



# Potomac Elementary School

Phone (406) 244-5581

Fax (406) 244-5840

[www.potomacschoolmontana.us](http://www.potomacschoolmontana.us)

## School Board Agenda

September 12, 2016 – 7:00 PM

*“Potomac School equips each student for his/her future  
within a culture of excellence that values the small community experience.”*

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### Public Input:

#### Consent Agenda:

Chair Vann

1. Minutes August 8, 2016
2. Warrant List
3. Business Card
4. Petty Cash
5. Extracurricular

#### Reports:

1. Principal's Report
2. Clerks Report
3. Board Professional Development Reports

Principal Williams  
Jill Thornton  
Board Members

#### Old Business:

1. School Board Calendar
2. Set Principal Evaluation Date
3. Fundraising Policy
  - a) 8<sup>th</sup> Grade Trip
4. 2016-2017 Priority Plan
  - a) 2015-2016 Brainstorming and Priority Plan Review

Chair Vann  
Chair Vann  
Chair Vann  
Chair Vann  
Principal Williams

#### New Business:

1. Personnel – Karmen Braulik
2. Appointment of Representative to MACC
3. Out of District Students
4. Authorized Vendor for 403B Plan
5. Credit Cards for R Ruff & D Blodgett

Principal Williams  
Chair Vann  
Principal Williams  
Jill Thornton  
Jill Thornton

Next Meeting October 10, 2016 – 7:00 pm



# Potomac Elementary School

## School Board Minutes

for

August 8, 2016

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### Call to Order

Board Chair Cliff Vann called the meeting to order at 7:00 pm by leading all in the Pledge of Allegiance. Those trustees present were: Gary Long, Craig Nelson and Jason Nordberg. Angie Williams, Principal and Jill Thornton, Clerk were also in attendance.

### Public Input (for issues not on the agenda)

None

### Consent Agenda

Warrant Lists – Total Claims = \$4,189.71. Total Payroll = \$12,982.56

Business Cards – Included in Total Claims noted.

Petty Cash – Supplemental to monthly warrants used between Board Meetings – Reimbursed thru Claims.

Extracurricular (Student Accounts) –FY 2015-2016 was presented. Beginning of Yr \$20,364.59 – End of Yr \$22,962.15

Jason moved to approve the consent agenda. Gary seconded the motion. **Passed 4-0**

### Principals Report

It's that time of year again. The summer went quickly as always!

I attended my superintendent classes at MSU in Bozeman for a week in June. I also went to the SAM (School Administrators of Montana) conference in Helena for 2 days in July.

Things are coming together for the school year. The teachers will be in for PIR days August 22nd and 23rd. I'm going to focus professional development around using Infinite Campus. The teachers will be using it for attendance and putting in grades, and it takes a while to become comfortable using it (I've discovered).

Below is a list of our teachers and their positions for the 2016-17 school year.

Karry Betson- Kindergarten (K-math)

Terri Klein- 1st grade (1st math)

Kristy Pohlman- 2nd/3rd grades (3rd math)

Abby Stitt- 4th grade (4th math)

Sarah Schmill- 5th/6th grades (6th math), 5-8 elective

Raynee Clairmont (pending hire)- 7th grade (7th math), 2nd-6th PE, Music and Art

Damian Gaglia -8th grade (5th math), 7-8 Social Studies and PE, 5-8 elective

Kristina Davis- 5-8 Science (8th math), 5-8 elective, Title

Kris Burtch- Resource (2nd math), Title, K-1 PE, Music and Art

We will also have a student teacher this fall in Ms. Schmill's class. Her name is Jenna Shaw.

### 2016-17 Enrollment as of 8/5/16 - 100 students

**Kindergarten- 10, 1st- 12, 2nd- 5, 3rd- 11, 4th- 20, 5th- 12, 6th- 10, 7th- 12 and 8th- 8**

**Volleyball** begins September 6th. Ms. Pohlman will be coaching! The first game will be the 14th at home. Again, I cannot find a flag football coach so we may not be offering football. I have been talking to Maria Wines, PhD RN from MSU-Nursing School about coming in and giving sports physicals to our athletes. These will be free of charge and hopefully be easier for parents to get for their kids.

**Artist in Residence-** We will be having an artist in residence this year. Sharon Lamar from the Swan Valley will come in for 3 consecutive days to teach watercolor painting. I am attempting to get her twice this year, but we may have someone else come instead. I'm still working on it.

**Two Valley Stage-** We are on the list for Two Valley Stage performances and workshops. I have not yet received the schedule.

**Schedule-**

- August 8-12 -Explorer's camp
- August 22 & 23 -Teacher's PIR
- August 29 -1st day of school
- September 8- Montana Repertoire Theater
- September 15- Open House

**Board Professional Development Reports**

Cliff read Stephen Covey's book '7 Habits of Highly Effective People'. Gary is reading about the concept of changing cultures to change results. Angie suggested board members attend MTSBA's 'Back to School Legal Primer' in September. She also suggests getting the book 'The Key Work of School Boards'. The board agreed and she will order copies for the board members.

**Personnel**

Angie Williams recommended accepting Mandee Preston's resignation, Jason moved to accept Mandee Preston's resignation. Gary seconded the motion. **Passed 4-0**

Angie Williams recommended hiring Raynee Clairmont as a new teacher pending a clear background check, Craig moved to hire Raynee Clairmont as a new teacher pending a clear background check. Jason seconded the motion. **Passed 4-0**

Angie Williams recommends hiring a new sub, Jake Nissen and rehiring our substitutes list; Tara Andell, Candice Hall, Allyson Nelson, Jenn Nordberg, Crissina Quinn, Amy Vann, Ruth Weis, Carol White and Jody Wills. Gary moved to hire Jake Nissen pending a clear background check and rehire the substitutes listed. Craig seconded the motion. **Passed 4-0**

**Out of District Students**

Angie Williams recommends approving DL as an out of district student. Jason moved to approve DL as an out of district student. Craig seconded the motion. **Passed 4-0**

**Review & Approval of Trustees Financial Summary FY 2015-2016**

Jason moved to approve the Trustees Financial Summary FY 2015-2016. Gary seconded the motion. **Passed 4-0**

**Review & Approval of State Generated Budget Report FY 2016-2017**

Jason moved to approve the State Generated Budget Report FY 2016-2017. Gary seconded the motion. **Passed 4-0**

**2016-2017 Priority Plan and Principals Goals**

Angie presented what was accomplished on last year’s priority plan.

**Academic Achievement**

- Create a smooth process in our academic program to meet the needs of all our students regardless of needs  
-Continuing process. Hiring a resource teacher for the 2016-17 school year is going to help.
- Increase academic excellence in all areas  
-We are moving forward with the implementation of standards based grading. I had professional development for the teachers this year and with using Infinite Campus this year, we will slowly begin the process of changing our report cards. We’ll have more teachers for our math program too, with the resource teacher teaching a class, and so will not have a classes doubled up making it difficult for the students to learn fully. We are also decreasing our AIMSweb and Map testing frequency to twice a year instead of three times. This will still give us sufficient data but will allow more instructional time.
- Develop a fine arts program  
-We will have Two Valley Stage performances and an artist in residence this year.
- Increase our early childhood program  
-Time For Tots was a great success and will continue this year.

**Resource Stewardship**

- Seek grants and other ways to supplement our income  
-Still seeking more grants than what we had last year
- Technology sustainability plan  
-I’m still trying to come up with a sustainability plan. I’m waiting on other things to happen first such as Blackfeet putting in the increase in optic fiber which will determine what we are really able to do. We are also waiting for our E-Rate payment to replace infrastructure on campus.

**Campus Pride**

- Create a plan for maintenance and improvements of buildings and grounds, including Athletic Complex  
-This last year has been really a chance for me to assess and learn what the real needs are. This is going to be a big part of my new goal for 2016-17.
- Follow up on security training and updates to facilities.  
-This has gone very well. Training will still occur, especially with new staff, but everyone has become accustomed to our new security system and the bugs have gotten worked out.

**Family and Community**

- Newsletter  
-Did not get accomplished
- Visibility  
-This year has been a great time to get to know the community and for people to get to know me.

The board would like to see last year’s brainstorming session and goals for review and discussion at the next board meeting.

Cliff needed to leave the meeting.

**Set Principal Evaluation Date**

Discussion will be held on this next board meeting.

**Approve Classified Contracts**

Angie Williams recommended the board approve rehire of Gail Abbott and Diane James, our classified staff from last year. Gary moved to rehire Gail Abbott and Diane James. Craig seconded the motion. **Passed 3-0**

**Fundraising Policy**

The fundraising will be discussed at the next board meeting.

**Appointment of authorized 16-17 Representative to Missoula Area Education Coop Advisory Board**

Jason moved to appoint Angie Wiliams as our representative to the MAEC Advisory Board.

**Review 16-17 School Board Calendar**

Board members signed up for the monthly review of the reconciliations, purchase orders, timecards and bills received. The 8<sup>th</sup> grade trip has been moved from October to September. And the School Strategic Plan & Goals has been moved from August to September.

**Adjourn**

Trustee Nordberg adjourned the Board meeting at 8:50 pm.

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Cliff Vann, Chair

date

Jill M Thornton, Clerk

date

Claim	Warrant	Vendor #/Name	Amount			Acct/Source/		
Line #		Invoice #/Inv Date/Description	Line Amount	PO #	Fund Org	Prog-Func	Obj	Proj
14382	9123S 101128	ALPHAGRAPHICS MISSOULA	136.23					
1		12570 03/03/16 Claim Fund Checks	136.23		101	100-2500	610	
14384	9124S	3 BLACKFOOT TELEPHONE COOPERATI	2,318.90					
1		July 08/10/16 July Telephone Bill	866.67		101	100-2600	531	
2		August 09/10/16 August Telephone bill	1,452.23		101	100-2600	531	
14385	9125S 101298	BUGMASTER	150.00					
1		080716 08/07/16 Bug Spraying	75.00		101	100-2600	330	
2		080716 08/07/16 Bug Spraying	75.00		101	100-2620	330	
14383	9126S 101225	BUSINESS CARD 3334	394.91					
1		CC-392 08/09/16 Key Works of School Board Bks	140.00		101	€ 25		
					CC Accounting: 101-	-100-2310-610		
		WISCONSIN ASSN OF SCHOOL BOARDS						
2		CC-392 08/12/16 Maintenance Supplies	45.97		101	€ 25		
					CC Accounting: 101-	-100-2600-610		
		LOWES						
3		CC-392 08/12/16 Office Supplies	29.99		101	€ 25		
					CC Accounting: 101-	-100-2400-610		
		STAPLES						
4		CC-392 08/21/16 Maintenance Supplies	73.98		101	€ 25		
					CC Accounting: 101-	-100-2600-610		
		HOME DEPOT/GEFCF						
5		CC-392 08/21/16 Staff Supplies	104.97		101	625		
					CC Accounting: 101-	-100-1000-610		
		ROSAUERS						
14386	9127S 101166	BUSINESS CARD 8181	25.64					
1		CC-393 08/02/16 2/3 Book Bins	25.64		101	625		
					CC Accounting: 101-	-100-1000-610		
		THE LIBRARY STORE						
14387	9128S 101125	BUSINESS CARD 8901	1,173.60					
1		CC-394 07/28/16 Commercial Crpt Cleaner	429.30		101	625		
					CC Accounting: 101-	-100-2600-610		
		AMAZON						
2		CC-394 07/28/16 Crpt Cleaner Hoses/Attachments	57.38		101	€ 25		
					CC Accounting: 101-	-100-2600-610		
		AMAZON						
3		CC-394 08/04/16 5 rolls Stamps	235.00		101	€ 25		
					CC Accounting: 101-	-100-2500-532		
		USPS						
4		CC-394 08/08/16 Audit Boxes	51.96		101	€ 25		
					CC Accounting: 101-	-100-2500-610		
		STAPLES						
5		CC-394 08/10/16 Office for Mac	295.00		101	€ 25		
					CC Accounting: 101-	-100-2500-681		
		WASATCH IT						

Claim Warrant	Vendor #/Name	Amount	Acct/Source/			
Line #	Invoice #/Inv Date/Description	Line Amount	PO #	Fund Org	Prog-Func	Obj Proj
6	CC-394 08/22/16 Vac Bags Maint	16.00		101	€ 25	
			CC Accounting: 101-	-100-2600-610		
	AMAZON					
7	CC-394 08/15/16 Domain Name 2 yr Renewal	40.00		101	€ 25	
			CC Accounting: 101-	-100-2500-330		
	GODADDY.COM					
8	CC-394 08/24/16 Maintenance Supplies	48.96		101	€ 25	
			CC Accounting: 101-	-100-6200-610		
	AMAZON					
14389	9129S 101023 CHAD MANNING	225.00				
1	08/15/16 Water Testing	225.00		101	100-2600	330
14388	9130S 101301 CITI CARDS	22.51				
1	CC-396 08/01/16 Envelopes - Clerk	22.51		101	625	
			CC Accounting: 101-	-100-2500-610		
	COSTCO					
14390	9131S 100898 COMPUTER GUYS INC.	1,483.55				
1	83942 07/13/16 On Site Dells, Malware, Server	479.15		101	128-2500	330
2	83964 07/14/16 Dells in Shop	44.00		101	128-2500	330
3	84000 07/21/16 One Dell in Shop	44.00		101	128-2500	330
4	84093 08/15/16 OnSite Printer Issue & New Stf	299.15		101	128-2500	330
5	84116 08/18/16 OnSite MS Office on MAC's	276.65		101	128-2500	330
6	84219 09/08/16 ServierNetwork Speed Issue	340.60		101	128-2500	330
14391	9132S 101228 CRISSINA QUINN	55.97				
1	08/22/16 Explorer Supplies	55.97		115	100-1000	610 121
14404	9133S 100873 DEPT OF ENVIRON QUALITY PUBLIC	70.00				
1	08/25/16 Water Test Applic Fee 4AB	70.00		101	100-2600	330
14392	9134S 101017 EASTGATE RENTAL CENTER	53.28				
1	172610 08/26/16 Floor Stripper w Pads	53.28		101	100-2600	610
14393	9135S 101042 HELLGATE ELEMENTARY SD 4	600.00				
1	08/11/16 16-17 Copper League Dues	600.00		101	710-3500	810
14394	9136S 101250 KAILEY MAYO	66.70				
1	08/01/16 Mileage	66.70		101	100-2400	330
14395	9137S 101302 KAREN WESTCOTT	13.32				
1	08/15/16 15-16 Final Lunch Pmnt Refund	13.32		112	910-3100	570

Claim	Warrant	Vendor #/Name	Amount				Acct/Source/		
Line #		Invoice #/Inv Date/Description	Line	Amount	PO #	Fund Org	Prog-Func	Obj	Proj
14396	9138S	82 MAJESTIC BUS SERVICE, INC		10,093.96					
1		5731 08/10/16 Explorers Camp		1,080.26		115	100-1000	516	121
2		5732 09/01/16 Bus Contract		8,665.00		110	100-2700	513	
3		5733 09/01/16 Morrison Lane		348.70		110	100-2700	513	
14398	9139S 101239	MCGRAW HILL SCHOOL EDUCATION		386.01					
1		08/08/16 Spec Ed Math		386.01		101	100-1000	640	
14399	9140S	140 MISSOULA AREA EDUCATION COOPE		1,590.65					
1		08/17/16 Related Services Match		1,590.65		101	280-6200	920	
14400	9141S	67 MISSOULA COUNTY SUPERINTENDEN		8.50					
1		08/10/16 Final Budget Mtg Ad		8.50		101	100-2500	540	
14401	9142S	10 MISSOULA ELECTRIC COOP INC		561.62					
1		08/29/16 School Electric		266.65		101	100-2600	412	
2		08/29/16 Comm Ctr Electric		294.97		101	100-2620	412	
14406	9143S	31 MISSOULA FIRE EQUIPMENT		461.75					
1		9572 08/16/16 Annual Fire Extinguisher Svc		307.25		101	100-2600	330	
2		9573 08/16/16 Annual Fire Extinguisher Svc		154.50		101	100-2620	330	
14402	9144S	64 MISSOULA TEXTILE SERVICES		136.59					
1		S836144 08/25/16 Maintenance Supplies		136.59		101	100-2600	610	
14403	9145S	274 MONTANA CRIMINAL RECORDS		27.25					
1		08/16/16 Background Ck Braulik		27.25		101	100-2500	330	
14397	9146S	199 MT ASSOC OF SCHOOL BUSINESS		125.00					
1		2248 09/07/16 Facilities Planning Workshop		125.00		101	100-2500	582	
14405	9147S	13 MTSEA		631.39					
1		31819 07/11/16 Labor Maintenance		631.39		101	100-2310	330	
14407	9148S 100842	POTOMAC SCHOOL PETTY CASH		27.25					
1		1220 08/24/16 Reimb Background Ck		27.25		101	100-2500	330	
14408	9149S	9 REPUBLIC SERVICES #889		246.44					
1		08/28/16 Disposal Services School		123.22		101	100-2600	431	
2		08/28/16 Disposal Services Comm Ctr		123.22		101	100-2620	431	
14409	9150S	75 SCHOLASTIC INC		329.80					
1		08/17/16 Election Skills Magazines		329.80		101	100-1000	610	

Claim Warrant	Vendor #/Name	Amount	Acct/Source/			
Line #	Invoice #/Inv Date/Description	Line Amount	PO #	Fund Org	Prog-Func	Obj Proj
14410	9151S 101269 SUPPLY WORKS	495.57				
1	375123205 08/11/16 2 Batteries Floor Machine	543.57		101	100-2620	610
2	376069407 08/22/16 Core Return Floor Machine	-48.00		101	100-2620	610
14411	9152S 101262 SWAN VALLEY CONNECTIONS	900.00				
1	08/31/16 Explorers Camp Field Work	900.00		115	100-1000	516 121
	# of Claims 30	Total: 22,811.39				
		22,811.39				

**Quick Reference for Expenditure Coding**

Fund Codes	Program Codes	Function Codes	Object Codes
101 General Fund	100's Regular Programs	1000's Instruction	100's Personnel Salaries
110 Trans Fund	120's Contingency Funds	2225's School Library	200's Personnel Benefits
112 Food Fund	280's Special Education	2310's Board of Trustees	300's Prof Services
114 Retirement Fund	300's State Grants	2400's Administration	400's Purchased Property
115 Misc Fund	400's Federal Grants	2500's Business Services	500's Other Purchased
117 Adult Ed Fund	700's Extracurricular	2600's Operations & Maint	600's Supplies & Materials
128 Tech Fund	800's Community Services	2620's Comm Ctr Oper & Maint	700's Prop & Equip Acquisition
161 Bldg Reserve Fund	910's Food Services	2700's Student Transportation	800's Other Expenditures
		3100's Food Services	
		3500's Extracurricular	

Example  
101-100-2600-411 is a Regular General Fund Expenditure for School Heating Fuel



09/09/16  
17:46:42

POTOMAC ELEMENTARY SCHOOL  
Credit Card Transactions Paid by Credit Card Vendor  
For the Accounting Period: 9/16

Page: 1 of 1  
Report ID: CC100

CC Vendor	Check#	Claim#	CC #	PO #	Check		Vendor Paid	Description	Amount	Fund	Org	Prg-Func-Obj	Proj
					Ln#	Per							
BUSINESS CARD 333	9126	14383	392		1	9/16	WISCONSIN ASSN OF	Key Works of School	140.00	101		100-2310-610	
	9126	14383	392		2	9/16	LOWES	Maintenance Supplies	45.97	101		100-2600-610	
	9126	14383	392		3	9/16	STAPLES	Office Supplies	29.99	101		100-2400-610	
	9126	14383	392		4	9/16	HOME DEPOT/GEFCF	Maintenance Supplies	73.98	101		100-2600-610	
	9126	14383	392		5	9/16	ROSAUERS	Staff Supplies	104.97	101		100-1000-610	
							Total		394.91				
BUSINESS CARD 818	9127	14386	393		1	9/16	THE LIBRARY STORE	2/3 Book Bins	25.64	101		100-1000-610	
							Total		25.64				
BUSINESS CARD 890	9128	14387	394		1	9/16	AMAZON	Commercial Crpt	429.30	101		100-2600-610	
	9128	14387	394		2	9/16	AMAZON	Crpt Cleaner	57.38	101		100-2600-610	
	9128	14387	394		3	9/16	USPS	5 rolls Stamps	235.00	101		100-2500-532	
	9128	14387	394		4	9/16	STAPLES	Audit Boxes	51.96	101		100-2500-610	
	9128	14387	394		5	9/16	WASATCH IT	Office for Mac	295.00	101		100-2500-681	
	9128	14387	394		6	9/16	AMAZON	Vac Bags Maint	16.00	101		100-2600-610	
	9128	14387	394		7	9/16	GODADDY.COM	Domain Name 2 yr	40.00	101		100-2500-330	
	9128	14387	394		8	9/16	AMAZON	Maintenance Supplies	48.96	101		100-6200-610	
							Total		1173.60				
CITI CARDS	9130	14388	396		1	9/16	COSTCO	Envelopes - Clerk	22.51	101		100-2500-610	
							Total		22.51				
Grand Total:									1616.66				

Total for Payroll Checks

	Employee	Employer	Amount
J008 HOURS (21 CENTURY TEAC)	65.62		1,362.93
J011 HOURS (21ST CENT ADMIN)	81.75		1,697.95
REG HOURS (Regular Time)	1,998.33		39,247.70
TEMP HOURS (Temp Employee Time)	26.00		364.00
TRMS HOURS (Sick Leave Termination)	43.69		581.26
VOLN HOURS (Volunteer Time)	1.00		1,056.19
GROSS PAY	43,253.84	0.00	
NET PAY	28,173.40	0.00	
NET PAY (CHECKS)	4,257.71		
NET PAY (DIRECT DEPOSIT)	23,915.69		
ACCIDENT/AFA	50.28	0.00	
ANNUITY-HORACE	200.00	0.00	
FIT	3,477.40	0.00	
FLEX PLAN	383.50	0.00	
HEALTH - MUST	2,313.00	8,942.00	
LIFE/AFA	21.00	0.00	
MEDICARE	587.11	587.11	
P.E.R.S.	458.83	470.45	
PEA/MEA	437.09	0.00	
SIT	1,627.00	0.00	
SOCIAL SECURITY	2,510.45	2,510.45	
TRS	2,998.78	3,226.87	
UNEMPL. INSUR.	0.00	160.05	
UNUM LIFE INS C	16.00	11.20	
WORKERS' COMP	0.00	468.38	
1ST INTERSTATE	312.10	0.00	
CAB	415.37	0.00	
CS	1,897.83	0.00	
FSBMSLA	1,929.73	0.00	
MECU	3,667.42	0.00	
MFCU	3,806.67	0.00	
MFIRSTCU	883.96	0.00	
PSCU	3,285.25	0.00	
TRB	3,935.23	0.00	
USB	2,043.02	0.00	
WSB	1,739.11	0.00	
FIT/SIT BASE	36,833.45	0.00	
MEDICARE BASE	40,491.06	0.00	
PERS BASE	5,807.92	0.00	
SOC SEC BASE	40,491.06	0.00	
TRS BASE	36,794.72	0.00	
UN BASE	43,253.84	0.00	
WC BASE	44,310.03	0.00	

Total 16,376.51  
 Total Payroll Expense (Gross Pay + Employer Contributions): 59,630.35  
 Payroll Register + Volunteer Payroll Register = Payroll Summary

Potomac Student Accounts  
**General Ledger**  
 As of August 15, 2016

	Date	Num	Name	Memo	Debit	Credit	Balance
<b>Petty Cash</b>							<b>0.00</b>
	07/05/2016	dep	Potomac School	Open for 16-17	1,000.00		1,000.00
<b>Total Petty Cash</b>					<b>1,000.00</b>	<b>0.00</b>	<b>1,000.00</b>
<b>Two Rivers accts</b>							<b>22,962.15</b>
<b>Bike-a-Thon</b>							<b>8,700.29</b>
<b>Book Fair</b>							<b>501.69</b>
<b>Class of 2016</b>							<b>350.81</b>
<b>8th Grade Fund</b>							<b>2,333.26</b>
<b>Donation Bake Sale</b>							<b>878.48</b>
<b>Explorers</b>							<b>3,143.00</b>
	07/05/2016	dep		Reimb Ck #'s 2228 & 2254	759.00		3,902.00
<b>Total Explorers</b>					<b>759.00</b>	<b>0.00</b>	<b>3,902.00</b>
<b>Music</b>							<b>788.82</b>
<b>Science Activity</b>							<b>841.51</b>
<b>Outdoor School</b>							<b>217.06</b>
<b>Robotics</b>							<b>363.74</b>
<b>Misc Science Donations</b>							<b>138.58</b>
<b>Olympiad</b>							<b>122.13</b>
<b>Total Science Activity</b>							<b>841.51</b>
<b>Student Activities</b>							<b>1,619.06</b>
<b>Student Council</b>							<b>3,805.23</b>
<b>Total Two Rivers accts</b>					<b>759.00</b>	<b>0.00</b>	<b>23,721.15</b>

## **Principal's Report**

### **September 2016**

Our school year has begun very smoothly. Everyone has been busy settling in to their routine and classes. I've been able to get into each classroom almost daily and am able to see great instruction happening and engaged learners taking it all in. At our first day assembly, the kids helped say aloud the expectations we have for ourselves, "Be safe. Be respectful. Be responsible. Be a learner."

**Infinite Campus**-I am working on our Infinite Campus grading system. We had decided in the spring to begin our standards based grading in math this year. It has been time consuming for me to get it ready for all the grades, but I'm getting there. K-2 already use standards on their report cards so we'll still see that this year. Janette has been working on the attendance portion of it, and it is working well.

**Reports**-I've also been working on other State reports- TEAMS and ESSA/NCLB (Title I). I received word this week that we have been selected for a review of our Title I program this year by OPI, so I will be putting all of that information together as well to make sure we are doing what we should be doing for our Title I funds. I am expecting to do the CRDC (Civil Rights Data Collection) within the month as well.

**Co-op Preschool**- We have 3 eligible students (under 5) in our district to attend the cooperative preschool in Missoula this year. These children are eligible for services under IDEA and since we don't offer our own preschool, we are required to offer them transportation to the co-op preschool. I have worked with the superintendents at Clinton, Bonner, and Desmet Schools to share the cost of a bus so it will be split 4 ways. This comes out of our transportation fund.

**Sports**- Volleyball has begun. Ms. Pohlman has 15 players. Their first game will be this Wednesday, the 14<sup>th</sup> at home against Desmet. Brad and Sam Hall are going to coach boys' basketball this year. We have quite a few students signed up to take advantage of the free sports' physicals on the 14<sup>th</sup> as well.

**Time for Tots** will begin this week. Ruth Weiss will be the facilitator this year. It will be on Thursdays from 9-11:30.

**September 14<sup>th</sup>**- VB game @ Home 4 pm

**September 15<sup>th</sup>**- Open House 6:30 pm

**September 16<sup>th</sup>**- Teacher workday – grade books

**September 19<sup>th</sup>**- Begin MAP testing

**September 20<sup>th</sup>**- School pictures

**September 27<sup>th</sup>**- VB game @ Home 4 pm

**September 29<sup>th</sup>**- VB game away Clinton 4 pm

**October 1<sup>st</sup>**- 8<sup>th</sup> grade pig roast fundraiser 12-2:00 pm

**October 4<sup>th</sup>**- VB game @Home 4 pm

**October 6<sup>th</sup>**- VB game away Seeley 4 pm

**October 7<sup>th</sup>**- Teacher work day

# POTOMAC SCHOOL BOARD CALENDAR

*Trustee review  
Friday before  
monthly meeting*

*(Now on School Website, drop down under Trustee Tab)*

## **July**

## **August**

Prior Year Trustee Financial Summary approval  
Current Year Budget approval  
Professional Responsibilities and Goals for Principal  
Set Principal Evaluation Date  
Approve Classified Offer of Employment

*Craig - 3pm*

## **September**

Appointment for Missoula Area Curriculum Consortium  
School Strategic Plan & Goals  
8th Grade Trip

*Kelsy*

## **October**

*Gary*

## **November**

Review Strategic Plan & Goals Progress

*Jason*

## **December**

*Cliff*

## **January**

Principal Evaluation

*Craig*

## **February**

Call for an Election  
Adopt resolution for any special levy  
Audit Review and Approval – when completed

*Kelsy*

## **March**

Next Year Calendar committee report  
Preliminary General Fund Budget Review  
Negotiation Committees (in negotiation years)  
Student Behavior & Discipline Review

*Gary*

## **April**

Community Center Lease  
Negotiations (in negotiation years)  
Approval of Health Insurance Contract  
Approve Certified offer of employment  
Approve Principal offer of employment

*Jason*

## **May**

Canvass the election  
Reorganize the Board  
Appoint the Business Manager/Clerk  
Seat New Trustees  
Authorize Board Signatures/Deletions  
Approval of Election Contract with County  
Approval of Bus Routes

*Cliff*

## **June**

Audit Contract Review and Approval



Angie Williams, Principal

Update on goals from last year.

## **2015-16 Goals**

### **Academic Achievement**

- Create a smooth process in our academic program to meet the needs of all our students regardless of needs  
*-Continuing process. Hiring a resource teacher for the 2016-17 school year is going to help.*
- Increase academic excellence in all areas  
*-We are moving forward with the implementation of standards based grading. I had professional development for the teachers this year and with using Infinite Campus this year, we will slowly begin the process of changing our report cards. We'll have more teachers for our math program too, with the resource teacher teaching a class, and so will not have a classes doubled up making it difficult for the students to learn fully. We are also decreasing our AIMSweb and Map testing frequency to twice a year instead of three times. This will still give us sufficient data but will allow more instructional time.*
- Develop a fine arts program  
*-We will have Two Valley Stage performances and an artist in residence this year.*
- Increase our early childhood program  
*-Time For Tots was a great success and will continue this year.*

### **Resource Stewardship**

- Seek grants and other ways to supplement our income  
*-Still seeking more grants than what we had last year*
- Technology sustainability plan  
*-I'm still trying to come up with a sustainability plan. I'm waiting on other things to happen first such as Blackfeet putting in the increase in optic fiber which will determine what we are really able to do. Also waiting for our E-Rate payment to replace infrastructure on campus.*

### **Campus Pride**

- Create a plan for maintenance and improvements of buildings and grounds, including Athletic Complex  
*-This last year has been really a chance for me to assess and learn what the real needs are. This is going to be a big part of my new goal for 2016-17.*
- Follow up on security training and updates to facilities.  
*-This has gone very well. Training will still occur, especially with new staff, but everyone has become accustomed to our new security system and the bugs have gotten worked out.*

### **Family and Community**

- Newsletter  
*-Did not get accomplished*
- Visibility  
*-This year has been a great time to get to know the community and for people to get to know me.*

## **Brainstorming Session from the August 31 2015 minutes**

Cliff Vann said this workshop is to be a brainstorming session.

He started with an acronym from MTSBA:

- G** – governed by elected trustees
- R** – responsive to Community
- E** – excellent and efficient
- A** – address student achievement
- T** – trusted through transparency

The highest priorities are impacting student achievement and inspiring staff each time we meet.

He then asked for input on annual and long term goals.

The list developed was:

- Work to increase parent involvement – Cliff noted that PTC had a good showing on this first day of school with new parents and explaining the things the school and PTC accomplish. Abby Stitt said it has been difficult to increase parent involvement for evening activities like Boosters and Potomac U nights. Kelsy she understood that since many parents have difficulty getting to school in the evenings from their work in town. Angie said it is the same across the state. Cliff thought our programs that bring in the best participation, such as BINGO, the Christmas program, MTC, the Poetry and Pie presentation and Graduation could be our guides. Terri Klein said she would like it if there was a way to include community members who don't have children in the school.
- Angies evaluation – set up expectations and frequency of evaluations. Gary said he would like to see Angies goals to start with.
- Policy review
- A grant writing program
- How to designate 8<sup>th</sup> grade future funds.
- Arts, Media, Music and Preschool programs
- A board calendar for board reviews and motions. (ie. Contracts, teacher evaluations, principal renewal, etc) Jill said she would compile a calendar for the board.
- Financial Pie Charts of all funds. Where they come from and how they are spent. Jill is also working on those.
- Professional Board Development on 'What makes an effective school board'. Jill will set up the professional development.
- A presentation at BINGO outlining what the funds have done for the school.
- Marketing the school. Jason thought students could put together displays about what has been accomplished at the school. Introducing the board and showing the work that has been done. Have a picnic before school starts with volunteer sign up. Send out a newsletter to every taxpayer in the district. Angie said when she was at Lone Rock a quarterly newsletter was sent out. We could have a message in the first one from the Principal, Board Chair and PTC along with the financial Pie Charts.
- Year end compensation.
- Sports programming

## **Strategic Plan from December 14 2015 minutes**

The Strategic Plan was adapted to categorize the schools goals under four headings. This is now our Priority Plan.

### **Academic Achievement**

- Culture of Learning Excellence
- Engaging Curriculum
- Ability Based
- Prioritize Professional Development
- Explorers Experience

### **Administrative Stewardship**

- Financial Accountability
- Grant utilization

- Trusted and Transparent
- Market our attributes for growth
- Technology Plan

### **Campus Pride**

- Student Safety
- Facility Integrity and Efficiency
- Athletic Complex

### **Family and Community**

- Promote Small Community Culture
- Engaged with local resources
- Encourage and Welcome Family Involvement

### **Principal Goals from December 14 2015 minutes:**

The Potomac School Principal Evaluation format chosen by the board was included with the packet to review with the goals for the year that Angie presented. She categorized her goals under the headings used in our Priority Plan (which was adapted from our Strategic Plan). Those headings are Academic Achievement, Administrative Stewardship, Campus Pride and Family and Community. Angie's goals are:

#### *Academic Achievement*

- Create a smooth process in our academic program to meet the needs of all our students regardless of needs
  - Ability based math
  - Title I
  - Special Education
- Increase academic excellence in all areas
  - Standards based grading, AdvancEd, professional development, PEAK (Performance Excellence for All Kids)
- Develop a fine arts program
  - Two Valley Stage
- Increase our early childhood program
  - Time for Tots

#### *Administrative Stewardship*

- Seek grants and other ways to supplement our income
  - EEE, Missoula Electric, Plum Creek, Smart Schools grants, contract with Woodman
- Technology sustainability plan
  - Pine Cove Consulting

#### *Campus Pride*

- Create a plan for maintenance and improvements of buildings and grounds, including Athletic Complex
- Follow up on security training and updates to facilities.
  - Drills
  - Bus radio
  - Meeting with emergency services

#### *Family and Community*

- Newsletter
- Visibility

Based on those goals, and the principals performance to date, the School Board will complete the Potomac School Principal Evaluation to be discussed at the January Board meeting.

**POTOMAC ELEMENTARY SCHOOL DISTRICT 11  
ADOPTION AGREEMENT FOR 403(b) PLAN DOCUMENT**

POTOMAC ELEMENTARY SCHOOL DISTRICT 11 hereby adopts the 403(b) Plan Document for Public Education Organizations (the "Plan") as modified by this Adoption Agreement and agrees that the following provisions shall be incorporated as part of the Plan document.

**Name of Employer:** POTOMAC ELEMENTARY SCHOOL DISTRICT 11

**Federal Tax ID:** 81-6000670

**Employer's Address:** POTOMAC ELEMENTARY SD 11  
29750 POTOMAC ROAD  
POTOMAC, MONTANA 59823

**Telephone Number:** 406-244-5581

**Fax:** 406-244-5840

**Contact Person:** JILL THORNTON - CLERK

**Telephone/Ext:** 406-244-5581 x202

**E-mail:** [clerk@potomac.k12.mt.us](mailto:clerk@potomac.k12.mt.us)

**Type of Organization:** K-12 PUBLIC SCHOOL

**PLAN INFORMATION**

**1. Name of Plan:** 403(B) Plan Document for POTOMAC SCHOOL DISTRICT 11

**2. Effective Date:** This Adoption Agreement amends the Plan established effective 1/1/2009 (the "Effective Date"), which was the first 403(b) plan document established by the Employer. This amendment is effective November 14, 2011.

**3. Eligibility:** Under the Plan document, ALL common law employees except student teachers and student workers are immediately eligible to make contributions under the Plan. Eligibility for Employer Contributions is based on applicable employment agreements or collective bargaining agreements to which an employee is subject, or as determined by the Employer from year to year.

**4. Contributions:**

Employee Contributions (in addition to pre-tax Elective Deferrals):

Roth 403(b) Contributions to the Plan are permitted beginning on the effective date. Direct rollovers from other Roth 403(b) or 401(k) plans are accepted into the Plan.

**5. 15 Years of Service Catch Up Contributions:** The Plan *will not* permit employees with 15 years of service with the Employer that satisfy the conditions for the Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service (Section 3.2 of the Plan) to increase their Elective Deferrals limitation.

**6. Investment Options:** Any Annuity Contracts and/or Custodial Accounts that meet the requirements of Section 403(b) of the Code offered by the organizations listed on Appendix 1 are authorized as Vendors under the Plan.

**7. Exchanges Within the Plan:** The Plan *will* permit Participants to make exchanges. If permitted, exchanges may occur between:

(1) Those organizations listed on Appendix 1 and (2) any other organization offering annuity contracts and/or custodial accounts that satisfy the requirements of Section 403(b) of the Code and executing the information sharing agreement provided by Employer for purposes of satisfying applicable compliance requirements. Administrator will maintain a list of organizations that have executed information sharing agreements and will make this list available to Vendors (Appendix 2).

**8. Transfers Into the Plan:** The Plan *will not* accept transfers from another employer’s 403(b) plan.

**9. Transfers From the Plan:** The Plan *will not* permit transfers from the Plan to another employer’s 403(b) plan, if requested by a former Participant.

**10. Rollovers Into the Plan:** The Plan *will* accept rollovers from other eligible retirement plans. (Rollovers from the Plan are required by law.)

**11. Financial Hardship Distributions:** Hardship distributions *are not* available under the Plan.

**12. Loans:** Loans *are* available under the Plan subject to availability and any additional conditions that may apply under a Participant’s 403(b) Individual Agreement(s).

**Note:** The Plan prohibits loans to any Participant who has previously defaulted on a loan from any retirement or deferred compensation plan sponsored by the Employer.

**13. Plan Administration:** The Plan shall be administered:

Jointly by Employer and Vendors. Employer and each Vendor shall jointly act as Administrator of the Plan. Employer shall be responsible for matters relating to the Plan document, eligibility (including providing notice of the Plan to Employees), enrollment opportunities, contributions, proper tax reporting on contributions, and payroll related issues. The Vendors are responsible for matters relating to investing contributions as directed by Participants, beneficiary designations, distributions, exchanges, transfers, rollovers, loans, withdrawals, sharing or exchanging information as required under the Plan document and post-employment compliance matters, such as tax reporting, notice requirements and withholding on distributions.

**EMPLOYER ACKNOWLEDGEMENT(S) AND SIGNATURE(S)**

Employer acknowledges that it is an eligible public education organization under Section 170(b)(1)(A)(ii) of the Code and is authorized to offer a program qualified under Section 403(b) of the Code.

EMPLOYER: POTOMAC ELEMENTARY SCHOOL DISTRICT 11

By: \_\_\_\_\_

Print Name of Signer: \_\_\_\_\_

Title: \_\_\_\_\_ Dated: \_\_\_\_\_

## Section 1 - Definitions

The following words and terms, when used in the Plan, have the meaning set forth below.

- 1.1 **Account** means the account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.
- 1.2 **Account Balance** means the value of the aggregate amount credited to each Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, if such contributions are authorized under the Adoption Agreement, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).
- 1.3 **Administrator** means, unless otherwise indicated in the Adoption Agreement, the Employer. Notwithstanding this appointment, the Administrator may delegate, by separate agreement, any administrative responsibilities hereunder to one or more persons, committees, Vendor, or other organization.
- 1.4 **Annuity Contract** means a nontransferable contract as defined in section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the state in which the Employer or Participant, as applicable, resides and that includes payment in the form of an annuity.
- 1.5 **Beneficiary** means the designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.
- 1.6 **Custodial Account** means the group or individual custodial account or accounts, as defined in section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.
- 1.7 **Code** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- 1.8 **Compensation** means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under

section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 of the Plan made to reduce compensation in order to have Elective Deferrals under the Plan).

- 1.9 **Disabled** means the definition of disability provided in the applicable Individual Agreement.
- 1.10 **Elective Deferral** means the Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions, unless the Plan permits Roth 403(b) Contributions under Section 10.
- 1.11 **Employee** means each individual, whether appointed or elected, who is a common law employee of the Employer performing services for a public school as an employee of the Employer. This definition is not applicable unless the Employee's compensation for performing services for a public school is paid by the Employer. Further, a person occupying an elective or appointive public office is not an Employee performing services for a public school unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a state or local government.
- 1.12 **Employer** means the public education organization identified in the Adoption Agreement as the Employer.
- 1.13 **Employer Contributions** means any nonelective contributions made to the Plan by the Employer as provided in the Adoption Agreement.
- 1.14 **Funding Vehicles** means the Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and authorized by Employer for use under the Plan.
- 1.15 **Includible Compensation** means an Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$230,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.
- 1.16 **Individual Agreement** means an agreement between a Vendor and the Employer or a Vendor and a Participant that constitutes or governs a Custodial Account or an Annuity Contract.
- 1.17 **Participant** means an individual for whom Elective Deferrals or other contributions permitted under the Plan are currently being made, or for whom such contributions have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.
- 1.18 **Plan** means the name given to this Plan by the Employer in the Adoption Agreement.
- 1.19 **Plan Year** means the calendar year.

- 1.20 **Related Employer** means the Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.
- 1.21 **Roth 403(b) Contribution** means, if authorized in the Adoption Agreement, any contribution made by a Participant which is designated as a Roth 403(b) Contribution in accordance with Section 10 of the Plan that qualifies as a Roth 403(b) Contribution under section 402A of the Code.
- 1.22 **Severance from Employment** means severance from employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same State or local government employer).
- 1.23 **Vendor** means the provider of an Annuity Contract or Custodial Account, or any organization acting on their behalf under this Plan.
- 1.24 **Valuation Date** means each business day of the Plan Year.

## Section 2 - Participation and Contributions

- 2.1 **Eligibility**. Unless otherwise provided in the Adoption Agreement, each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer. However, an Employee who is a student-teacher (i.e., a person providing service as a teacher's aid on a temporary basis while attending a school, college or university) or a student-worker is not eligible to participate in the Plan.
- 2.2 **Contributions**. (a) Elective Deferral Contributions. An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed to the Plan as an Elective Deferral on his or her behalf) and filing it with the appropriate Administrator. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. Unless otherwise provided in the Plan or Adoption Agreement, all Elective Deferrals shall be made on a pre-tax

basis. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee's election.

(b) Roth 403(b) Contributions. If authorized in the Adoption Agreement and if permitted under an Employee's Individual Agreement(s), an Employee may elect to make Roth 403(b) Contributions to the Plan in accordance with Section 10 of the Plan. The Participant's election to make Roth 403(b) Contributions shall be made on the agreement provided by the Administrator and shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made. Any such election shall remain in effect until a new election is filed.

(c) Employer Contributions. (1) If authorized in the Adoption Agreement, the Employer may make nonelective Employer Contributions to Accounts of designated Employees. Employer Contributions shall be determined in accordance with the Adoption Agreement. Contributions made under this Section 2.2(c) shall be deposited into each Participant's Account in accordance with Sections 2.4 and 2.5 of the Plan.

(2) Employer may make contributions into the 403(b) Accounts of former Employees, provided that any such contributions satisfy all of the following conditions:

- a. Contributions may not be made later than the fifth calendar year following the year in which the former Employee ceased to be an Employee.
- b. Contributions may not be made following the month of the former Employee's death.
- c. Contributions shall be 100% vested at all times.
- d. Contributions shall be based on "includible compensation" as defined in section 403(b)(3) of the Code as modified by IRS regulations and shall be subject to the limitations of section 415(c)(1) of the Code.

Subject to (2)b. above, amounts not contributed by Employer to any former Employee's 403(b) Account due to the contribution limitations of Section 3.8 of the Plan and/or section 415(c) of the Code shall be contributed in the next Plan Year (and each succeeding Plan Year) until the Employer contributes all amounts due to Participant. No contributions may be made after the last day of the fifth year following the Plan Year in which the Participant's Severance from Employment occurred.

2.3 **Information Provided by the Employee.** Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

- 2.4 **Change in Elective Deferral Election.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals, a change in the allocation of his or her Elective Deferrals to reflect pre-tax contributions or Roth 403(b) Contributions (if permitted under the Plan), and/or a change to previous investment directions. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees.
- 2.5 **Contributions Made Promptly.** Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable state law. Employer Contributions shall be transferred to the applicable Funding Vehicle within a reasonable period of time but in no event later than thirty (30) days after the end of the Employer's standard work year for which such contributions were owed.
- 2.6 **Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

### Section 3 - Limitations on Amounts Deferred

- 3.1 **Basic Annual Limitation.** Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the "applicable dollar amount" or (b) the Participant's Includible Compensation. The "applicable dollar amount" is the amount established under section 402(g)(1)(B) of the Code, which is \$15,500 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under section 415(d) of the Code.
- 3.2 **Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service.** If authorized in the Adoption Agreement, the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:
- (a) \$3,000;
  - (b) The excess of:
    - (1) \$15,000, over
    - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
  - (c) The excess of:
    - (1) \$5,000 multiplied by the number of years of service of the employee with the qualified organization, over

(2) The total Elective Deferrals made for the employee by the qualified organization for prior years.

For purposes of this Section 3.2, a "qualified employee" means an employee who has completed at least 15 years of service taking into account only employment with the Employer.

- 3.3 **Age 50 Catch-up Elective Deferral Contributions.** A Participant who will attain age 50 or more by the end of the calendar year is not permitted to elect an additional amount of Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,000 for 2008, and is adjusted for cost-of-living after 2008 to the extent provided under the Code.
- 3.4 **Coordination.** If the Adoption Agreement authorizes contributions under Section 3.2 of the Plan, amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Compensation for the year.
- 3.5 **Special Rule for a Participant Covered by Another Section 403(b) Plan.** For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the Elective Deferral limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a section 403(b) plan.
- 3.6 **Correction of Excess Elective Deferrals.** If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the Employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance.
- 3.7 **Protection of Persons Who Serve in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave,

reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five (5) years following the resumption of employment (or, if sooner, for a period equal to three (3) times the period of the interruption or leave).

- 3.8 **Annual Contribution Limits.** The aggregate annual amount contributed into a Participant's Account shall not exceed the amount permitted under section 415(c) of the Code. If any Employer Contributions cause a Participant's 403(b) Contract to exceed the annual contribution limitation of section 415(c)(1) of the Code, the excess contributions shall be segregated and treated in a manner consistent with applicable IRS guidance on excess "annual additions."

#### Section 4 - Loans

- 4.1 **Loans.** If authorized in the Adoption Agreement, loans shall be permitted under the Plan to the extent permitted by and in accordance with the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. An Employee who has previously defaulted on a loan from any retirement plan or deferred compensation arrangement sponsored by the Employer and who has not repaid the loan, in full, shall not be permitted to take a loan from his Account under the Plan.
- 4.2 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Sections 4.1 and 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.
- 4.3 **Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of (a) or (b) below:
- (a) \$50,000, reduced by the greater of:
- (1) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or
  - (2) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period).

(b) one half of the value of the Participant's vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 4.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

- 4.4 **Loan Repayments For Employees in Military Service.** Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel maybe suspended as permitted under section 404(u)(4) of the Code and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

## Section 5 - Benefit Distributions

- 5.1 **Benefit Distributions At Severance from Employment or Other Distribution Event.** Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), or Section 5.4 (relating to hardship distributions), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.
- 5.2 **Minimum Distributions.** Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. § 1.403(b)-6(e).
- 5.3 **In-Service Distributions From Rollover Account.** If the Funding Vehicle(s) in which a Participant's Account is invested has established and maintains a separate account attributable to rollover contributions to the Plan and if permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in such rollover account.
- 5.4 **Hardship Distributions.** If authorized under the Adoption Agreement, (a) hardship distributions shall be authorized under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. No Elective Deferrals to any retirement or deferred

compensation plan sponsored by the Employer shall be allowed during the six (6) month period beginning on the date the Participant receives a distribution on account of hardship.

(b) No hardship distributions are permitted unless the Vendors agree to the exchange of information between Administrator and Vendors to the extent necessary to implement the Individual Agreements. Notwithstanding any Individual Agreement, the Plan only permits hardship distributions that satisfy the "safe harbor" standards with respect to establishing an immediate and heavy financial need (under Treas. Reg. §1.401(k)-1(d)(3)(iii)(B). For purposes of satisfying the lack of other resources requirement (under Treas. Reg. §1.401(k)-1(d)(3)(iv)(E), the Plan shall follow the provisions of the applicable Individual Agreements, except that all Participants shall suspend Elective Deferrals for a period of six (6) months following the date of the hardship distribution. Vendor shall notify Employer of any hardship distributions in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan.

5.5 **Rollover Distributions.** (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse or former spouse of the Participant or alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

## Section 6 – Rollovers, Exchanges and Transfers

6.1 **Eligible Rollover Contributions to the Plan.** If authorized under the Adoption Agreement, and to the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, unless Roth 403(b) Contributions are authorized under the Adoption Agreement, in no event does the Plan accept a rollover contribution from another Roth 403(b) account or from a Roth 401(k) plan.

- 6.2 **Eligible Rollover Distributions.** For purposes of Section 6.1, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include any installment payment payable over a period of ten (10) years or more, any distribution made as a result of a financial hardship or other distribution which is made upon hardship of the employee, or for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, for purposes of Section 6.1, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accept eligible rollover distributions.
- 6.3 **Separate Accounts.** If the terms of applicable Individual Agreements permit distributions of rollover contributions to be made prior to an event described in Section 5.1, the Funding Vehicle holding such rollover contributions shall provide separate accounting for any eligible rollover distributions paid to the Plan.
- 6.4 **Plan-to-Plan Transfers to the Plan.** (a) If authorized under the Adoption Agreement, the Administrator may permit a transfer of assets to the Plan as provided in this Section 6.4. Such a transfer is permitted only if the other 403(b) plan provides for the direct plan-to-plan transfer of each Employee's interest therein to the Plan and the Participant is an Employee or former Employee of the Employer. The Administrator or any Vendor accepting a transfer may require such documentation from the other 403(b) plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. §1.403(b)-10(b)(3) and other applicable IRS guidance and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.
- (b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.
- (c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions that are not less stringent than those imposed on the transferor plan, and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.5 **Plan-to-Plan Transfers from the Plan.** (a) If authorized under the Adoption Agreement, Participants and Beneficiaries may elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treas. Reg. § 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.5(a) only if the Participants or Beneficiaries are Employees or former Employees of the Employer under the receiving plan and the other 403(b) plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for the Account of each Participant and Beneficiary after the transfer to at least equal the Account value immediately prior to the transfer.

(b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, it shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 6.5, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.5 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. § 1.403(b)-10(b)(3).

6.6 **Contract and Custodial Account Exchanges.** (a) If authorized in the Adoption Agreement, a Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, unless otherwise indicated in the Adoption Agreement, exchanges are not permitted to Vendors that are not eligible to receive contributions under Section 2. If the Adoption Agreement authorizes exchanges to a Vendor that is not eligible to receive contributions under Section 2, the conditions in paragraphs (b) through (d) of this Section 6.6 must be satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) Annuity Contracts or Custodial Accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for any current or former Vendor to which Plan contributions have been made in order to satisfy section 403(b) of the Code, including the following:

- A. Employer shall provide information as to whether the Participant's employment with the Employer is continuing, and notify the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5);
- B. if hardship distributions are authorized in the Adoption Agreement, Vendor shall notify Employer of any hardship distribution under Section 5.4 of the Plan; and
- C. Vendors shall provide information to the Employer or other Vendors concerning the Participant's or Beneficiary's Annuity Contracts or Custodial Accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship distribution rules of Section 5.4); and

(2) Information necessary for the resulting Annuity Contract or Custodial Account and any other 403(b) contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following:

- A. the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional Plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1) of the Code; and
- B. information concerning the Participant's or Beneficiary's Roth 403(b) Contributions and after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Vendor shall enter into an information sharing agreement as described in Section 6.6(d) to the extent the Employer's

relationship with the Vendor does not provide for the exchange of information described in Section 6.6(d)(1) and (2).

6.7 **Permissive Service Credit Transfers.** (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to such defined benefit governmental plan. A transfer under this Section 6.7(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.7(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

(c) If a plan-to-plan transfer under this Section 6.7 does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

## Section 7 - Investment of Contributions

7.1 **Manner of Investment.** All Elective Deferrals, Roth 403(b) Contributions, Employer Contributions or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 **Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made under this Section 7.2 as authorized under the Adoption Agreement and to the extent provided in the Individual Agreements as permitted under applicable Income Tax Regulations.

7.3 **Current and Former Vendors.** The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such

information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. If a Vendor is not eligible to receive Elective Deferrals, Roth 403(b) Contributions or Employer Contributions under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.4 or 6.6), Employer shall keep Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

### Section 8 - Amendments to the Plan

- 8.1 **Termination of Contributions.** The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.
- 8.2 **Amendment.** The Employer reserves the authority to amend this Plan at any time, provided that any amendment which reduces the contractual rights or benefits under an Individual Agreement shall apply prospectively only except as required under the Code and applicable regulations.

### Section 9 – Miscellaneous

- 9.1 **Non-Assignability.** Except as provided in Section 9.2 and 9.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.
- 9.2 **Domestic Relation Orders.** Notwithstanding Section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any state ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

- 9.3 **IRS Levy.** Notwithstanding Section 9.1, the Administrator may direct payment from a Participant's or Beneficiary's Account in the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.
- 9.4 **Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals and Roth 403(b) Contributions, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.
- 9.5 **Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid in conformity with applicable Annuity Contracts or Custodial Accounts. If the applicable Annuity Contracts or Custodial Accounts do not address the issue of payments to minors and incompetents, then the Administrator shall direct payment of the benefit to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.
- 9.6 **Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one (1) year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned to the party that made the contribution.
- 9.7 **Procedure When Distributee Cannot Be Located.** The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. If Participants or Beneficiaries cannot be located, then the terms of the Funding Vehicle holding the Accounts of the Participant that govern payment of benefits to Participants and Beneficiaries who cannot be located shall be followed. If the Funding Vehicle has no such terms, then applicable law shall be followed.
- 9.8 **Incorporation of Individual Agreements.** The Plan, together with the Adoption Agreement and any Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Adoption Agreement and applicable Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code. In such event, the Individual Agreements

shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable requirements.

- 9.9 **Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the state in which the Employer has its principal place of business.
- 9.10 **Construction.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.
- 9.11 **Indemnification.** If Employer appoints an Employee or a committee of Employees to act as the Administrator of the Plan, Employer shall indemnify any such Employee acting on its behalf in this capacity. Such individuals shall be indemnified from any and all liability that may arise by reason of his action or failure to act concerning this Plan, excepting any willful misconduct or criminal acts.
- 9.12 **No Employer Liability.** Employer shall have no liability for the payment of benefits under the Plan. Each Participant shall look solely to the providers of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.

**Section 10 – Roth 403(b) Contribution Provisions**

- 10.1 **General Application.** This Section 10 shall apply only if the Employer has elected to permit Roth 403(b) Contributions under the Plan as indicated in the Adoption Agreement.
- 10.2 **Roth 403(b) Contributions.** Participants may make Roth 403(b) Contributions to their Accounts under the Plan if authorized by the Employer in the Adoption Agreement. Unless otherwise provided, such contributions shall be treated as Elective Deferrals and are therefore subject to the requirements and limitations imposed by section 402(g) of the Code. A Participant's Roth 403(b) Contributions shall be allocated to a separate account maintained for such deferrals as described in Section 10.3.
- 10.3 **Separate Accounting Requirements.** Contributions and withdrawals of Roth 403(b) Contributions, and earnings or losses thereon, shall be credited and debited to each Participant's Account and shall be separately accounted for under each Participant's Account. Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis for each Participant's Roth 403(b) Contributions. Except as provided in Section 10.6, no contributions other than Roth 403(b) Contributions and properly attributable earnings may be credited to each Participant's Roth subaccount.
- 10.4 **Deposit Requirements.** Roth 403(b) Contributions shall be deposited with the applicable Funding Vehicles as soon as practicable in accordance with Section 2.5 of the Plan, unless an earlier date is required under state law.
- 10.5 **Direct Roth Rollovers From the Plan.** Notwithstanding Section 5.5 of the Plan, Participants may only make a direct rollover of a distribution of Roth 403(b) Contributions (and earnings thereon) to another 403(b) plan with Roth 403(b) Contribution features, to a Roth 401(k) plan with Roth contribution features or to a Roth IRA described in Section 408A of the Code, and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.
- 10.6 **Roth Rollovers Into the Plan.** Notwithstanding Section 6.1 of the Plan, and unless otherwise indicated in the Adoption Agreement, direct rollovers of Roth 403(b) Contributions and Roth 401(k) contributions and earnings thereon from another 403(b) plan with Roth 403(b) Contribution features or from a Roth 401(k) plan with Roth contribution features are permitted, provided that the Funding Vehicles selected by a Participant will accept Roth 403(b) and/or 401(k) rollovers. Direct rollovers shall only be permitted if the transmitting plan satisfies the conditions set forth in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code.
- 10.7 **Correction of Excess Deferrals.** Excess Deferrals shall be corrected by first distributing the amount of Roth 403(b) Contributions (plus earnings thereon) made during the Plan Year needed to correct the excess and then by distributing a Participant's pre-tax Elective Deferrals (plus earnings thereon). However, if a highly compensated employee (as defined in Section 414(q) of the Code) experiences an Excess Deferral in any Plan Year, he may designate the extent to which the excess amount is composed

of pre-tax Elective Deferrals and excess Roth 403(b) Contributions, provided that both types of contributions were made by the Employee during the applicable Plan Year. If the highly compensated employee does not designate which type of contributions are to be distributed, then pre-tax Elective Deferrals shall be distributed first, followed by Roth 403(b) Contributions.

- 10.8 **Definition of Roth 403(b) Contributions.** A Roth 403(b) Contribution is an Employee contribution that is designated irrevocably by the Employee on his enrollment form to be a Roth 403(b) Contribution and is treated by the Employer as includible in the Employee's income.
- 10.9 **Roth Caveat.** Employer, Administrator and providers of Annuity Contracts and Custodial Accounts shall utilize good faith compliance efforts to conform to the requirements applicable to Roth 403(b) Contributions based on applicable IRS guidance related to Roth 403(b) Contributions. The Plan shall be administered and interpreted in the manner necessary to ensure compliance with such guidance.

The Employer has evidenced its intent to adopt this Plan by executing the Adoption Agreement which is a part of this 403(b) Plan document. This Plan document, the Adoption Agreement, and any underlying Annuity Contracts and Custodial Accounts provided by the Vendors authorized by the Employer, as well as necessary forms and administrative policies and procedures incorporated by the Employer, an Administrator or any Funding Vehicle shall constitute the entire Plan.

**APPENDIX 1**

Authorized Vendors under the Plan Are:

<u>Name of Organization</u>	<u>Telephone Number</u>
<u>Horace Mann Life Insurance Company, PO Box 19219, Springfield, IL 62794-9219</u>	<u>1-866-999-1945</u>
<u>The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110</u>	<u>1-888-888-7064</u>
<u>Fidelity Investments, PO Box 770002, Cincinnati, OH 45277-0090</u>	<u>1-800-868-1023</u>
<u>American Fidelity Assurance Company</u>	<u>1-800-654-8489</u>

**Important Note:**

As provided under the Plan, any authorized Vendor named above agrees to share information necessary for compliance purposes with Employer, an Administrator and/or with any other 403(b) provider as may be required or desirable to facilitate compliance with the Plan and all applicable laws and regulations.

This Appendix has been updated per Potomac School Board approval at meeting dated **November 14, 2011**