

ST. LAWRENCE COUNTY. INDUSTRIAL DEVELOPMENT AGENCY
POLICY GOVERNING USE OF DISCRETIONARY FUNDS
GOVERNANCE REVIEW/APPROVAL: JANUARY 31, 2013
BOARD REVIEW/APPROVAL: FEBRUARY 27, 2013
RESOLUTION NO. IDA-13-02-03

A. Introduction

1. **Scope:** In accordance with Section 2824(1)(b) of Public Authorities Law, authority directors must understand, review and monitor the implementation of fundamental financial and management controls and the operation decisions of the authority.
2. **Purpose:** Pursuant to Public Authorities Law, the primary objective of this policy is to ensure that the assets and resources of the St. Lawrence County Industrial Development Agency (the "SLCIDA") are safeguarded and protected against the use of funds for purposes that do not advance the SLCIDA's core purpose and objectives.
3. This policy, along with the SLCIDA's Travel and Miscellaneous Expense Reimbursement Policy, should provide reasonable guidance to ensure the responsible use of discretionary funds.

B. Discretionary Funds

1. **Use of Discretionary Funds:** The expenditure of SLCIDA funds must relate to a power, duty or purpose of the SLCIDA, and/or be necessary and convenient to carry out its powers, duties and purposes. Therefore, the use of discretionary funds shall be limited to expenditures that benefit the SLCIDA in advancing its mission and public purposes. Discretionary funds shall not be used in a manner that primarily benefits individual board members, officers, or employees.
2. **Prior Approval:** All expenditures of discretionary funds shall be approved by the Chief Executive Officer prior to such expenditure and fall within Annual Budget Allocations. Provided, however, in the instance where the Chief Executive Officer will seek an expenditure of discretionary funds, such expenditure shall be pre-authorized by the Chairman or Vice-Chairman of the SLCIDA.

The Chief Executive Officer (or Chairman or Vice-Chairman) as the case may be, shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits the SLCIDA as opposed to an individual board member, officer or employee and (ii) advances the mission and public purpose of the SLCIDA. Scrutiny of all expenses shall be guided by judgment related to the relevance of such costs and the benefits which may accrue from such activities.

3. **Appropriate Expenditure Guidance:**
 - a. **Membership Dues:** Membership dues paid for the SLCIDA to belong to a professional peer organization is a permissible use of SLCIDA funds. Individual membership costs which enable board members, officers and employees to belong to a professional, social or fraternal organization and where the membership is of and the primary benefit is to, the individual rather than the SLCIDA, shall not be an appropriate use of discretionary funds.

- b. **Charitable Contributions and Sponsorships:** Expenditures for sponsorships or charitable contributions shall be permissible when they relate to the powers, duty and purposes of the SLCIDA, and whether such expenditure will advance the SLCIDA's core mission and public purposes.
- c. **Food & Beverages:** With the exception of food and beverages purchased during business travel and under those circumstances outlined in the SLCIDA's **Travel and Miscellaneous Expense Reimbursement Policy**, expenditures for food and beverages for the personal consumption of board members, officers and employees shall not be considered an appropriate use of SLCIDA discretionary funds.
- d. **Professional Training, Certification and Licensing:** Reasonable costs associated with attendance at training related to the acquisition and maintenance of certifications or licenses, or to attend professional conferences, may be appropriate expenditures of SLCIDA discretionary funds, provided that the certifications and licenses clearly enable the SLCIDA to more effectively exercise its powers, duties or purposes.
- e. **Marketing:** Expenses incurred in the course of marketing our area to prospects and relations with existing industries and businesses and supporting partners in furtherance of the SLCIDA's mission will be an appropriate expenditure of SLCIDA funds.
- f. **Other Examples of Inappropriate Use of SLCIDA Discretionary Funds:**
 - i. Flowers and gifts for staff, directors or family members.
 - ii. Subsidized or free use of SLCIDA services for the personal use of current or former board members, staff, or family members of staff.
 - iii. Celebrations for special occasions that do not directly relate to the purpose of the SLCIDA, such as catering or decorations for summer picnics, office parties or holiday or retirement parties.
 - iv. Purchases of alcohol or tobacco products.
 - v. Personal use of SLCIDA owned/leased vehicles.
 - vi. Costs to purchase or mail holiday cards or invitations or expressions of sympathy to staff or families of SLCIDA staff.
 - vii. Assignment of cellular phones or vehicles to non-SLCIDA officers or staff.