

CODE OF ETHICS

The directors of the Corporation, along with the officers and employees of the Corporation, if any, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State of New York.

Further, no director, officer or employee of the Corporation shall (1) accept other employment which will impair their independence of judgment in the exercise of their official duties; (2) accept employment or engage in any business or professional activity which will require them to disclose confidential information which they have gained by reason of their official position or authority; (3) disclose confidential information acquired in the course of official duties nor use such information to further personal interests; (4) use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others; (5) engage in any transaction as representative or agent of the Corporation with any business entity in which they have a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of their official duties; (6) by their conduct, give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position or influence of any party or person; **and each member, officer or employee of the Corporation shall** (7) abstain from making personal investments in enterprises which they have reason to believe may be directly involved in decisions to be made by them or which will otherwise create substantial conflict between their duty in the public interest and their private interest; and (8) endeavor to pursue a course of conduct which is beyond reproach, avoids the appearance of impropriety and will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of the public trust.

APPROVED DECEMBER 2015

COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY

The Directors of the Corporation shall serve without salary and, pursuant to the By-laws of the Corporation, at the pleasure of the Cortland County Legislature by virtue of their appointment to the Cortland County Industrial Development Agency. Directors may be reimbursed for reasonable and necessary expenses incurred in the discharge of their duties, including travel expenses in accordance with the Corporation's Travel Policy, as such policy may be amended from time to time.

The employees of the Corporation, if any, shall serve at the pleasure of the Corporation at such compensation levels as may be approved by the Corporation from time to time and may be reimbursed for reasonable expenses incurred in the performance of their duties, including travel expenses in accordance with the Corporation's Travel Policy, as such policy may be amended from time to time.

The Directors of the Corporation shall be available as required to perform the operations of the Corporation as may be required by law and as set forth within the Bylaws of the Corporation, as may be amended, restated or revised from time to time. The Directors shall put forth their best efforts to perform their respective duties as may be required by law and as outlined in the By-Laws of the Corporation and any other directives, policies or procedures of the Corporation. As a quorum is required for the Corporation to conduct business, the Directors, together with the Executive Director, are expected to attend all regular and special meetings of the Corporation.

**CONFLICT OF INTEREST POLICY
APPROVED DECEMBER 2015**

Conflicts of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a member of the agency or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflict of interest are situation where there is the appearance that an agency member and/or employee can personally benefit from actions or decisions made in their official capacity, or where an agency member or employee may be influenced to act in a manner that does not represent the best interests of the agency. The perception of a conflict may occur if circumstances would suggest to a reasonable person that an agency member or employee may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Agency members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affect by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever an agency member or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the agency participates.
- The ability to use his or her position, confidential information or the assets of the agency, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstance in which it could reasonable be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appear to make it difficult for the agency member or employee to exercise independent judgment and properly exercise his or her official duties.

Outside Employment of Authority's Employees: No employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties with the agency.

PROCEDURES

Duty to Disclose: All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to, when reasonably feasible, the Governance Committee, otherwise to the agency members at a meeting of the agency. Such written disclosure shall be made part of the official record of the proceedings of the agency.

Determining Whether a Conflict of Interest Exists: The Governance Committee or the members of the agency, as applicable, shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee or the members of the agency, as applicable, should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

Recusal and Abstention: No agency member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Agency members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other agency members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the agency's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Agency members and employees should promptly report any violations of this policy in accordance with the authority's Whistleblower Policy.

Penalties: Any member or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules and regulations.

Note: All Agency Members and employees should be provided with this Conflict of Interest Policy upon commencement of employment or appointment and required to acknowledge that they have read, understand and are in compliance with the terms of the policy. Agency members and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.

APPROVED DECEMBER 2015

DEFENSE AND INDEMNIFICATION POLICY

The Corporation shall defend and indemnify all members and directors of the Corporation, including each officer and employee thereof, in accordance with provisions for such defense and indemnification set forth with specificity in the By-laws of the Corporation and, to the extent authorized by the Corporation, each other person authorized to act for the Corporation to the full extent to which such indemnification is permitted under the General Municipal Law of the State of New York.

DISPOSITION OF REAL AND PERSONAL PROPERTY GUIDELINES

SECTION 1. DEFINITIONS

- A. "Contracting Officer" shall mean the person responsible for the disposition of property of the Corporation (the "Corporation") and such person shall be the Executive Director of the Corporation.
- B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York Public Authorities Law.
- C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, real property regardless of value and any other interest in property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

- A. The Corporation shall:
 - 1. maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
 - 2. periodically inventory such property to determine which property may be disposed of;
 - 3. produce a written report of such in accordance with subsection B herewith; and
 - 4. transfer or dispose of such property as promptly as possible in accordance with this Policy.
- B. The Corporation shall:
 - 1. publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and

2. shall deliver copies of such report to all agencies required by law including the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, the Director of the Authority Budget Office and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

- A. **Supervision and Direction.** Except as otherwise provided herein, the Contracting Officer shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid purpose.
- B. **Custody and Control.** The custody and control of Corporation property, pending its disposition, shall be performed by the Contracting Officer.
- C. **Method of Disposition.** Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation or the Contracting Officer deems proper. The Contracting Officer may execute such documents for the transfer of title or other interest in property and take such other action as is necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.
- D. **Validity of Deed, Bill of Sale, Lease, or Other Instrument.** A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to transfer of title of such property.
- E. **Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.**
 1. Except as permitted by applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (3) of this Subsection E.

2. Whenever public advertising for bids is required under subsection (1) of this Subsection E:
 - a. the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;
 - b. all bids shall be publicly disclosed at the time and place stated in the advertisement; and
 - c. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.

3. Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (1) and (2) of this Subsection E but subject to obtaining such competition as is feasible under the circumstances, if:
 - a. the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or the personal property is to be sold in such quantity that, if it were disposed under subsections (1) and (2) of this Subsection E, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;
 - b. the fair market value of the property does not exceed fifteen thousand dollars;
 - c. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
 - d. the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or
 - e. the disposal is made pursuant to Subsection E(4) below.

4. Disposal of Property for Less than Fair Market Value. No asset owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - a. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity; or
 - b. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
 - c. such action is otherwise authorized by law.

5. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Members of the Corporation and the public:
 - a. a full description of the asset;
 - b. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Corporation;
 - c. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 - d. a statement of the value to be received compared to the fair market value;
 - e. the names of any private parties participating in the transfer, and if different than the statement required by subsection d of this Section, a statement of the value to the private party; and
 - f. the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
 - g. before approving the disposal of any property for less than fair market value, the members of the Corporation shall consider the information described in this Section and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.

6. An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
 - a. any personal property which has an estimated fair market value in excess of fifteen thousand dollars;
 - b. any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses (c) and (d) of this subparagraph;
 - c. any real property disposed of by lease if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars;
 - d. any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

Each such statement shall be transmitted to the persons or agencies entitled to receive copies of the report required under applicable law not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.

These guidelines are subject to modification and amendment at the discretion of the Corporation and shall be filed annually with all local and state agencies as required under applicable law.

INVESTMENT POLICY

POLICY:

Except as otherwise prohibited or regulated by federal or state law, or regulation, or by court order, the Chief Executive Officer, the Chief Financial Officer or their designees, shall temporarily invest funds of the Corporation, not required for immediate expenditure, in certain acceptable investment instruments as outlined in the guidelines and procedures set forth below. The following objectives, listed in order of priority, shall be followed in the investing of such funds:

1. To provide a level of liquidity to insure the availability of funds for payment to meet obligations of the Corporation or for disbursement otherwise required.
2. To minimize the amount of funds uninvested.
3. To minimize the risk of any potential loss or devaluation of funds invested.
4. To earn a maximum rate of return on funds invested, within the limitations as to types of investments permitted under this policy and the provisions of New York General Municipal Law.

GUIDELINES AND PROCEDURES:

1. Funds to Be Invested

To the extent the Corporation has funds beyond that which are necessary to meet current obligations or for disbursement otherwise required, such funds shall from time to time be invested in acceptable investment instruments.

2. Acceptable Investment Instruments

1) Acceptable investment instruments for the investment of funds are as follows:

- a) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, provided however, that such Certificates of Deposit shall be payable within such time as the proceeds shall be needed to meet expenditures for which such monies were obtained, and provided further that such certificates of deposit be secured in the same manner as provided for securing deposits of public funds by Subdivision 3 of Section 10 of the New York General Municipal Law.
- b) Time Deposit Accounts in a bank or trust company authorized to do business in New York State, provided however, that such Time Deposit Accounts shall be payable within such time as the proceeds shall be needed to meet expenditures for which such monies were obtained and provided further that such time deposit accounts be secured in the same manner as is provided for securing

deposits of public funds by Subdivision 3 of Section 10 of the New York General Municipal Law.

- c) Obligations of agencies of the federal government if principal and interest is guaranteed by the United State.
- d) Obligations of the State of New York.

3. Timing of Investments

The Chief Executive Officer or Chief Financial Officer shall maintain a portfolio of all investments. Investments shall generally mature or otherwise be available for sale or redemption without penalty at such times as funds invested are required for payment to meet obligations of the Corporation, or are otherwise required for disbursement.

4. Collateral Requirements

- 1) Certificate of Deposits and Time Deposit Accounts shall be fully secured to the maximum amount set by the Federal Deposit Insurance Corporation.
- 2) Certificate of Deposits and Time Deposit Accounts with principal value in excess of the amount insured by the Federal Deposit Insurance Corporation, shall be fully secured by eligible securities as that term is defined in Section 10 of the General Municipal Law having in the aggregate a market value at least equal to the aggregate amount of the deposits and Third Party Custodial Agreements shall be entered into with the deposit institution.
- 3) Collateral shall be delivered to and held by the Corporation as part of the investment portfolio or be delivered to a custodial bank or trust company with which the Corporation has a Custodial Agreement. Said Custodial Institution shall provide written confirmation to the Corporation of the obligations held in such institutions as collateral for investments of the Corporation.

5. Custodial Institutions

- 1) The Chief Executive Officer or the Chief Financial Officer shall from time to time, if necessary, enter into contracts with banks or trust companies licensed to do business in New York State to act as custodian of funds owned by the Corporation or of funds pledged as collateral for certificates of deposit or time deposit accounts. Custodians must be member banks of the Federal Reserve Bank or maintain accounts with member banks. A custodial contract shall not be entered into for holding of an investment with the same party from which such investment instrument was acquired without approval of the Corporation. A custodial contract may be entered into with the Trust Department of the seller of the investment instrument provided that the Trust Department is a separate corporate entity. At the request of the Corporation custodial institutions shall

verify collateral held on behalf of the Corporation as property or as collateral for an investment instrument.

6. Financial Strength of Institutions

The financial statements of banks and trust companies with which the Corporation transacts investment business, as set forth in the annual reports of such institutions, shall be reviewed annually by the Corporation to determine the financial strength and or credit worthiness of the institution. The Chief Financial Officer of the Corporation shall report the results of such review in the Corporation's annual Investment Report.

7. Competition for Acquisition and Sale of Investment Instruments

- 1) The Corporation shall endeavor to insure competition amongst interested and eligible institutions for the acquisition or sale of investment instruments and shall make every reasonable effort to solicit by telephone or other electronic device at least three quotations for every investment transaction except for interim investment instruments which may from time to time be necessary to conduct normal day to day business operations of the Corporation.
- 2) The Chief Executive Officer or the Chief Financial Officer shall maintain a file of any confirmations, correspondence, or statement which support investment activity.

8. Report to be Provided

The Chief Executive Officer or the Chief Financial Officer shall prepare annual reports to the members of the Corporation reflecting, as of the last day of such year, an inventory of investment instruments, a listing of investment instruments acquired or redeemed during the year, and a statement of investment income earned for the year and cumulative total interest earned for the year.

9. Internal Controls to be Maintained

The Corporation shall maintain a system of internal controls as set forth in Schedule A hereto which provides for segregation of duties with respect to investment activities, cash receipts, and accounting.

10. Miscellaneous Provisions

The Agency, Chief Executive Officer and Chief Financial Officer may from time to time designate qualified independent contractors, staff or employees to assist in carrying out the provisions of this Policy.

11. Intent

It is the intent of the Corporation that this Investment Policy conform to the requirements of the provisions of Sections 10 and 11 of the New York General Municipal Law, as the same may be amended from time to time, and in the event of any inconsistency between these policies and the provisions of those statutes, the statutory provision shall control and be followed to the fullest extent by the Corporation.

INVESTMENT POLICY SCHEDULE A

The following outlines the policy and procedures used by the Corporation to help ensure financial controls.

All incoming mail is opened by the office manager. Invoices and bank account statements are given to the Executive Director for review. After review, the Executive Director returns the invoices and bank account statements to the office manager.

The office manager is responsible for preparing a voucher that accompanies an invoice for payment. This voucher details the date of payment, payee, expense account description and the amount to be paid. The voucher is reviewed and authorized by an authorized signer.

Authorized signers are determined by the Director. These signers may include the Executive Director (CEO), Chief Financial Officer, Chairman and the Treasurer.

Internal transfers between accounts for routine cash management are processed electronically by the Chief Financial Officer with authorization by one of the signers on the account. Any withdrawals made in person requiring a withdrawal slip shall be authorized by two signers on the account.

All bank accounts shall be reconciled on a monthly basis by the bookkeeper and reviewed by the CFO.

Financial ledgers are available for inspection by the Treasurer as well as the annual external independent auditor.

PERSONNEL AND WHISTLEBLOWER POLICY

I. PERSONNEL POLICY

The Corporation has no paid employees. Employees of the Cortland County Business Development Corporation, a separate but affiliated economic development entity, provide uncompensated administrative services to the Corporation.

The Corporation may retain the services of independent contractors in accordance with the Corporation's Procurement of Goods and Services Policy and the law including, but not limited to, attorneys, engineers, accountants, book keepers or other professional consultants or service providers. The Corporation may authorize the Executive Director of the Cortland County Business Development Corporation to manage these service providers on its behalf, with regular reports to the Corporation.

II. WHISTLEBLOWER POLICY

All directors, officers and employees of the Corporation shall observe high standards of business and personal ethics in the conduct of their duties and responsibilities. It is the responsibility of all directors, officers and employees to comply with the Code of Ethics and Article 18 of the New York General Municipal Law and to report violations or suspected violations in accordance with this Whistleblower Policy.

The goal of this policy is to set guidelines for reporting as well as protecting directors, officers and employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance or other inappropriate behavior by a director or employee. It is the policy of the Corporation to encourage the reporting by its directors and employees of such improper conduct and to protect directors and employees who have reported such improper conduct in accordance with this policy.

As used in this policy, the following terms shall have the meaning indicated:

"Abuse of authority" means intentional misuse of power or position by a director or employee for an improper purpose.

"Emergency" means a circumstance that if not immediately changed may cause harm or injury to persons or property.

"Good faith" means action taken after a reasonable investigation of facts available to the director or employee and after due consideration and with an honestly held belief that there was improper conduct.

"Gross waste" means intentional misuse of Corporation funds and does not include unintentional errors.

"Improper Action" means any action by a director or employee that is undertaken in the performance of official duties, whether or not the action is within the scope of employment; and that:

- A. Is in violation of any federal, state or local law or rule or any Corporation policy
- B. Is an abuse of authority with substantial adverse impact to the Corporation
- C. Is a substantial and specific danger to the public health or safety
- D. Is a gross waste of Corporation funds

Improper Action does not include personnel actions including, but not limited to, employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, reemployments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, violations of applicable collective bargaining and civil service laws, alleged labor agreement violations, reprimands, or any other personnel action taken under authority of federal or state law.

"Retaliatory action" means any adverse change in a director's or employee's status or in the terms and conditions of such position held based on the reporting by the individual of an Improper Action.

"Rule" means any order, directive, or regulation, the violation of which subjects a person to a penalty or administrative sanction.

Procedures

Directors, officers or employees who obtain knowledge of facts demonstrating Improper Action should raise the issue first with the Executive Director or the Chairman of the Corporation, as appropriate. If requested, the person shall submit a written report stating in detail the basis for the belief that an Improper Action has occurred. In the case of an emergency, the person may report the Improper Action directly to a person or entity that is not the Executive Director or the Chairman of the Corporation, but provides oversight to the Corporation. Personnel who fail to make a good-faith attempt to follow this policy in reporting Improper Actions shall not receive the protections provided under this policy. Personnel who make false reports shall be subject to disciplinary procedures.

The Executive Director, the Chairman of the Corporation or the Corporation's designee, as the case may be, shall take prompt action to assist in properly investigating the report of Improper Action. All persons involved in the investigation shall keep the identity of the reporting person confidential to the extent possible under the law, unless the person authorizes the disclosure of his or her identity in writing. After an investigation has been completed, the person reporting the Improper Action shall be advised of the results of the investigation, except for personnel actions taken as a result of the investigation, which may be kept confidential.

Directors, officers and employees are prohibited from taking retaliatory actions against any person because he or she has in good faith reported an Improper Action in accordance with this policy. Any Director, officer or employee who chooses to retaliate against someone who has reported Improper Action shall be subject to disciplinary action which may include termination of employment.

PROCUREMENT OF GOODS AND SERVICES POLICY

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this document is to outline the procurement policy (the "Policy") of the Corporation applicable to the procurement of goods and services paid for by the Corporation for its own use and benefit. The law requires that goods and services must be procured by the Corporation in such a manner so as to assure the prudent and economic use of public funds, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

SECTION 2. SECURING GOODS AND SERVICES. Each action taken in connection with each procurement must be supported by documentation. When an award is made to other than to the lowest responsible offer, the determination to make the award must be supported by documentation that justifies the award and sets forth the reasons why the award furthers the purposes of this Policy and the provisions of Section 104-b of the New York General Municipal Law.

SECTION 3. METHOD OF PURCHASE. The following method of purchase will be used when required by this Policy in order to achieve the highest quality and lowest cost:

Amount of Purchase

Method Required

\$1,000 - \$5,000

Informal quotations will be obtained to achieve a reasonable competitive price. The Corporation shall solicit such informal quotations utilizing sources most likely to identify the highest quality and lowest price of the particular good or service including, but certainly not limited to, newspaper and magazine advertisements, internet searches, catalogs, chamber of commerce recommendations and the prior experience of the Corporation. The Corporation shall create and maintain a written or digital record of the informal quotations solicited and received for such purchases.

More than \$5,000

At least 3 written quotations in response to a written request for proposals shall be required.

Number of Proposals or Quotations. A good faith effort shall be made to obtain the required number of proposals or quotations. If the Corporation is unable to obtain the required number of proposals or quotations, the Corporation will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement of the good or service.

Documentation. Documentation is required for each action taken in connection with each procurement. Documentation and an explanation are required whenever a contract is awarded to other than the lowest responsible offer.

SECTION 4. CIRCUMSTANCES WHERE SOLICITATION OF ALTERNATIVE PROPOSALS AND QUOTATIONS ARE NOT IN THE BEST INTEREST OF THE CORPORATION

Pursuant to Section 104-b(2)(f) of the General Municipal Law, this policy may contain circumstances when, or types of procurement for which, in the sole discretion of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following circumstances, it may not be in the best interests of the Corporation to solicit quotations or document the basis for not accepting the lowest bid:

- (A) Professional and Contracted Services. Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgment, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation, e.g., legal and accounting services, impact liability issues of the Corporation and its directors. These qualifications and the concerns of the Corporation regarding its liability and the liability of its directors are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (a) whether the services are subject to state licensing or testing requirements; (b) whether substantial formal education or training and experience is a necessary prerequisite to the performance of the services. Professional or technical services shall include but not be limited to the following: services of an attorney; services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; management of Corporation-owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of prepackaged software.

- (B) Emergency Purchases. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits.

(C)Purchases of Secondhand Goods. Purchases of surplus and second-hand goods from any source. If alternate proposals were required, the Corporation would be precluded from purchasing surplus and second-hand goods at auctions or through specific advertising sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.

(D)Goods or Services Under \$1,000. The time and documentation required to purchase through this Policy may be more costly than the item itself and would therefore not be in the best interests of the Corporation or the taxpayer. In addition, it is not likely that such minimal contracts would be awarded based on favoritism.

(E)Buy Local. Reasonable preference will be given to making purchases locally and regionally.

SECTION 5. POLICY REVIEW. The law requires that this Policy be reviewed by the Corporation annually and any amendments will be approved by the Corporation.

REAL PROPERTY ACQUISITION POLICY

Introduction

The following policy sets forth for the Corporation its operative policy and instructions regarding its acquisition of real property.

I. Acquisitions

Real property may be purchased, leased or otherwise acquired by the Corporation for purposes of use, resale, leasing or otherwise as long as such acquisition and accompanying purpose shall be in furtherance of the Corporation's purposes, policies and goals. The Contracting Officer for all real property acquisitions shall be the Executive Director of the Corporation.

II. Approvals

The Executive Director shall first make a determination that a particular real property acquisition is in furtherance of the Corporation's purposes and is otherwise important and necessary to the Corporation. The Executive Director shall approve the initial terms and conditions of the real property acquisition which terms and conditions shall be expressly subject to the approval of the Directors of the Corporation and, if necessary, a satisfactory real property appraisal as set forth herein. The Executive Director shall put forth the proposed real property acquisition and the terms and conditions thereof to the Directors of the Corporation for their consideration and approval. All acquisitions of real property by the Corporation must be approved by the Directors.

III. Appraisal

For all real property acquisitions with a purchase price of \$100,000.00 or more, following the approval of the Directors of the Corporation to such real property acquisition as described herein, the Corporation shall obtain an appraisal of the real property to be acquired from a real estate appraiser duly licensed in the State of New York and with experience appraising the particular type of real property being acquired by the Corporation. In the event the purchase price for the real property exceeds the appraised value by more than 15%, the Corporation must either:

- A. Not acquire the real property; or
- B. Renegotiate the purchase price to an amount within 15% of the appraised value and acquire the real property; or
- C. Make a determination at a subsequent meeting of the Corporation that, notwithstanding the appraised value, the Corporation will still proceed with the real property acquisition at the stated purchase price as such acquisition is vitally important to the Corporation's purpose and is otherwise important and necessary to the Citizens of Cortland County.

TRAVEL POLICY

Section 1. APPLICABILITY. This policy shall apply to every member of the Board of Directors of the Corporation and all officers and employees thereof.

Section 2. APPROVAL OF TRAVEL. All official travel for which a reimbursement will be sought must be approved by the Executive Director prior to such travel. Provided, however, in the instance where the Executive Director will seek reimbursement for official travel, such travel must be pre-authorized by the Chairman of the Board.

Section 3. PAYMENT OF TRAVEL. The Corporation will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any director, officer or employee as a result of the performance of their official duties. All official travel shall be properly authorized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by, the Corporation. It is the traveler's responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

Section 4. TRAVEL EXPENSES. Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi or using alternative transportation. The traveler will be reimbursed at a standard mileage reimbursement rate as set by the Internal Revenue Service.

Section 5. Documentation. A travel expense voucher reporting all expenses pertaining to a particular approved trip must be submitted to the Chief Financial Officer of the Corporation within 45 days of the end of the trip.

(a) The travel expense voucher should include:

- (i) Date and time of departure from and return to the Corporation or traveler's residence;
- (ii) Purpose of the travel or the nature of the business benefit derived as a result of the travel;
- (iii) Whether or not the expenses incurred during the travel were pre-approved; and (iv) The amount of each expenditure, listed by date and location.

(b) Receipts: The original of the following receipts must be submitted along with the travel expense voucher:

- (i) All travel tickets (i.e. airline tickets, train tickets, rental car agreement);
- (ii) All meal receipts (i.e. signed credit card slips or payment stubs); and (iii) All lodging receipts (i.e. hotel, motel receipts).

(c) Final Approval: The Chief Financial Officer shall review each travel expense voucher in order to ensure that the traveler has provided adequate substantiation and to determine whether the expenses listed therein are reasonable. The Chief Financial Officer may require a traveler to submit additional substantiation and, if the Chief Financial Officer finds a particular expense to be unreasonable (either as to amount or purpose), the Chief Financial Officer may deny reimbursement of the expense or reduce the amount of the reimbursement for such expense.