



BOARD OF TRUSTEES POLICIES

Subject: Foundation Trust Educational Scholarship Fund Policy			Policy No.: 114
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PURPOSE

To establish procedures for the award of scholarship grants, payments, and distributions from the Jemez Mountains Electric Foundation in accordance with the bylaws of the Jemez Mountains Electric Cooperative, Inc. (JMEC) and the Trust documents.

ACCOUNTABILITY

The Officers of the Board of Trustees of JMEC which are the President, Vice President, Treasurer and Secretary shall serve as the Foundation Board of Trustees. The Trustees of the Foundation are responsible for the administration of the Foundation, the investment of foundation funds and making distributions from the Trust. The number and amount of distributions made annually shall be determined in accordance with the Foundation Trust Investment Policy and the Trustees shall distribute such part of the current income or past accumulation of income as is necessary to avoid the payment of taxes whenever possible and to retain the Foundation's tax-exempt status. Scholarship amounts or distributions to charitable organizations in excess of IRS distribution requirements may be considered.

SCOPE

To help students pursue an education at an institution of higher learning and to assist educational and scientific organizations.

POLICY

The Foundation may award scholarship grants depending upon the market value of the Foundation assets at the previous year end. The Trustees may also make payments or distributions of all or any part of the income to public and/or charter schools of the State of New Mexico, or other eligible charitable organization as set forth below:

A. Scholarships

- a. The number of scholarship recipients will be based on an allocation by school of the number of anticipated graduates for the applicable award year except that at least one recipient will be selected from each school that applies. The number of scholarships to be awarded will be approved by the Trustees of the Foundation in advance of the selection process.
- b. The amount of the scholarship grant shall be determined by the Board Trustees of the Foundation.
- c. The grants shall be awarded only to high school students who will graduate from a high school located in the service area of the Cooperative, whose parents or guardians are either members or consumers of the Cooperative, and who are enrolled as freshman at an institution of higher learning which shall mean a college, university, vocational or trade school.

1. Eligibility: To be eligible for a scholarship grant:

- a. The student must graduate from a high school located within or near JMEC's service area; and
- b. The student must have parents or guardians who are either members or consumers of the Cooperative; and



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- c. The student must meet the minimum admission requirements of a college, university, vocational or trade school; and
- d. The student must be reasonably expected to attend an educational institution described above; and
- e. The recipient shall be required to enroll as a full-time student with a minimum of 12 credit hours.

2. Criteria for Selection of Scholarship Grantees

- a. There will be no discrimination due to race, color, creed, national origin or sexual orientation in the selection of a scholarship grantee.
- b. The selection of scholarship grantees shall be made on the basis of the applicant’s prior academic performance and recommendations pursuant to a letter of recommendation from a teacher and/or school counselors.
- c. Once a grant has been awarded, such grant may not be terminated because the recipient’s parents or guardians have ceased to reside in the service area of JMEC.

3. Selection Process

Students interested in being considered for award must submit an application to JMEC. JMEC will ensure student member eligibility. The Trustees of the Foundation Board shall sign the final recipient list which shall be made part of the records of the Foundation.

4. Notification of Scholarship Grant Recipients

A member of the Board of Trustees of JMEC or other designated representative shall present each recipient with a certificate of scholarship award at each respective school’s awards ceremony or commencement whenever possible.

5. Withdrawal of Award and Recovery of Funds

The Foundation reserves the right to withdraw the awarding of the grant at any time if the program does not qualify or if there is evidence of misuse of the grant, or if there is evidence of falsification of the application. In cases where a grantee has previously diverted funds received from the Foundation, and the Board of Trustees of the Foundation determine that any part of a grant award has been used for improper purposes; the Board of Trustees shall take all reasonable and appropriate steps to recover the grant funds. The Board of Trustees shall withhold further payments.

6. Retention of Records

The Foundation shall retain the following records pertaining to all scholarship grant awards made to individuals: all information that the Foundation secures to evaluate the applicants; Identification of Grantees; and specification of the amount and the purpose of the grant.

7. Supervision of Scholarship Grants

Once a scholarship grant has been awarded, the Foundation shall pay the amount awarded directly to the institution upon proof from the educational institution that such grantee is enrolled and attending the school. At the discretion of the Foundation Board of Trustees, awards may be made in separate disbursements to ensure ongoing satisfactory academic standings.



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8. Deadlines and Procedures

- a. No later than March 31st of each year, the JMEC Staff shall notify all area high schools of the Scholarship program and deadline,
- b. The Board of Trustees of the Foundation shall publish, on the JMEC website by March 31 of each year, a notice setting forth the number of scholarship grants to be awarded, the amount of such grants and the name and address of the Foundation where further information regarding eligibility requirements, selection criteria and application forms can be obtained.
- c. All applications from students shall be made by the second Friday in April of each year.
- d. The Trustees of the JMEC or JMEC Senior Staff Members will present a certificate of award to the recipients at the awards ceremony or at commencement whenever possible.

B. Other Disbursements

In accordance with the Foundation’s Trust Documents and IRS 501(c)(3), the Foundation may make payments or distributions to charitable organizations but shall be limited to scientific or educational purposes and qualifying under section 501(c)(3) of the Internal Revenue Code. The following are examples of organizations that would qualify:

- a. An organization, such as a primary or secondary school, a college, or a professional or trade school, which has a regularly scheduled curriculum, a regular faculty, and a regularly enrolled body of students in attendance at a place where the educational activities are regularly carried on.
- b. An organization whose activities consist or presenting public discussion groups, forums, panels, lectures or other similar programs relating to educational or scientific topics. Such programs may be on radio or television.
- c. An organization which presents a course or instruction by means of correspondence or through the utilization of television, radio, or computer.
- d. Museums, zoos, planetariums, symphony orchestras, cultural and historical societies and other similar organizations.
- e. Other similar organizations for educational or scientific purposes providing information or instructions to individuals for the purpose of improving or developing their capabilities or one which provides information or instructions on subjects useful to an individual or beneficial to the community and qualifies as a 501(c)(3).
- f. Any combination of allowable grants and/or other charitable organizations herein identified may be made at the discretion of the Foundation Board of Trustees, except that:

9. Other Provisions

- a. No payments or distributions shall be made to:



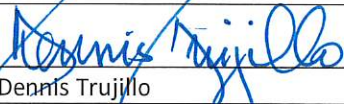
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- i. Organizations having net earnings payable to or for the benefit of any private shareholder or individual.
- ii. Organizations of which a substantial part of the activities is carrying on propaganda, or otherwise attempting, to influence legislation and which participate in or intervene in any political campaign on behalf of any candidate for public office.
- iii. Any private shareholder.

10. Other prohibited acts

Nothing shall be undertaken by the Trustees of the Foundation, the Trustees of JMEC or the Selection Committee that is inconsistent with the Foundation’s Charitable Purpose.

 Dennis Trujillo	, Chairman of the Board	Date: <u>6/28/2023</u>
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 Marcelina Martinez	, Policy Committee Chair	Date: <u>6/28/2023</u>
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