

Operating & Capital Budgets

Policy #: BP 19

Rappahannock Electric Cooperative

1. Purpose

The Board of Directors recognize the importance of creating financial budgets for planning purposes and for assessing financial performance against those plans.

2. Scope

This policy applies to the funds under the budgetary and fiscal control of the Board of Directors.

3. Policy Statement and Implementation

- 3.1. The Cooperative shall utilize annual operating and capital budgets. These budgets are incorporated into an Annual Operating Plan.
- 3.2. Prior to the beginning of each calendar year, the President & Chief Executive Officer (CEO) shall present the Annual Operating Plan for approval by the Board of Directors.
- 3.3. Upon approval by the Board, the CEO is authorized to use the approved funds and shall report to the Board on a regular basis.
- 3.4. The Board recognizes capital projects encounter cost and timing fluctuations. Reporting of material variances to the Board will occur periodically through quarterly and other updates.
- 3.5. The CEO has the authority, pursuant to the Delegation of Contract and Expenditure Policy, to authorize emergency, time-critical and essential business expenditures that create a major variance and/or are not in the budget. Authorizations of this nature will be reported promptly to the Board by the CEO.
- 3.6. The CEO may determine that it is necessary, in the pursuit of Cooperative goals and objectives, to request the Board consider and approve amendments to the budget.

4. Responsibilities

- 4.1. The Board of Directors is responsible for the review, revision, and implementation of this policy.
- 4.2. The CEO is responsible for the administration of this policy with staff.

5. Confidentiality

This policy may be treated as public and may be made available on REC's website or other communication channels.

6. Definitions

Board: The Board of Directors for Rappahannock Electric Cooperative

Cooperative: Rappahannock Electric Cooperative and its affiliates.

References and Related Documents:

Rappahannock Electric Cooperative's Bylaws

Policy Title:	Member-Board Relationship
Policy Number:	BP 19
Review Frequency:	Triennial
Last Reviewed:	May 19, 2021
Date Adopted:	October 16, 2003
Effective Date:	October 16, 2003

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Amendment Dates:	May 19, 2021
Approver:	Board of Directors
Applies to:	Board of Directors, CEO
Administrator:	Corporate Services
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.