

**MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**OPERATING BUDGET**  
**BOARD POLICY NO 401**  
**Supersedes Policy #15**

**SUBJECT:** Annual work plan

**OBJECTIVE:** The Manager shall formulate an annual work plan and budget and submit it to the Board of Directors no later than the meeting of December each year.

**POLICY:**

It shall be the policy of the Board of Trustees ("Board") that on or before the December Board meeting of each year, the Manager shall submit to the Board, at a regular or special meeting of the Board, an Operating Budget covering the period beginning on the first of the succeeding year and ending on the thirty-first day of December of that same year.

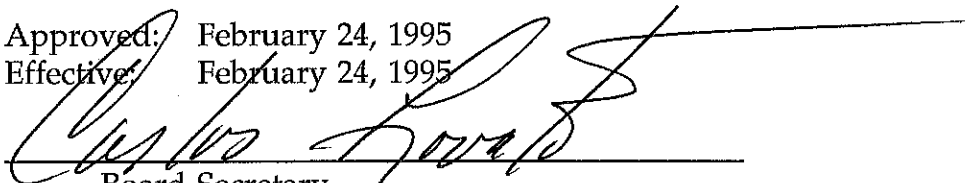
The Budget shall conform with the form approved by the Rural Utility Services ("RUS") The Budget shall be full and complete, showing a statement of the anticipated revenues, patronage capital, operating statistics, etc., and shall be presented to the Board's Finance Committee for examination and recommendation for approval by the Board, copies of it shall be forwarded to RUS.

It shall be the policy of the Board that the Manager shall submit to the Board at each regular meeting, a report as to the operating revenues and expenses of the Cooperative at the end of each calendar month, in order that the Board may review them and compare the report with the amount set out in the Operating Budget for the month reported.

The Board shall be responsible for the enforcement of this Policy.

Approved: February 24, 1995

Effective: February 24, 1995

  
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Board Secretary