuance of or redemption of checks, warrants or payments by other means for hazard mitigation program purposes to this Cooperative. The procedures established by this Cooperative to minimize this time are as follows:
  - a. This Cooperative will submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as they like when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693–1693r). [2 CFR §200.305(b)(2)(ii)] It is this Cooperative's policy to minimize the time elapsed between drawing down Federal funds and the issuance of checks. The amount of drawdowns will be limited generally to the minimum amount needed and is done at the time payments are made (i.e., normally once a week, but more often, if necessary). Consequently, advances are generally as close as is administratively feasible to the actual disbursements.
- 3. OR All Federal funds deposited in this Cooperative's bank account will be fully disbursed (checks written, signed, and issued) by the close of business the next workday after receipt of the funds. The potential for excessive Federal cash on hand exists each time the Cooperative does not disburse Federal funds in this manner. This Cooperative is responsible for monitoring when the Federal funds have been deposited into its bank account for each drawdown, ensuring that the funds are fully disbursed by the close of business the next

workday after they are received, and immediately returning any undisbursed Federal funds to the State of Iowa.

B. Use of resources before requesting cash advance payments:

1. This Cooperative will disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments

C. Income:

1. Program income is gross income earned by this Cooperative directly generated by a grant-supported activity or earned as a result of the grant during the grant period of performance. Program income may be derived from fees for services performed, the use or rental of real or personal property acquired with grant funds, and sale of commodities or items fabricated under the grant award and principal and interest on loans made with Federal award funds. FEMA encourages subgrantees to generate program income to help defray program costs. Any income generated by this Cooperative during the period of performance of a hazard mitigation project grant will be reported to the State of Iowa and will be deducted from the total allowable costs to determine the net allowable cost. Program income will be used for current costs unless otherwise authorized by FEMA. Unanticipated program income will be used to reduce the FEMA and State of Iowa contributions and will not be used to increase the funds committed to a hazard mitigation grant project.[2 CFR §200.80]

D. Interest:

1. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. [2 CFR §200.80]
2. Interest earned amounts up to \$500 per year may be retained by this Cooperative for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts will be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. The procedures set forth in 2 CFR §200.305(b)(9) will be complied with. [2 CFR §200.305(b)]

**III. RESPONSIBILITY**

- A. The responsibility for understanding and adhering to the Cost Principles enumerated in this Policy is delegated to the Accounting and Finance Department.

ATTESTED: *Carroll Manning* DATE: 9/30/2021  
Board President



Reviewed: October 18, 2012  
August 26, 2021  
Revised: July 21, 2016  
August 1, 2019

## **FEMA Solid Waste Management Plan**

### **I. PURPOSE**

- A. This Cooperative, in its capacity as a sub-grantee, shall ensure that solid or hazardous wastes generated during the construction of its facilities are disposed of in accordance with state and federal laws and regulations.
- B. Legal Requirements; Iowa Code §455B.307 – Dumping or depositing of solid waste at any place other than a permitted solid waste disposal site is prohibited.
- C. REC has established this Plan to clearly define the practices which are to be employed at a jobsite to assure the proper disposal or diversion of construction and demolition waste and land clearing debris from landfill disposal where possible.

### **II. GUIDELINES**

#### A. Objectives:

- 1. The primary objective of this Plan is to limit the amount of waste on a construction project by requiring REC employees to limit quantities of materials and packaging to only those necessary for the project. Every effort will be made to limit, separate, sort, collect and properly dispose of all construction waste materials generated on a project site.
- 2. Each construction employee on the jobsite will be trained on the elements of this Plan. Any construction employee or visitor to this jobsite may notify REC when an observation of a violation of this Plan has occurred. REC will be responsible for immediate remediation of the violation.

#### B. Independent Contractors:

- 1. In the event that REC elects to hire an independent contractor to construct facilities it is REC's practice to include contract terms obligating the contractor to comply with all federal, state and local environmental laws, including solid and hazardous waste disposal laws. In addition, the contract shall provide that the contractor is responsible for removing and properly handling or disposing of useless materials and waste generated during construction.

#### C. Waste Management Planning:

- 1. The generation of waste is inevitable, however, whenever it is possible and practical, waste materials should be reused, recycled or sold. Waste disposal in landfills shall be minimized when possible.

- a. General Requirements:
  - i. Salvageable materials will be diverted from disposal where feasible.
  - ii. There will be a designated area on cooperative property reserved for materials that can be recycled.
  - iii. Areas are to be marked to designate the recyclable materials that are to be stored there.
  - iv. All recycling containers are to be clearly marked.
- b. Expected Waste Streams, Disposal Methods and Handling Procedures:
  - i. The following chart lists the waste streams that are expected to exist on typical REC construction projects, the preferred means of disposal and proper handling procedures:

|  |      |  |  |
|--|------|--|--|
| Conductor                              | 6A   | When a sufficient length of 6A and 8A copperweld conductor or Aluminum Conductor Steel Reinforced is removed from service it will either be sold for salvage at the then market rates or it will be returned to the warehouse for reuse on the system. | When possible, conductor is to be wound into coils or onto spools and stored until it is sold or used.   |
|  | 8A   |  |  |
|  | ACSR |  |  |
| Wooden Poles, Wire Spools or Crossarms |      | Wooden poles, wire spools and crossarms are to be offered to landowners adjoining the location of the construction. Any remaining poles, wire spools and/or crossarms are to be disposed of at a landfill.   | Poles are treated with preservatives and are to be handled while wearing protective gloves. When offered to landowners, landowner is to be apprised of the cooperative's policy requiring the signing of a release which is accompanied by a Consumer Information Sheet. |
| Land Clearing Debris                   |      | Woody materials such as stumps and tree limbs will be ground on-site and used for soil erosion control products.   | Woody materials are to remain on the premises where they are generated.  |
| Metals, porcelain and other materials  |      | Metals (steel, aluminum, brass, copper, lead, stainless) will be sold to metal recyclers when possible. Metals, porcelain and other materials, if not sold, will be disposed of at a landfill.   | Materials will be sorted and stored within dedicated containers and will regularly be delivered to a processor or disposed of at a landfill.   |
| Wood or Lumber                         |      | Wood or lumber will either be resold as retail lumber by processor or ground and mixed with commercial land clearing and/or approved materials for erosion control applications.   | Materials will be sorted and stored within dedicated on-site containers Lumber will need to be clean, no paint or other wood treatment.  |

D. On-Site Collection, Storage and Recycling Activities:

- 1. Early in the construction activities, land clearing materials will be collected and recycled either off site or re-used on site as erosion control materials. As the project progresses, wood

poles will be allowed to remain on the site where they were removed, within the road right-of-way, or, with permission, on private property.

2. REC will be responsible for organizing and placing containers and timely removal and replacement when containers are filled to capacity. All containers will be clearly identified with signage indicating stored materials.

E. Sequence and Timing:

1. Prior to starting construction, a discussion of quantity and type of expected waste streams will be generated by the project team. Decisions will be made at this time for such items as waste generation and collection locations, best practice methods to sort and separate on-site or off-site, access to site, etc. Area waste haulers and recyclers will be notified and interviewed of project requirements and request for service proposals will be solicited.

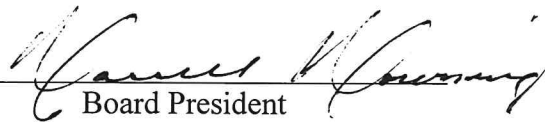
F. Documentation:

1. Documentation will be kept to maintain records of material sold, salvaged or disposed of.

### III. RESPONSIBILITY

- A. The responsibility for understanding and adhering to the practices enumerated in this Plan is delegated to the Operations Department.

ATTESTED: \_\_\_\_\_

  
Board President

DATE: \_\_\_\_\_

9/30/2021

Reviewed: July 21, 2016  
August 26, 2021  
Revised: August 1, 2019

## **FEMA Cost Determination Procedures**

### **I. PURPOSE**

- A. This policy sets forth the general policies and methodology established by this Cooperative with respect to the allocation of direct and indirect costs.
- B. Legal Requirements; Subpart E –Cost Principles – 2 CFR §§200.400 – 475 establishes principles for determining the allowable costs incurred by this Cooperative under Federal awards. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal Government participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under the principles except where restricted or prohibited by statute. [2 CFR §200.100(c)] This Cooperative adopts and will abide by the cost principles set forth in Subpart E—Cost Principles, 2 CFR §§200.400 – 475.

### **II. GUIDELINES**

- A. This Cooperative has adopted the following general accounting principles:
  - 1. Basis of Accounting - Accrual Basis
  - 2. Fiscal Period - January 1st to December 31st
  - 3. Allocation Basis for Individual Cost Elements - Direct Allocation Basis
  - 4. Indirect Cost Rate Allocation Base - Direct Salaries and Wages including applicable Fringe Benefits.
  - 5. This Cooperative's fringe benefit allocation base is described in Section II.B.2.
  - 6. This Cooperative maintains adequate internal controls to ensure that no cost is charged both directly and indirectly to Federal contracts or grants.
  - 7. This Cooperative accumulates all direct and indirect costs and revenues in the Work Order system or the General Ledger.
- B. The method of allocation of the following costs, either as “direct” or “indirect” charges are as follows:
  - 1. Salaries and Wages:



- a. Direct Costs - A portion of this Cooperative's employees "direct charge" their salary costs since their work is specifically identifiable to specific grants, contracts, or other activities of the organization providing services to members. The charges are supported by auditable labor distribution reports which reflect the actual activities of employees.
  - b. Indirect Costs - The rate at which a particular group of costs is chargeable, such as computer usage chargeback, other than fringe benefits, is as follows. When a cost is not a direct cost to a Work Order, that portion of employee charges are allocated to a "holding account" and is then spread at the end of each month.
  - c. Mixed Charges - A portion of the employees may charge their salary costs to both direct and indirect activities. The distinction between direct and indirect is primarily based on functions performed. For example, when the positions shown are performing functions that are necessary and beneficial to all programs they are indirect. When functions are specific to one or more programs they are Auditable labor distribution records which reflect the actual activities of employees are maintained to support the mix of direct/indirect charges.
2. Fringe Benefits:
    - a. This Cooperative has established a variety of employee benefits programs designed to assist them in meeting the financial burdens that can result from illness, disability, and death, and to help with retirement. Those benefits are described in this Cooperative's Employee Handbook. This Cooperative will not seek reimbursement under a Federal program grant fringe benefits which are not reimbursable under the grant.
    - b. Treatment of Fringe Benefits - This Cooperative's accounting system tracks fringe benefit costs by individual employee and charges those costs based on direct labor or indirectly in the same manner as salary and wage costs are recorded.
    - c. Treatment of Paid Time Off - Paid time off costs (e.g. vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. This Cooperative's accounting system records paid time off as a direct or indirect cost in the same manner that salary costs are recorded. Paid time off costs earned during each fiscal period are recorded as a cost in the period earned.
3. Travel:
    - a. Travel costs may be charged as either direct or indirect costs depending on the purpose of the trip. For example: The Executive Director of Company travels to a regional office to give employees a quarterly update. This trip is indirect in nature and should be charged as an indirect cost. However, if the Executive Director of Company travels to a regional office to perform a specific task for a contract, the trip would be considered a direct cost.
4. Board Expenses:
    - a. Board expenses are charged to a Board Expense Account. Board expenses are absorbed by this Cooperative and are not charged either directly or indirectly to Federal contracts or grants.



5. Supplies and Materials, Utilities and Other Similar Expenses:
  - a. Construction Materials and Supplies are direct charged to the appropriate account.
  - b. Non-Construction Materials and Supplies [2 CFR §200.453] Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable. Purchased materials and supplies are charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms are charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. To the maximum extent possible, non-construction materials and supplies are direct charged to the contract/grant which uses the supplies or materials. When the following non-construction materials and supplies are used by employees who are engaged in indirect activities, they will be charged to this Cooperative's Administrative and General Expenses Account. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.
  - c. Occupancy expenses [2 CFR §200.465]
    - i. Rent - This Cooperative occupies space it leases from Lessor Corporation. The lease provides for equal monthly payments during the term of the lease. Monthly lease costs are allocated, based on: square footage, directly and indirectly as follows:
      - Direct Costs - The cost of space occupied by staff whose salaries are directly charged is charged directly.
      - Indirect Costs - The cost of space occupied by staff whose salaries are indirectly charged is charged indirectly. The cost of space for staff whose salaries are charged on a mixed basis will be allocated on a mixed basis in the same ratio as their salaries are allocated. The cost of space required for common areas (hallways, restrooms, and conference room) will be accounted for as an indirect cost.
      - This Cooperative has developed a floor Plan which identifies what areas are designated as direct and indirect charge space (based on square footage).
    - ii. Utilities - This Cooperative's lease includes the cost of all utilities except electricity. The cost of electricity is charged directly and indirectly in the same ratio as its space costs are charged.
    - iii. Communications –
      - A log is maintained of all fax transmissions. The cost of *fax services* is charged either directly or indirectly based upon whether a direct or indirect activity benefits from the transmission.
      - *Long distance telephone* calls are charged either directly or indirectly based upon whether a direct or indirect activity benefits from the transmission.
      - *Local telephone* service costs are prorated to direct and indirect charges based upon the number of telephone instruments assigned. Each telephone instrument is identified to either an indirect or a direct activity. For example: This Cooperative has 50 telephone instruments assigned to it: Nine (9) of the 50 instruments are assigned to the program

funded by FEMA. Therefore, 9/50ths of the monthly local service telephone charges are direct charged to the FEMA grant. Five (5) of the instruments are assigned to indirect staff. Therefore, 5/50ths of the monthly local service charges are charged indirectly. No telephone instruments are charged on a mixed basis since the costs incurred on that basis are immaterial in amount.

- This Cooperative's *postage charges* can be programmed to identify the specific program or activity to charge costs against. Express mail costs are also specifically identified to the program or activity incurring the cost.
- iv. Photocopying and Printing - This Cooperative maintains a photocopy activity log. From this log, this Cooperative is able to prorate its photocopy expenses to each program based on the specific volume of copies made for each program. Administrative personnel will record copies made to the benefiting program to the maximum extent practical. In situations where the photocopies being made by administrative personnel cannot be identified to a specific program and the matter being copied relates to the activities of this Cooperative in general, the cost of such copies will be charged to the "Indirect Cost-Expense" account. Printing expenses are charged to the benefiting activity.
- v. Outside Services - This Cooperative incurs outside services costs for its annual audit, legal fees, and for staff development specialists.
- The cost of the annual audit is charged indirectly.
  - In general, legal fees are charged directly to the benefiting program or activity.
  - Legal fees that are not identifiable to specific direct programs are charged indirectly.
6. Capital Items [2 CFR §200.439]:
- a. Capital expenditures are charged directly to programs only in cases where a contract or grant specifically authorizes such charges. No capital item is charged indirectly.
  - b. The cost of capital items purchased with non-Federal funds are recovered through depreciation charges.
7. Depreciation [2 CFR §200.426]:
- a. The cost of capital items purchased with non-Federal funds which are used in a manner which benefits Federal programs is recovered through depreciation charged. This Cooperative recovers the cost of capital items using straight line depreciation methods in accordance with generally accepted accounting principles. Depreciation is charged indirectly.
8. Fleet Expense:
- a. Vehicle expenses are calculated on an hourly basis.
  - b. OR Vehicle expenses are calculated on a mileage basis.
  - c. OR Vehicle expenses may be calculated on an hourly basis or mileage basis depending upon the vehicle.

d. Reimbursement for fleet expenses will be made in accordance with the applicable federal grant terms.

9. Unallowable Costs:

a. This Cooperative recognizes that unallowable costs cannot be charged to Federal awards and has internal controls in place to insure that this is followed. Examples of unallowable costs are:

- i. Advertising and public relations as described in 2 CFR §200.421,
- ii. Entertainment/alcoholic beverages [2 CFR §200.423],
- iii. Capital expenditures [2 CFR §200.439],
- iv. Defense claims by or against the Federal Government [2 CFR §200.435],
- v. Interest [2 CFR §200.449],
- vi. Lobbying and fund raising [2 CFR §200.450],
- vii. Cost of goods or services for personal use [2 CFR §200.445].

**III. RESPONSIBILITY**

A. The responsibility for understanding and adhering to the Cost Principles enumerated in this Policy is delegated to the Accounting and Finance Department.

ATTESTED: *Carroll Manning* DATE: 9/30/2021  
Board President

Reviewed: October 18, 2012  
August 26, 2021

Revised: July 21, 2016  
August 1, 2019



## SIEC Procurement Policies and Procedures

### I. PURPOSE

- A. The following procurement policies and procedures shall be utilized for the procurement of any items, goods, services, materials, supplies and equipment. The purpose of these procurement policies and procedures is to ensure that sound business judgment is utilized in all procurement transactions and that supplies, equipment, construction and services are obtained efficiently and economically and in compliance with applicable federal and State of Iowa laws and regulations and to ensure that all procurement transactions will be conducted in a manner that provides for full and open competition.

### II. GUIDELINES

- A. Code of Conduct/Conflict of Interest - No employee, officer, or agent of this cooperative shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest could be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.
1. At all times, but most particularly where procurement may be funded by the federal government, Employees should immediately disclose any Conflict of Interest or perceived Conflict of Interest to the Chief Financial Officer and refrain from participating in the selection, award or administration of that contract until a determination has been made by the Chief Financial Officer as to whether the Employee has a Conflict of Interest that prevents him or her from further participation.
  2. Gifts and Entertainment. No Employee may solicit or receive gifts, gratuities, entertainment or anything else of significant value (e.g. financial payments, awards, loans, services, fees, etc.) given for the purpose of influencing the action of Southern Iowa Electric Cooperative or of the recipient. Gifts and entertainment received from vendors, suppliers and consultants may only be accepted consistent with the terms of this Policy.
  3. This guideline is not intended to prohibit normal business practices, such as meetings over meals, recreational activities, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote Southern Iowa Electric Cooperative's legitimate business interests.
    - a. Examples of situations which would **not** create a Conflict of Interest include:
      - i. business-related meals, refreshments, and recreational activities such as golf or picnics not exceeding a total of \$250 in value from any one individual or organization for any given

year. While it may sometimes be difficult to judge the value of gifts offered to the Cooperative's employees, it is important to also consider the appearance of impropriety. Employees should refrain from accepting gifts when the gifts give the appearance of impropriety. Please contact the Chief Financial Officer if you are unsure about the appropriateness of accepting gifts or social invitations;

- ii. gifts from Family Members or close friends that are not intended to influence a business relationship and are not given to influence the recipient's duties or responsibilities as per the Cooperative; In situations where a longstanding contractor is or becomes a close friend of an Employee, a conflict could arise if that close friend provides the Employee with a financial benefit such as paying for meals or other gifts. Please contact the Chief Financial Officer if you are unsure about the appropriateness of accepting gifts or financial benefits from a close friend who contracts business with the Cooperative;
  - iii. promotional items such as caps, mugs, pens, t-shirts, etc. as long as generally given out freely, and not provided to influence the recipient's duties or responsibilities as per the Cooperative.
4. Anyone offered any item of value (except for the above-mentioned items) should immediately report the offer. If an Employee believes there is an appropriate reason to make an exception to this Policy for an individual situation, he or she should contact the Chief Financial Officer prior to accepting the gift.
  5. Decisions Which Pose a Conflict of Interest. If an Employee determines that a decision may create a real or apparent Conflict of Interest, the Employee shall make full disclosure to the Chief Financial Officer of any facts which may indicate a conflict. The Employee in question shall disqualify himself/herself from the decision-making process regarding any procurement or contract administration decisions which could pose a real or perceived Conflict of Interest. The Employee may request an opinion of the Chief Financial Officer or Counsel for the Cooperative before such action is taken if the facts are in dispute or the situation is one that presents novel issues.
  6. Disclosure and Management of Conflicts of Interest. All potential Conflicts of Interest must be disclosed to the Chief Financial Officer. The Employee involved in the conflict situation must work with his/her manager and the Chief Financial Officer, to achieve a resolution of the conflict issue in the best interests of Southern Iowa Electric Cooperative. Depending upon the nature of the conflict, this may include the Employee being removed from a position of decision-making authority with respect to the specific situation or other actions the Cooperative deems necessary to prevent or address the conflict. Employees must complete and sign the Conflict of Interest Certification and Disclosure Form attached to this Policy. The Chief Financial Officer shall maintain copies of completed Forms for each Employee. Each Employee is responsible for ensuring that this Form is kept current and must immediately submit an updated Form to the Chief Financial Officer if there is any material change to any of the information contained in the form.
  7. Disclosure of Contracts with Employees. Southern Iowa Electric Cooperative may enter into contracts with one or more Employees, or entities in which they or a Family Member may have a material financial interest, for the provision of goods or services if the same opportunity to enter into contracts is made available to other Employees or contractors who



are similarly situated. These contracts are to be procured in accordance with Southern Iowa Electric Cooperative's standard procedures for the type contract at issue. However, any such contract shall be submitted to and approved by the Chief Financial Officer and the Southern Iowa Electric Cooperative Board of Directors. If an Employee has any duties or responsibilities related to procurement of such contract, he or she shall immediately recuse from those actions, and not be involved in any part of the contract selection or award.

8. **Financial Interest.** If an Employee has a financial interest in any outside entity that conducts business with the Cooperative, then that Employee must disclose and avoid participating in decisions related to business with that entity.
9. **Exception Regarding an Affiliated Cooperative.** This Policy recognizes that different conflict rules apply to contracts and procurement involving a cooperative (herein, an "Affiliated Cooperative") in which Southern Iowa Electric Cooperative is a member. Specifically, an Employee is not disqualified from decisions regarding procurement or contract administration involving an Affiliated Cooperative solely because of the Employee's service as an officer or board member of the Affiliated Cooperative entity, as long as a prohibited Conflict of Interest does not otherwise exist. An Employee who serves as an officer or board member of an Affiliated Cooperative shall disclose his or her role with the Affiliated Cooperative to the Chief Financial Officer. If a contract administration or procurement decision involving, or potentially involving, federal grant funds arises between Southern Iowa Electric Cooperative and the Affiliated Cooperative in which the Employee is expected to participate, the Employee shall disclose his involvement with the Affiliated Cooperative and the contract administration or procurement decision to the Chief Financial Officer, and the Chief Financial Officer shall assure that a cost analysis is performed with respect to that contract administration or procurement decision.
10. **Family Interests.** If a Family Member of an Employee has a financial interest, this interest shall be fully disclosed to Southern Iowa Electric Cooperative, and the Chief Financial Officer shall decide if such interest should prevent Southern Iowa Electric Cooperative from entering into a particular transaction, purchase or employment of services. The Employee with the interested Family Member shall not participate in any way in the decision to do business with such Family Member or entity.
11. **Disqualification.** If an Employee is determined to have a real or apparent Conflict of Interest Southern Iowa Electric Cooperative will disqualify the Employee from acting on any procurement or contract administration matter or participating in any procurement or contract administration decision(s) that could be impacted by the conflict. If an Employee fails to comply with this Policy the selection and award of the contract is not automatically invalidated. At the point the conflict is made known the Chief Financial Officer will immediately review all pertinent facts and make a determination as to the best course of action. If it is determined that the action will stand, such determination will be documented in writing and maintained in the files of the Chief Financial Officer.
12. **Consequences for Failure to Comply with Policy.** Any Employee that does not comply with this Policy shall be subject to disciplinary action, including termination, if so warranted by the offense.



13. Review of Disclosure Certifications. The Chief Financial Officer shall annually review all Conflict of Interest Certification and Disclosure Forms and generally monitor compliance with this Policy.
  14. Interpretation. This Policy cannot describe all procurement or contract administration conflict of interest situations that may arise involving the Cooperative. Therefore, Employees must use good judgment to avoid any appearance of impropriety. Appropriate circumstances may also justify exceptions to the application of this Policy. If you have any questions about this Policy or its application, please err on the side of caution and transparency and seek advice from the Chief Financial Officer.
- B. Competition - All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. This cooperative shall be alert to noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder whose bid is responsive to the solicitation and is most advantageous to this cooperative, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder shall fulfill in order for the bid to be evaluated by this cooperative. Any and all bids may be rejected when it is in this cooperative's interest to do so. The following actions are restrictions on competition and are not allowed:
1. Placing unreasonable requirements on firms in order for them to qualify to do business,
  2. Requiring unnecessary experience and excessive bonding,
  3. Noncompetitive pricing practices between firms or between affiliated companies,
  4. Noncompetitive awards to consultants that are on retainer contracts,
  5. Organizational conflicts of interest,
  6. Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
  7. Any arbitrary action in the procurement process.
- C. Methods of Procurement to be Followed - Procurement of supplies, equipment, construction and services shall be made by one of the following methods, as described herein: (1) micro-purchases; (2) small purchase procedures; (3) sealed bids; (4) competitive proposals; or (5) noncompetitive proposals.
1. Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,500. To the extent practicable, This Cooperative must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the price is considered to be reasonable.

2. Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Small Purchase Threshold, \$150,000.00, fixed by the Simplified Acquisition Threshold (Vol. 80, No. 127, Fed Reg., July 2, 2015), and where procurement by sealed bid is not required. If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources, as determined by the management of this cooperative, to ensure that the selection process is competitive in accordance with these policies.
3. Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction if the following apply:
  - a. In order for sealed bids to be feasible appropriate conditions must be present, including, at a minimum, the following:
    - i. A complete, adequate, and realistic specification or purchase description is available;
    - ii. Two or more responsible bidders are willing and able to compete effectively and for the business; and
    - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
  - b. When sealed bids are used, the following requirements apply:
    - i. The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;
    - ii. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
    - iii. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
    - iv. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
    - v. Any or all bids may be rejected if there is a sound documented reason.
4. Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not

appropriate for the use of sealed bids or small purchase procedures. If this method is used, the following requirements apply:

- a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - b. Proposals will be solicited from an adequate number of qualified sources as determined by the management of this cooperative;
  - c. This cooperative shall evaluate responses to its solicitations and select awardees in accordance the procedures outlined in section D below ("Procurement Procedures")
  - d. Awards will be made to the responsible firm whose proposal is most advantageous to this cooperative with price and other factors considered; and
  - e. This cooperative may use the competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. A procurement process where price is not to be used as a stated selection factor can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services although A/E firms are a potential source to perform the proposed effort.
5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source or after solicitation of a number of sources competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is deemed infeasible by the management of this cooperative under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:
- a. The item is available only from a single source;
  - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - c. The funding source, such as the Federal Emergency Management Agency (FEMA), Rural Utilities Services (RUS) or the State of Iowa, specifically authorizes the use of noncompetitive proposals in response to a written request from this cooperative; or
  - d. After solicitation of a number of sources, competition is determined inadequate.

D. Procurement Procedures:

1. All procurement by this cooperative shall comply, at a minimum, with the requirements of subsections (a), (b), and (c) below:
  - a. This cooperative will avoid purchasing unnecessary items.

- b. Where appropriate, an analysis will be made of lease and purchase alternatives to determine which would be the most economical and practical procurement.
- c. Solicitations for goods and services provide for all of the following.
  - i. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
  - ii. Requirements which must be fulfilled and all other factors to be used in evaluating proposal submitted in response to solicitations.
  - iii. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
  - iv. When relevant, the specific features of "brand name or equal" descriptions that are to be included in responses submitted to solicitation.
  - v. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
  - vi. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
2. Positive efforts shall be made by this cooperative to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. This cooperative shall take all of the following steps to further this goal.
  - a. Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
  - b. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
  - c. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
  - d. Encourage, when practical, contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
  - e. Use the services and assistance, as appropriate and practical, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

3. The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by this cooperative but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.
4. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources and any other qualification deemed relevant.
5. An evaluation of a contractor's proposal will be made by cooperative personnel and, if necessary, contract personnel each having specialized knowledge, skills, and experience in engineering, electric distribution and transmission systems, manufacturing, or management of the proposed quantities and kinds of materials, labor processes, labor skill mix, special tooling, and facilities. Technical analysis requires evaluation of each specific element of direct costs in the proposal, such as direct material, direct labor, and other direct costs.
  - a. The evaluation will consist of a review the contractor's overall proposal and the supporting information for adequacy and whether the contractor has complied in all respects with the technical aspects of the solicitation.
  - b. There will be a review of the statement of work (SOW) in detail, including applicable specifications as outlined in the solicitation. The SOW will be compared with the contractor's proposal to understand what work will be accomplished, such as developing a requirements matrix. This review becomes the basis for the technical evaluation which will include:
    - i. Review of the proposal to locate various cost elements, the contractor's rationale for the cost elements, and the contractor's labor category and labor distribution structure.
    - ii. Determination of the proposed delivery schedules for conformance with the program's delivery schedule.
    - iii. Determination that the contractor's proposed work statement and schedule is compatible with applicable technical requirements.
6. Debarment and Suspension - No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." Contractors with awards that exceed the Small Purchase Threshold shall provide the required certification regarding its exclusion status and that of its principal employees.
- E. Cost and Price Analysis - Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action above \$500 in value. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost

analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

F. Procurement Records:

1. Record Retention. Financial records, supporting documents, statistical records, and all records pertinent to a Federal award shall be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.
2. The only exceptions are the following:
  - a. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
  - b. When the cooperative is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
  - c. Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.
  - d. When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable.
  - e. Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of This Cooperative's fiscal year in which the program income is earned.
  - f. Indirect cost rate proposals and cost allocations plans. This applies to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
    - i. If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
    - ii. If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.



### 3. Access to Records

- a. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, shall have the right of access to any documents, papers, or other records of the cooperative which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the cooperative's personnel for the purpose of interview and discussion related to such documents.
  - b. Only under extraordinary and rare circumstances would such access include review of the true name of victims of a crime. Routine monitoring cannot be considered extraordinary and rare circumstances that would necessitate access to this information. When access to the true name of victims of a crime is necessary, appropriate steps to protect this sensitive information must be taken by both the cooperative and the Federal awarding agency. Any such access, other than under a court order or subpoena pursuant to a bona fide confidential investigation, must be approved by the head of the Federal awarding agency or delegate.
  - c. Expiration of right of access. The rights of access are not limited to the required retention period but last as long as the records are retained.
- G. Contract Administration - A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. This cooperative shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.
- H. Financial Management - This Cooperative's financial management system identifies, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
1. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth below.
  2. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
  3. Effective control over, and accountability for, all funds, property, and other assets. This Cooperative must adequately safeguard all assets and assure that they are used solely for authorized purposes.
  4. Comparison of expenditures with budget amounts for each Federal award.
  5. Written procedures to implement the requirements of § 200.305 Payment (Attached hereto).

6. Written procedures for determining the allowability of costs in accordance with Subpart E— Cost Principles of this part and the terms and conditions of the Federal award (attached hereto).
7. The standards governing the use of banks and other institutions as depositories of advance payments under Federal awards are as follows:
  - a. Although the Federal awarding agency and pass-through entity must not require separate depository accounts for funds provided to the Cooperative or establish any eligibility requirements for depositories for funds provided to the Cooperative, this Cooperative must be able to account for the receipt, obligation and expenditure of funds.
  - b. Advance payments of Federal funds must be deposited and maintained in insured accounts whenever possible.
  - c. This Cooperative must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply:
    - i. This Cooperative receives less than \$120,000 in Federal awards per year.
    - ii. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
    - iii. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
8. Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the Cooperative for administrative expense.
- I. Insurance coverage - This Cooperative must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the Cooperative.
- J. Financial Reporting and Monitoring - This Cooperative is responsible for oversight of the operations of the Federal award supported activities. This Cooperative must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring must cover each program, function or activity.
  1. Non-construction performance reports.
    - a. This Cooperative must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Annual reports must be due 90 calendar days after the reporting period;

quarterly or semiannual reports must be due 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report will be due 90 calendar days after the period of performance end date. If a justified request is submitted by this Cooperative, the Federal agency may extend the due date for any performance report.

- b. This Cooperative must submit performance reports using OMB approved government wide standard information collections when providing performance information. As appropriate in accordance with above mentioned information collections, these reports will contain, for each Federal award, brief information on the following unless other collections are approved by OMB:
  - i. A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful. Where performance trend data and analysis would be informative to the Federal awarding agency program, the Federal awarding agency should include this as a performance reporting requirement.
  - ii. The reasons why established goals were not met, if appropriate.
  - iii. Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
2. Construction performance reports. For the most part, onsite technical inspections and certified percentage of completion data are relied on heavily by Federal awarding agencies and pass-through entities to monitor progress under Federal awards and sub-awards for construction. The Federal awarding agency may require additional performance reports only when considered necessary.
3. Significant developments. Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, this Cooperative must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:
  - a. Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
  - b. Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.
4. The Federal awarding agency may make site visits as warranted by program needs.
5. The Federal awarding agency may waive any performance report required by this Part if not needed.

- K. Closeout - The Federal agency or pass-through entity will close-out the Federal award when it determines that all applicable administrative actions and all required work of the Federal award have been completed by this Cooperative.
1. This Cooperative must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by this Cooperative.
  2. Unless the Federal awarding agency or pass-through entity authorizes an extension, this Cooperative must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.
  3. The Federal awarding agency or pass-through entity must make prompt payments to this Cooperative for allowable reimbursable costs under the Federal award being closed out.
  4. This Cooperative must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that is not authorized to be retained by the Cooperative for use in other projects. (See OMB Circular A-129 and see § 200.345 Collection of amounts due for requirements regarding unreturned amounts that become delinquent debts.)
  5. Consistent with the terms and conditions of the Federal award, the Federal awarding agency or pass-through entity must make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.
  6. This Cooperative must account for any real and personal property acquired with Federal funds or received from the Federal government.
  7. The Federal awarding agency or pass-through entity should complete closeout actions for Federal awards no later than one year after receipt and acceptance of all required final reports.
- L. Contract Provisions - This cooperative shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts when required by federal law. The following provisions shall also be applied to subcontracts.
1. Contracts in excess of the Small Purchase Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
  2. All contracts in excess of the \$10,000 shall contain suitable provisions for termination by this cooperative, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

3. For contracts dealing with construction or facility improvements this cooperative shall comply with all requirements imposed by its funding sources, such as FEMA, RUS or the State of Iowa (and the government regulations applicable to those funding sources) with regard to construction bid guarantees, performance bonds, and payment bonds.
4. All negotiated contracts (except those for less than the Small Purchase Threshold) awarded by this cooperative shall include a provision to the effect that this cooperative shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.
5. All contracts, including small purchases, awarded by this cooperative and their contractors shall contain the following procurement provisions as applicable:
  - a. *Equal Employment Opportunity* – Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b) in accordance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
  - b. *Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)* – All contracts for construction or repair, when funded in whole or part by monies derived from the Federal government (either directly or indirectly) shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub-recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.
  - c. *Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708)* – All contracts in excess of \$100,000 that involve the employment of mechanics or laborers, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a provision for compliance with Sections 3702 and 3704 of the Contract Work Hours and Safety Standards Act, as supplemented by Department of Labor regulations (29 CFR part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.



- d. *Rights to Inventions Made Under a Contract or Agreement* – Contracts or agreements which meet the definition of “funding agreement” under 37 CFR § 401.2(a) for the performance of experimental, developmental, or research work, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
- e. *Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended* – Contracts and sub-grants of amounts in excess of \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- f. *Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)* – Contracts for an amount above \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a certification by the contracting parties that they have not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352 and to further require disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
- g. *Debarment and Suspension (E.O.s 12549 and 12689)* – A contract award with an amount expected to equal or exceed \$25,000 and certain other contract awards (see 2 CFR 180.220) shall not be made to parties listed on the government-wide Excluded Parties List System, in accordance with the OMB guidelines at 2 CFR part 180 that implement E.O.s 12549 (3 CFR, 1986 Comp., p. 189) and 12689 (3 CFR, 1989 Comp., p. 235), “Debarment and Suspension.” The Excluded Parties List System contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than E.O. 12549.
- h. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).

ATTESTED: Carroll Manning DATE: 9/30/2021  
Board President

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August 26, 2021  
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