

**SARATOGA COUNTY PROSPERITY PARTNERSHIP, INC.  
DISCRETIONARY FUNDS POLICY**

A. Introduction

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.

Purpose: Pursuant to Public Authorities Law, the primary objective of this policy is to ensure that the assets and resources of the Saratoga County Prosperity Partnership, Inc. (the "Corporation") are safeguarded and protected against the use of funds for purposes that do not advance the Corporation's core purposes and objectives.

This policy, along with the Corporation's Travel and Reimbursement Policy, should provide reasonable guidance to ensure the responsible use of discretionary funds.

B. Discretionary Funds

Use of Discretionary Funds: The expenditure of Corporation funds must relate to a power, duty or purpose of the Corporation, 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 Corporation 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.

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, in accordance with the Corporation's Travel and Reimbursement Policy. 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 his or her designee, in accordance with the Corporation's Travel and Reimbursement Policy.

The Chief Executive Officer (or Chairman) as the case may be, shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits the Corporation as opposed to an individual board member, officer or employee and (ii) advances the mission and public purpose of the Corporation. 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.

Appropriate Expenditure Guidance:

a. Membership Dues: Membership dues paid for the Corporation to belong to a professional peer organization is a permissible use of Corporation 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 Corporation, 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 Corporation, and whether such expenditure will advance the Corporation's core mission and public purposes.

c. Food, Beverages and Social Expenses: With the exception of food, beverages and social expenses incurred during business travel and under those circumstances outlined in the Corporation's Travel and 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 Corporation discretionary funds. The foregoing shall include all expenses incurred for dining, alcohol and/or entertainment (herein, "Social Expenses"). Such Social Expenses may be incurred by or for the benefit of board members, officers and employees of the Corporation, as well as for client and potential clients of the Corporation. The Corporation will not pay, either by Corporation-issued credit card or traveler reimbursement, for the purchase of alcohol except for the limited circumstances outlined herein. The purchase of alcohol may only be undertaken where a Corporation Board member or employee is engaged in a business-related working meal with a business client or prospective Corporation staff candidate.. Any receipt for payment by Corporation credit card or for reimbursement must be a supplier-generated, itemized receipt. A business client is defined as a potential customer or client qualified on the basis of his/her buying authority and financial capacity who may potentially locate or expand a business operation within Saratoga County, or who may apply for financial assistance from the Saratoga County IDA to locate or expand a business operation within Saratoga County. For purposes of Corporation-sponsored events, the Board from time to time may by prior authorization permit the sponsorship of events where alcohol may be served for the benefit of business clients or the general public, however, any such service of alcoholic beverages must be provided through a duly licensed vendor or establishment.

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 Corporation discretionary funds, provided that the certifications and licenses clearly enable the Corporation 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 Corporation's mission will be an appropriate expenditure of Corporation funds.

f. Other Examples of Inappropriate Use of Corporation Discretionary Funds:

- i. Flowers and gifts for staff, directors or family members.
- ii. Subsidized or free use of Corporation 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 Corporation, such as catering or decorations for summer picnics, office parties or holiday or retirement parties.

iv. Purchases of alcohol outside of the parameters set forth herein, or any tobacco products.

v. Personal use of Corporation owned/leased vehicles.

vi. Costs to purchase or mail holiday cards or invitations or expressions of sympathy to staff or families of Corporation staff.

vii. Assignment of cellular phones or vehicles to non-Corporation officers or staff.

Approved and Adopted April 23, 2018