

Policy No. 12

ECONOMIC DEVELOPMENT CORPORATION DISCRETIONARY FUND POLICY

- 1) **APPLICABILITY AND PURPOSE** – This Discretionary Funds Policy (the “policy”) of EDC Warren County (EDC) shall apply to every member of the Board of EDC and all directors, officers, and employees thereof. The purpose of this Policy is to regulate the expenditure and use of EDC funds. This Policy is adopted in accordance with and pursuant to the Public Authorities Accountability Act of 2005, specifically Section 2824 of the Public Authorities Act and Opinion No. 2007-F4 of the Office of the Attorney General.

- 2) **USE OF DISCRETIONARY FUNDS** – The expenditure of EDC funds must relate to an enumerated power, duty or purpose of the EDC. Therefore, the use of discretionary funds shall be limited to expenditures that benefit the EDC in advancing its mission and public purposes. Discretionary funds shall not be used in a manner that primarily benefits the individual board member, officer or employee.

- 3) **PRIOR APPROVAL** – All expenditures of discretionary funds shall be approved by the Board of Directors prior to expenditure and fall within the current budget allocations. The Board of Directors shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits the Agency as opposed to an individual board member, officer or employee and (ii) advances the mission and public purpose of the EDC. Scrutiny of all expenses will be guided by judgment relating to the relevance of such costs and the benefits which may accrue from such activities.

- 4) **APPROPRIATE EXPENDITURE GUIDANCE**
 - a. **Membership Dues** – Membership dues paid by the EDC to belong to a professional peer organization is permissible use of EDC 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 and the primary benefit is to, the individual rather than the EDC, should not be an EDC expenditures.
 - b. **Charitable Contributions & Sponsorships** – The appropriateness of such sponsorship or charitable contribution will depend on whether it relates to the powers, duty and purposes of the EDC, and whether such expenditure will advance the EDC’s mission and public purpose.
 - c. **Food & Beverages** – With the exception of food and beverages purchases during business travel as provided herein, expenditures of food and beverages for the personal consumption of board members, officers and employees should not be considered an appropriate use of EDC discretionary funds. Provided, however, expenditures for food

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

- d. Professional Training, Certification and Licensing – Paying the costs to attend training to maintain certifications or licenses or to attend professional conferences may be an appropriate expenditure of EDC discretionary funds.
- e. Marketing – Expenses incurred in the course of marketing our area to prospects and relation with existing industries and businesses and supporting partners in the furtherance of our mission are an appropriate expenditure of EDC discretionary funds.

Affirmed March 20, 2020