

POLICY BULLETIN NO. 63

SUBJECT: MERCHANDISE PURCHASED BY EMPLOYEES AND DIRECTORS

I. OBJECTIVE:

To provide employees and directors the privilege of purchasing merchandise through established supply channels of Grand Valley Rural Power Lines, Inc. (the "Cooperative").

II. POLICY CONTENT:

Be It Resolved by the Board of Directors of the Grand Valley Rural Power Lines, Inc. that the following criteria be established for merchandise purchased by employees and directors:

A. It is the desire of the Board of Directors to allow employees and directors to purchase merchandise through the Cooperative. Employees and directors shall be allowed to purchase merchandise only from established vendors and suppliers of the Cooperative. This policy has been established for the convenience of the employees; the account shall not be used as an alternate source of loan funds for temporary advances, etc.

B. The Board is cognizant of the fact that the Cooperative should not assume the expense of handling these purchases.

C. A maximum chargeable limit of \$600.00 is established for charged merchandise by any one employee or director with a repayment period not to exceed twelve (12) months.

1. A monthly service charge of 1% of the unpaid monthly balance may be assessed in each subsequent month following a purchase.

2. Pursuant to a written agreement between the Cooperative and the employee, a payroll deduction equal to 1/12 of the account balance will be made each month unless an employee elects a greater amount. In the event that an employee's account balance exceeds the \$600.00 maximum limitation, the payroll deduction made will be 1/12 of \$600.00 plus the amount in excess of \$600.00.

D. Cash Purchases - There will be no limit on cash purchases when paid by the 10th of the month following the purchase.

E. Employee Eligibility - An employee must complete six months of employment prior to becoming eligible to purchase under C above.

III. RESPONSIBILITY:

A. It shall be the responsibility of the Board of Directors in consultation with the General Manager to review the adequacy of this Policy.

B. It shall be the responsibility of the General Manager to administer the provisions of this Policy.

Date Adopted: March 18, 1959

Date Reviewed: March 15, 1989

Date Revised: September 19, 1990

Date Revised: August 20, 2008

Attested: Dennis Haberkorn
Secretary