

FINANCIAL POLICY NO. 301

1. SUBJECT: GENERAL FUNDS

2. POLICY:

- 2.1. All general funds of Beartooth Electric Cooperative, Inc. (BEC) shall be deposited daily to the credit of BEC in a "General Fund Account" in such bank(s) as the Board of Trustees may select. In the event that funds cannot be deposited due to a banking holiday, such funds will be secured in a safe or vault overnight.
- 2.2. A "Patronage Capital Account" shall also be established at such bank(s) as the Board of Trustees may select for the purpose of making patronage capital refunds to members. Amounts to be disbursed to members shall be transferred from the General Fund Account to the Patronage Capital Account as the need arises.
- 2.3. A "Payroll Account" shall be established at such bank(s) as the Board of Trustees may select for the purpose of paying employees each payday. Amounts to be disbursed to employees shall be transferred from the General Fund Account to the Payroll Account to cover paychecks twice each month or as needed through an automatic transfer.
- 2.4. A "Construction Account" Construction Account Information:
 - 2.4.1. A "RUS Construction" account shall be established at such bank(s) as the Board of Trustees may select for the purpose of depositing RUS loan funds. The amounts to be disbursed from the RUS Construction fund account shall be first used to pay off any short-term debt. After all short-term debt is paid down the residual funds in the construction fund shall be deposited in the general fund.
- 2.5 All checks, drafts or other orders of the payment of money from the "General Fund Account", "Payroll Account", "Construction Account" or "Patronage Capital Account" shall be signed by the General Manager and any Board officer.
- 2.6 General Fund accounts shall be interest bearing or if not, an interest-bearing sweep account will be utilized with excess funds automatically transferred from the General Fund account. Balances in General Fund accounts shall be kept at levels sufficient to meet the obligations of BEC and in so much as possible, within the limits of FDIC insurance. Priority for investment of General Funds in excess of current needs shall be Commercial Paper sold by National Rural Utilities Cooperative Finance Corporation (NRUCFC). Such investments may also be made in Federally Insured depositories, Government Bonds, Treasury Bills or Notes or other insured investments.

2.7 The Paying Agent Program of NRUCFC shall be utilized in paying wholesale power invoices and principle and interest statements.

3. RESPONSIBILITY:

The General Manager shall ensure that the provisions of this policy are followed.

Adopted: 11/25/2014

Revised: 02/28/2017

Reference: LV BP302, BEC Bylaws Article X

Review Date: February 2019

Attest: /s/ David Peterson

Board President

Attest: /s/ Julie Lindgren

Secretary/Treasurer