

**CORTLAND COUNTY BUSINESS DEVELOPMENT CORP.
DISCRETIONARY FUNDS POLICY
DECEMBER 2019**

Section 1. Purpose and Applicability. This Discretionary Funds Policy (the "Policy") shall apply to every member of the Cortland County Business Development Corp. ("Corporation") and all officers and employees thereof. The purpose of this policy is to address the proper use of the Corporation's discretionary funds. This Policy is adopted in accordance with Opinion No. 2007-F4 of the Office of the Attorney General, section 2824(1)(b) of the Public Authorities Law and the Authorities Budget Office Recommended Governance Practice encouraging all state and local authorities to adopt a policy which specifically delineates the proper use of an authority's discretionary funds.

Section 2. Use of Discretionary Funds. The expenditure of Corporation funds must be related to an enumerated power, duty or purpose of the Corporation. Corporation funds may not be spent in a manner that supports the private or personal interests of any member, officer or employee or benefits any member, officer or employee individually.

Section 3. Prior Approval. All expenditures of discretionary Funds shall be approved by the Chief Executive Officer prior to such expenditure and shall fall within the Corporation's current budget allocations. Provided, however, in the instance where the Executive Director seeks an expenditure of discretionary funds, such expenditure must be authorized by the Chairman. The Executive Director or the Chairman, as the case may be, shall review the proposed expenditure and approve such expenditure only if it (i) primarily benefits the Corporation as opposed to an individual member, officer or employee; (ii) advance a power, duty or purpose of the Corporation; and (iii) is reasonable and necessary.

Section 4. Appropriate Expenditure Guidance.

- (a) **Membership Dues.** Membership dues paid by the Corporation to belong to a professional peer organization is a permissible use of Corporation funds. However, individual membership costs for board members, officers and employees to belong to a professional, social, or fraternal organization whereby the membership is of the primary benefit to the individual rather than the Corporation, should not be an Corporation expenditure.
- (b) **Charitable Contributions and Sponsorships.** The appropriateness of any sponsorship or charitable contribution will depend on whether it relates to the powers, duties and purposes of the Corporation and whether such expenditure will advance the Corporation's core mission and public purposes.
- (c) **Food and Beverages.** With the exception of food and beverage purchases during business travel as provided in the Corporation's Travel Policy, purchases of food and beverages for the personal consumption of members, officers or employees shall not be considered appropriate use of the Corporation discretionary funds. However,

expenditures for food and beverages purchased for or during the conduct of Corporation meetings and conduct of business with persons that do, or may do, business with the Corporation may be an appropriate expenditure of the Corporation discretionary funds, provided the expense is reasonable in light of the circumstances surrounding the Corporation activity and is approved as set forth herein.

- (d) Professional Training and Conferences. Paying the costs to attend training or professional conferences may be an appropriate expenditure of Corporation discretionary funds, provided it is approved as set forth herein.
- (e) Marketing. Paying costs incurred in the course of marketing the Corporation and the Cortland County region to business prospects and maintaining relations with existing industries, businesses and supporting partners in furtherance of the Corporation's mission is an appropriate expenditure of Corporation discretionary funds, provided it is approved as set forth herein.

Section 5. Improper Uses of Discretionary Funds. Corporation discretionary funds shall not be used for any expense intended to personally benefit a member, employee, or officer. Examples of improper uses of discretionary funds include flowers or gifts for staff, directors, or family members, holiday cards or celebrations for special occasions that do not directly relate to a public purpose of the Corporation.