

**Richland Electric Cooperative  
Revolving Loan Fund  
Program Management Manual**

**Deposits and Money Management:** The Richland Electric Cooperative (REC), has established a dedicated bank checking account that will be used exclusively for transactions directly related to the operation of the RBEG funded REC Revolving Loan Fund program.

- None of the funds in this account will be co mingled with any other funds except those related to the origination and fees for processing loans.
- All deposit from USDA will be made directly into this account.
- All funds withdrawn from this account will be used for the funding of eligible loans under this program and allowable fees for administration of said loans as provided for herein.
- All checks made under this account will contain one of three signatures on the check card from the bank.

**Administration and Administration Fees:** The REC shall designate one or more staff members with appropriate backgrounds in business finance to help originate and process loans. The role of the loan officer will be to:

- Help market the program, assist clients in filling out forms, structuring loans, making credit recommendation to a loan committee, assist in processing loans, and maintaining loan records.
- All loan records shall be maintained in a secure location to ensure the privacy of clients' financial records.
- The REC has established a fee of \$100 to originate a loan and a 1% - 3% per year service fee on all loans made from this program.
- To provide staff to the REC Revolving Loan Fund Review Committee.

**Authorizing Agency:** The Board of Directors of the REC has the sole power to:

- Enter into a contract with the USDA to accept funding of this revolving loan fund, including new financial allocations from future grants to this fund from USDA
- To appoint a loan review committee to approve or reject loan packages presented to the REC for funding.

- To approve and modify the REC RLF loan policies and procedures manual upon recommendation of the REC Revolving Loan Fund Review Committee.

**REC Revolving Loan Fund Review Committee:** The Board of Directors of the REC will appoint a standing committee of five members composed of two business persons, two financial persons and one member who shall be the CEO of REC to serve as a financial review committee. This committee will have the responsibilities:

- To review and approve or reject all loans submitted to it from the REC staff and to establish conditions on said loans in accordance with the REC Revolving Loan Fund policies and procedures contained in the REC Revolving Loan Fund Policies and Procedures Manual.
- To recommend changes in the loan policies and procedures manual.

**Audits and Reports:** A least once a year the REC Board of Directors shall cause to have a certified CPA conduct a quality compilation of all funds with the REC Revolving Loan Fund accounts and file necessary reports, if any are required, on fund activities with the USDA.