**PERC, Inc.**

**OPERATING PRINCIPLES AND PROCEDURES**

As Amended February 12, 2024

1. Mission. The charitable mission of PERC is broadly stated in the corporation’s Revised and Restated Articles of Association and is, more particularly, to promote the well-being of the residents of Great Abaco, The Bahamas --including in particular the residents of Elbow Cay, Man–O-War Cay and Marsh Harbour-- by distributing funds to community charities that are approved by PERC on the basis of their goals and operations. (hereafter, “Local Charities”)
2. Purpose. The purposes of these Operating Principles and Procedures are to:
	1. ensure that the operations of the corporation serve its mission; and
	2. establish operating guidelines that will ensure compliance with the laws and regulations of the Internal Revenue Service of the United States so as to preserve the corporation’s qualifying status under section 501(c)(3) of the Internal Revenue Code.
3. General. The business of the corporation shall be conducted in compliance with the Amended and Restated Articles of Association and the By Laws of the corporation.
4. Substantiation of Charitable Purpose. As a condition of receiving funds from PERC, each Local Charity shall be required by the president to submit a completed Qualifying Questionnaire in the form approved by the board of directors substantiating its charitable purpose and operations, its proper control and use of funds, the name(s) and contact information of individuals responsible for the charity’s activities and financial administration and such other information as the president shall deem pertinent. On the basis of this report and upon any supplemental information that the president shall deem necessary, the president, with the consent of the board of directors, shall recognize the local charity’s approved status. .
5. Use Agreement. In order to provide assurance that funds donated by PERC to a Local Charity are put to a proper, charitable purpose, the president shall solicit and obtain from each Local Charity an executed Use Agreement in the form approved by the board of directors. Annually, the Local Charity shall affirm in writing its continuing compliance with the Use Agreement.
6. Solicitation and Disposition of Donations to PERC may receive funds from any person, including a corporate entity. PERC shall reserve for itself the unqualified right to determine which Local Charity or charities shall be designated to receive donations from PERC. The donor of funds to PERC may provide guidance to PERC with respect to such designation, but the funds shall be given and retained on the condition that PERC shall make the final determination.
7. Accounting, Receipts and Other Documentation. PERC shall establish a method of accounting for and documenting the receipt and disposition of all funds donated to it. A written acknowledgement of each donation shall be provided to each donor who requests it. The president shall record and document the receipt and use of funds and report the corporation’s operating results periodically, but in no event less frequently than annually, to the board of directors.
8. Operations Fee. In order to pay for miscellaneous out-of-pocket expenses and outside services that may be required by the corporation the president shall arrange a procedure for deducting and retaining an Operations Fee from each donation received. The Operations Fee shall be the lesser of two percent (.02) of each donation or $200.00 (or one percent (.01) for donations made electronically on-line,) or such other amount as the board of directors shall specify.
9. Reports and Accountability. Not less than annually the president shall provide a report to the board of directors that documents the corporation’s compliance with the foregoing Principles and Procedures, and the board shall review this report in order to provide reasonable assurance the corporation is conducting its operations in compliance with the foregoing Operating Principles and Procedures.