

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**CONTROL OF GENERAL FUNDS**  
**BOARD POLICY NO 400**  
**Supersedes Policy # 12**

**SUBJECT:** Fiduciary Responsibility

**OBJECTIVE:** Accounting records will be established and maintained in accordance with the Rural Utility Services Uniform System of Accounts as long as such system conforms to the requirements of the Federal Energy Regulatory Commission.

**POLICY:**

It shall be the Policy of the Board of Trustees ("Board"), that all bills and accounts payable shall be paid only on prior Finance Committee approval; and that the said bills and accounts shall be submitted to the Committee by the Manager, properly scheduled, showing to whom the bill is payable, certification of delivery, the amount of the bill, and the purpose of the bill or account. All bills and accounts payable out of the General Fund of the Cooperative shall be handled in the above manner, except that checks on the General Fund may be issued without prior Finance Committee authority for the payment of the following items:

1. Salaries of all employees, employee travel per diem, and Board per diem;
2. All power bills;
3. All State, County, City and Federal Taxes, including Federal Withholding and Social Security Taxes, licenses, permits and any and all other items levied against the Cooperative by state, county, city or federal authority;
4. All heat, light and water bills;
5. All bills and accounts for normal office and operating expenses, including stationary and supplies, record books, postage, etc.;
6. All interest and principal to the Treasurer of the United States, on money borrowed from the Rural Utility Services, and interest and principal due to other lending agencies for short term financing.

7. Employee insurance premiums, Cooperative insurance premiums, and pension plan premiums;
8. All bills for computer services and supplies;
9. Payments for contract meter reading services;
10. All bills for telephone service and employee standby telephones;
11. Refunds to customers for overpayments, or canceled memberships on disconnected accounts.
12. All bills relating to gasoline, oil, and routine maintenance for the Cooperative fleet. Repair bills in excess of \$100 for transportation equipment shall require the prior review of his or her Supervisor and shall require an itemized statement or repairs.

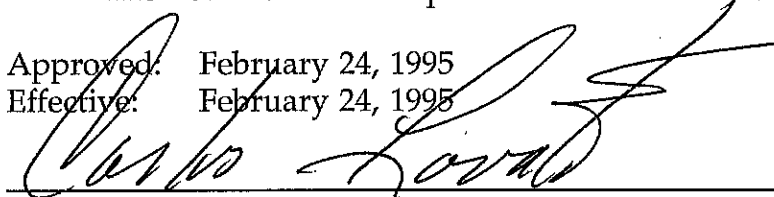
It is understood that the purpose of this policy is that the control of the General Funds of the Cooperative shall always be in the Board; except, however that for the purpose of economical administration, provisions are made herein where normal bills and accounts may be paid without prior Finance Committee approval.

At the end of each calendar month, the Manager shall certify all such payments to the Finance Committee, who will report to the Board, at the next regular monthly meeting.

The Board shall be responsible for the enforcement of this Policy.

Approved: February 24, 1995

Effective: February 24, 1995



Board Secretary