

**KUA Board of Directors Policy**  
**Directive No. 24-01**  
**Community Sponsorships**

**I. PURPOSE**

KUA's commitment to service goes well beyond supplying safe and reliable energy to its customers. Through thoughtful community sponsorships, KUA strives to enhance the quality of life of our employees and all who live in the community we serve.

KUA's community sponsorship program was established by the KUA Board of Directors in 1995 to support programs and issues that are directly related to our business objectives. KUA currently focuses its resources on the following six issues:

- |                                  |                                       |
|----------------------------------|---------------------------------------|
| (1) education                    | (4) environment                       |
| (2) community/civic              | (5) safety, health and human services |
| (3) arts, culture and humanities | (6) economic development              |

KUA will sponsor activities, organizations, and causes which advance both a public purpose and the corporate purposes of KUA. This is accomplished through the purchase of advertisements, and sponsorships that align with the utility's values, mission and vision.

**II. DEFINITIONS**

- a. Public Purpose - a purpose which has for its objective the promotion of the public health, safety, general welfare, security, prosperity, and contentment of the customers of KUA.
- b. Corporate Purpose - a purpose which has for its objective the furtherance of the lawful business interests and responsibilities of KUA.

**III. FUNDING**

The sponsorship program budget will be established each year through the annual budgeting process. A budget cap will be in place so that the approved sponsorship program budget will not exceed the cost of a first class postage stamp per month for each electric customer KUA serves.

**IV. EVALUATION OF REQUESTS**

KUA will consider sponsorship requests of those community organizations who are conducting a campaign that solicits support of the general public and/or business community with pre-established price(s) or sponsorship level(s) or organizations seeking surplus material items from KUA for the purpose of enhancing the operations and/or efficiency of the organization. Request for sponsorship solely by KUA (not part of a general campaign) will generally not be considered. Sponsorships should provide recognition to KUA in the form of naming rights, display ads, signage, plaques, placards and/or other appropriate means of public recognition.

KUA will not support efforts involving:

- individuals
- political campaigns/parties
- churches or religious causes
- activities, organizations or causes which do not advance a public purpose and/or corporate purpose

Organizations receiving funds from KUA must:

- Comply with all federal, state, and local laws and regulations.
- Have no outstanding and delinquent debt owed to KUA or any circumstances that would present a conflict of interest with KUA.
- Be tax-exempt and provide documentation of IRS Letter of Tax Exemption, Consumer's Certificate of Exemption, or proof of non-profit status in the state of Florida.
- Spend no more than 35% of revenues on administrative costs and overhead.

Primary emphasis will be given to programs and events within the territory where KUA has a significant business presence and where KUA customers live and work. Primary consideration will be given to those projects and organizations that address community needs.

Organizations should demonstrate a broad base of community support as well as support from other corporations and foundations.

All recipients of KUA contributions over \$10,000 per request are required to report on the use and effectiveness of the contribution on an annual basis. KUA reserves the right to invite certain recipients to present their reports to the KUA Board of Directors at KUA board meetings. Additionally a summary of all sponsorship recipients will be compiled and sent to the KUA Board of Directors on a monthly basis. Program effectiveness and results will also be used in evaluating requests for future grants.

## **V. EVALUATION OF CAPITAL REQUESTS**

Capital requests are generally requests seeking funding for a capital or fundraising campaign.

Capital sponsorship requests should offer naming rights of facilities, prominent signage and other substantial public recognition as well as annual public exposure of the facility at no less than two individuals for every dollar that is contributed by KUA.

KUA will not accept any request of more than \$50,000 - a \$10,000 annual cap per organization paid out over 5 years.

Organizations requesting support must complete a sponsorship request form and include general information about the organization (brief history, list of officers and directors, IRS Letter of Tax Exemption). KUA may also request financial information (total operating budget for past and current year, estimated campaign budget, other sources of funding, timeline for funding) information on its current year budget, most recent audited financial statements and a detailed campaign budget (if applicable).

KUA will not contribute to individuals or churches for religious causes, nor will we provide support for start-up funding.

Capital sponsorship requests will be due by January 1 of each year. They will be reviewed by the Corporate Communications division and brought to the KUA Board of Directors as part of the regular annual budget process.

Recipients of KUA contributions will be expected to report on the use and effectiveness of the contribution. These reports will be presented to the Board on an annual basis until the project or campaign has been completed. Program effectiveness and results will be used in evaluating requests for continued funding of an existing sponsorship as well as any future sponsorships.

KUA will not begin making payments until the fundraising portion of a capital campaign is complete.

Since its inception, KUA's sponsorship program has received more funding requests than it can grant. If it is necessary to decline support of a worthwhile organization or program, KUA is not reflecting on the value of the group or its services, but rather on the need to be selective because resources are limited.

Contributions or grants do not establish entitlement for additional or continuing support or set precedent for future funding.

## **VI. APPLICATION AND PROCESSING OF REQUESTS**

- a. Requests for community sponsorships are submitted via the kua.com website and should include:
  - purpose and mission of group requesting funds
  - expected or intended results for use of funds
  - requested amount support received from other sources
  - documentation to verify tax-exempt or non-profit status
  - certification that the applicant spends no more than 35% of its revenues on administrative costs and overhead.
  - such other documentation as is appropriate to evaluate the request
- b. Requests are evaluated to determine whether they meet a public purpose and a corporate purpose.
- c. The President & General Manager will direct appropriate staff to process sponsorship requests.

## **VII. ADMINISTRATION**

- a. The President & General Manager will direct appropriate staff to oversee the budget for community sponsorship programs.
- b. The President & General Manager will direct appropriate staff to prepare an annual report summarizing sponsorship disbursements.
- c. The President & General Manager will direct appropriate staff to maintain a master schedule of events to ensure the proper level of participation by KUA.

**VIII. APPROVAL PROCESS**

The President & General Manager will evaluate all community sponsorship requests using guidelines established by management and budgetary constraints. All requests \$5,000 or under will be approved by the President & General Manager; all requests over \$5,000 will go before the KUA Board of Directors for approval. Multiple requests by the same organization within the same fiscal year will be considered on a case by case basis. In the event KUA finds that a recipient of sponsorship funds has not complied with this Directive, KUA reserves the right to cease payment of sponsorship funds to such recipient upon written notice.

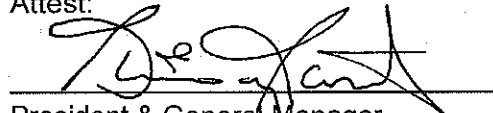
**IX. POLICY AMENDMENT**


Date: 04/03/2024

Kissimmee Utility Authority

  
Chairman

Attest:

  
President & General Manager

  
Secretary