

Jefferson County Industrial Development Agency

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www.jcida.com

TO: JCIDA Governance Committee
W. Edward Walldroff, Chair
Paul Warneck
Bill Johnson

FROM: Donald Alexander, CEO

DATE: August 27, 2020

SUBJECT: Governance Committee Meeting Notice via Zoom

A JCIDA Governance Committee meeting has been scheduled via zoom for **Thursday, September 3, 2020 at 9:45 a.m.**

The purpose of the meeting is to review the bylaws, mission statement/performance measurements, and current policies/procedures.

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

Zoom meeting information below:

Join Zoom Meeting

<https://zoom.us/j/6202741706?pwd=RnFGSFJuRII1dkg1MXFrYmtscKhvZz09>

Meeting ID: 620 274 1706

Password: 800

1 929 205 6099 US (New York)

Thank you.

pss

c: David Zembiec
David Converse
Rob Aliasso
John Jennings
Lisa L'Huillier
Kent Burto
Greg Gardner
Christine Powers
Media

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
GOVERNANCE COMMITTEE MEETING via Zoom
Thursday, September 3, 2020
9:45 AM

AGENDA

- I. Review Current Bylaws
- II. Proposed Mission Statement/Proposed Performance Measurements
- III. Review Current Policies and Procedures
 - a. Adaptive Reuse Determination
 - b. Audit and Finance Committee Charter
 - c. CEO and CFO Annual Report Certification
 - d. Certification of No Conflict of Interest & Jefferson County Financial Disclosure Form
 - e. Code of Ethics Policy
 - f. Compensation, Reimbursement and Attendance Policy
 - g. Defense and Indemnification Policy
 - h. Discretionary Funds Policy
 - i. Disposition of Real Property Guidelines
 - j. Equal Employment Opportunity Policy
 - k. Evaluative Criteria Project Type Listing and Matrix
 - l. Extension of Credit to Board Members and Officers
 - m. Fixed Asset Policy
 - n. Governance Committee Charter
 - o. Independent Director Certification
 - p. Investment Policy with Financial Internal Control System
 - q. Lending/Collection Policy and Procedures
 - r. Policy Regarding Possession and Use of Agency-Issued Electronic Equipment
 - s. Post Issuance Compliance Procedures
 - t. Procurement Policy
 - u. Real Property Acquisition Guidelines
 - v. Recapture Policy & flow chart
 - w. Records Retention and Disposition Schedule MI-1
 - x. Rules for Public Hearings Conducted by the Agency
 - y. Travel Policy
 - z. Uniform Guidance – Internal Controls
 - aa. Uniform Tax Exemption Policy
 - bb. Whistleblower Policy
- IV. Other
- V. Adjourn

**BYLAWS
OF THE
JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**
Adopted April 7, 2011
Amended December 1, 2011
Amended April 5, 2012
Amended October 4, 2012
Amended August 29, 2013
Amended October 5, 2017
Reviewed October 3, 2019

ARTICLE I - THE AGENCY

Section 1. NAME. The name of the Agency shall be "The Jefferson County Industrial Development Agency" (JCIDA).

Section 2. MISSION STATEMENT. To advance the job opportunities, health, general prosperity, and economic welfare of the people of the County and to improve their recreation opportunities, prosperity and standard of living.

Section 3. SEAL OF AGENCY. The seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.

Section 4. OFFICE OF AGENCY. The office of the Agency shall be at 800 Starbuck Avenue, Suite 800 in the City of Watertown, New York, but the Agency may have other offices at such other places as the Agency may from time to time designate by resolution.

Section 5. FISCAL YEAR. The fiscal year of the Agency shall commence on the first day of October of each year and end on the last day of September.

ARTICLE II - BOARD OF DIRECTORS

Section 1. BOARD MEMBER APPOINTMENTS. There shall be seven board members for the JCIDA. All board member appointments are made by the Jefferson County Board of Legislators (JCBOL). All board members shall serve at the pleasure of the JCBOL.

Section 2. - RESIGNATIONS AND REMOVAL OF DIRECTORS.

(a) Any Director of the Agency may resign at any time by giving written notice to the Chairman or the Secretary. The resignation by or removal of a member of the Agency from the Agency board shall have the effect of resignation or removal of that Director of the Agency. Any such resignation shall take effect at the time specified

therein or, if no time is specified, then on delivery. Acceptance of the resignation shall not be necessary to make it effective.

ARTICLE III - OFFICERS

Section 1. OFFICERS. The officers of the Agency shall be a Chairman, a Vice Chairman, a Secretary, a Treasurer, and at the option of the Agency, an Assistant Secretary, and an Assistant Treasurer.

Section 2. CHAIRMAN. The Chairman shall preside at all meetings of the Agency. Except as otherwise authorized by resolution of the Agency the Chairman or board approved designee shall sign all agreements, contracts, deeds, and any other instruments of the Agency. At each meeting the Chairman or board approved designee shall submit such recommendations and information as he/she may consider proper concerning the business, affairs and policies of the Agency.

Section 3. VICE CHAIRMAN. The Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman; and in case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman until such time as the Agency shall appoint a new Chairman.

Section 4. SECRETARY. The Secretary shall review the records of the Agency, and shall review the record keeping procedures of the Agency and storage of such records. The Secretary shall ensure that the seal of the Agency is stored in a safe place and he/she, except as otherwise authorized by resolution of the Agency, shall have power to affix such seal to all contracts and other instruments authorized to be executed by the Agency.

Section 5. ASSISTANT SECRETARY. The Assistant Secretary shall perform the duties of the Secretary in the absence or incapacity of the Secretary; and in the case of the resignation or death of the Secretary, the Assistant Secretary shall perform such duties as are imposed on the secretary until such time as the Agency shall appoint a new Secretary.

Section 6. TREASURER. The Treasurer shall oversee the care and custody of all funds of the Agency. The Treasurer or board approved designee shall sign all instruments of indebtedness, all orders, and all checks for the direction of the Agency. Except as otherwise authorized by resolution of the Agency, all such instruments of indebtedness, orders and checks shall be counter-signed by the Chairman. Treasurer shall oversee with the Comptroller regular books of accounts showing receipts and expenditures, and shall render to the Agency at each regular meeting an account of his transactions and also of the financial condition of the Agency. He/she shall give such bond for the faithful performance of his duties as the Agency may determine.

Section 7. ASSISTANT TREASURER. The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the treasurer; and in case of

resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Agency shall appoint a new Treasurer. He/she shall give such bond for the faithful performance of his duties as the Agency may determine.

Section 8. ADDITIONAL DUTIES. The officers of the Agency shall perform such other duties and functions as may from time to time be required by the Agency, by the bylaws of the Agency, or by the rules and regulations of the Agency.

Section 9. APPOINTMENT OF OFFICERS. All officers of the Agency are appointed by the Board of Directors as recommended by the Nominating Committee.

Section 10. VACANCIES. Should any office become vacant, the Agency shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.

ARTICLE VI - MEETINGS

Section 1. ANNUAL MEETING. The annual meeting of the Agency shall be held at the first meeting of the fiscal year.

Section 2. REGULAR MEETINGS. Regular meetings of the Agency may be held at such times and places as from time to time may be determined by resolution of the Agency.

Section 3. SPECIAL MEETINGS. The Chairman or CEO of the Agency may, when he/she deems it desirable, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Agency or may be mailed, faxed or e-mailed to the business or home address of each member of the Agency at least two days prior to the date of such special meeting. Waivers of notice may be signed by any members failing to receive a proper notice. At such the call, but if all the members of the Agency are present at special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

Section 4. QUORUM. At all meetings of the Agency, a majority of the members of the Agency shall constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until the quorum is obtained.

Section 5. ORDER OF BUSINESS. At the regular meetings of the Agency the following shall be the order of business.

1. Call to Order
2. Pledge of Allegiance

3. Privilege of the Floor
4. Approval of the Minutes of the previous meeting
5. Treasurer's Report
6. Committee Reports
 - Executive Committee
 - Governance Committee
 - Loan Review Committee
 - Audit/Finance Committee
 - Nominating Committee
7. Unfinished Business
8. New Business
9. Counsel
10. Adjournment

All resolutions shall be in writing and shall be copied in a journal of the proceedings of the Agency.

Section 6. MANNER OF VOTING. The voting on all questions coming before the Agency shall be by consensus requiring a majority to pass or deny an action.

ARTICLE V - COMMITTEES

Section 1. EXECUTIVE COMMITTEE. The Executive Committee shall consist of the officers of the Agency. The Executive Committee shall exercise the powers of the Board of Directors in the interim between meetings of the directors with general power to discharge the duties of the Board of Directors except as such power from time to time may be limited by the Board.

A majority of the Executive Committee shall constitute a quorum for the transaction of business.

The Executive Committee shall keep books of separate minutes and report their action at the next meeting of the Board of Directors or as often as they may be required by the Board.

Section 2. GOVERNANCE COMMITTEE. The Governance Committee shall be appointed by the Chairman and approved by the Board of Directors. The purpose of the committee is to (a) keep the Board informed of current best practices in corporate governance, (b) review corporate governance trends for applicability to the JCIDA, (c) update the JCIDA's corporate governance principles and governance practices, and (d) advise the Jefferson County Board of Legislators on the skills, qualities and professional or educational experiences necessary to be effective Board members. The Governance Committee shall be comprised of at least three members that are well versed in these areas of Corporate Governance.

Section 3. LOAN REVIEW COMMITTEE. The Loan Review Committee shall be appointed by the Chairman and approved by the Board of Directors. The purpose of the Loan Review Committee is to follow the adopted Lending Policy to review applications and business plans and make recommendations to the Board of Directors for loans and other incentives such as lease-leasebacks and PILOTs.

Section 4. AUDIT COMMITTEE. The Audit Committee shall be appointed by the Chairman and approved by the Board of Directors. The purpose of the committee is to (a) assure that the authority's board fulfills its responsibilities for the authority's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (b) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors. The Audit Committee shall be comprised of at least 3 members.

Section 5. NOMINATING COMMITTEE. The Nominating Committee shall be appointed by the Chairman and approved by the Board of Directors. The purpose of the Nominating Committee is to recommend officers for the Agency to be appointed at the regular monthly meeting of the Agency prior to the start of each fiscal year.

Section 6. FINANCE COMMITTEE. The Finance Committee shall be appointed by the Chairman and approved by the Board of Directors. It will review the Agency's budgets, proposals, and contracts. The Committee shall be composed of no less than three and no more than five members.

Section 7. AD HOC COMMITTEES. The Ad Hoc Committee(s) shall be appointed by the Chairman and approved by the Board of Directors. The Ad Hoc Committee(s) may be formed as needed at any regular meeting of the Agency.

ARTICLE VI - INDEMNIFICATION

Section 1. Authorized Indemnification. Unless clearly prohibited by law or Section 2 of this Article, the Agency shall indemnify, defend and hold harmless any person ("Indemnified Person") made, or threatened to be made, a party in any action or proceeding, whether civil or administrative, investigative or otherwise, including any action by or in the right of the Agency, by reason that he or she, whether before or after adoption of this Section, (a) is or was a Member or officer of the Agency, or (b) is serving or served, in any capacity, at the request of the Agency, as a Member or officer of any affiliate of the Agency. The indemnification shall include, but shall not be limited to, all judgments, fines, penalties, amounts paid in settlement (provided the Agency shall have consented to such settlement) and reasonable expenses, including attorneys' fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.

Section 2. Prohibited Indemnification. The Agency shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Members in good faith determine, that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained a financial profit or other advantage to which he or she was not legally entitled.

Section 3. Advancement of Expenses. The Agency shall, on request of any Indemnified Person who is or may be entitled to be indemnified by the Agency, pay or promptly reimburse the Indemnified Person's reasonably incurred expenses in connection with a threatened or actual action or proceeding prior to its final disposition. However, no such advancement of expenses shall be made unless the Indemnified Person makes a binding, written commitment to repay the Agency, with interest, for any amount advanced for which it is ultimately determined that he or she is not entitled to be indemnified under the law or Section 2 of this Article. An Indemnified Person shall cooperate in good faith with any request by the Agency that common legal counsel be used by the parties to such action or proceeding who are similarly situated unless it would be inappropriate to do so because of actual or potential conflicts among the interests of the parties.

Section 4. Indemnification of Others. Unless clearly prohibited by law or Section 2 of this Article, the Agency may approve indemnification as set forth in this Article for a person who is or was employed by the Agency or who is or was a volunteer for the Agency, and who is made, or threatened to be made, a party in any action or proceeding, as the result of such employment or volunteer activity.

Section 5. Determination of Indemnification. Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court the Members shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these By-laws. Before indemnification can occur the Members must explicitly find that such indemnification will not violate the provisions of Section 2 of this Article. No Member with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Members is not obtainable, the Members shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these By-laws.

Section 6. Binding Effect. Any person entitled to indemnification under these By-laws has a legally enforceable right to indemnification which cannot be abridged by

amendment of these By-laws with respect to any event, action or omission occurring prior to the date of such amendment.

Section 7. Insurance. The Agency is not required to purchase Members' and officers' liability insurance, but the Agency may purchase such insurance if authorized and approved by the Members. To the extent permitted by law, such insurance may insure the Agency for any obligation it incurs as a result of this Article or operation of law and it may insure directly the Members, officers, employees or volunteers of the Agency for liabilities against which they are not entitled to indemnification under this Article as well as for liabilities against which they are entitled or permitted to be indemnified by the Agency.

ARTICLE VII - AMENDMENTS

Section 1. AMENDMENTS TO BYLAWS. The bylaws of the Agency shall be amended only with the approval of at least a majority of all of the members of the Agency at a regular or a special meeting, but no such amendment shall be adopted unless at least seven days written notice thereof has been previously given to all members of the Agency.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MISSION STATEMENT

Adopted April 7, 2011
Amended October 1, 2015
Amended October 6, 2016
Amended October 1, 2020

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I. BACKGROUND:

Pursuant to Chapter 506 of the Laws of 2009, known as the Public Authorities Reform Act of 2009 ("PARA"), which added a new Section 2824-a in Public Authorities Law ("PAL") of the State of New York (the "State"), state and local public authorities are required to develop and adopt a mission statement and related performance measures to assist the authority determine how well it is carrying out its mission. For local authorities, as defined within PAL Section 2, this Mission Statement and the related Performance Measures are to be filed with the New York State Authority Budget Office ("ABO") by March 31, 2011.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter called the "Agency") is established as a public benefit corporation of the State for the benefit of the County of Jefferson (the "County") pursuant to Title 1 of Article 18-A of the General Municipal Law ("GML") of the State, as amended, and Chapter 632 of the Laws of 1972 of the State as codified under GML Section 900-a, (hereinafter collectively called the "Act") and constitutes a "Local Authority" as defined by PAL Section 2 and therefore is subject to the transparency, compliance and reporting requirements established pursuant to PARA and the Public Authorities Accountability Act of 2005 ("PAAA").

Pursuant to the Act, the purposes of the Agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities including certain defined facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living. In furtherance of these purposes, the Agency is vested with powers as contained within the Act.

The Members of the Agency are appointed by the Board of Legislators of the County. Pursuant to and in accordance with the Act, the Agency has adopted By-laws governing the actions and activities of the Members of the Agency, along with agency officers and employees. In accordance with the Act, PAAA and PARA, the Agency has further adopted and complies with the following corporate policies (collectively, the "Agency Policies"):

- a) Agency Adaptive Reuse Determination:
- b) Agency Audit/Finance Committee Charter;
- c) Agency CEO & CFO Annual Report Certification
- d) Agency Certification of No Conflict of Interest & Jefferson County Financial

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Disclosure Form;

- e) Agency Code of Ethics Policy;
- f) Agency Compensation, Reimbursement and Attendance Policy;
- g) Agency Defense and Indemnification Policy;
- h) Agency Discretionary Funds Policy;
- i) Agency Disposition of Real Property Guidelines;
- j) Agency Equal Employment Opportunity Policy;
- k) Agency Evaluative Criteria – Project Type Listing & Matrix
- l) Agency Extension of Credit to Board Members and Officers;
- m) Agency Fixed Asset Policy;
- n) Agency Governance Committee Charter;
- o) Agency Independent Director Certification;
- p) Agency Information Security Policy;
- q) Agency Investment Policy with Internal Controls;
- r) Agency Lending/Collection Policy and Procedures;
- s) Agency Policy Regarding Possession & Use of Agency-Issued Electronic Equipment;
- t) Agency Post Issuance Compliance Procedures
- u) Agency Procurement Policy;
- v) Agency Real Property Acquisition Guidelines;
- w) Agency Recapture Policy and flow chart;
- x) Agency Records Retention and Disposition Schedule MI-1;
- y) Agency Rules for Public Hearings Conducted by the Agency;
- z) Agency Travel Policy;
- aa) Agency Uniform Guidance – Internal Controls;
- bb) Agency Uniform Tax Exemption Policy; and
- cc) Agency Whistleblower Policy.

In addition, as a public benefit corporation of the State, the Agency is subject to and complies with applicable provisions of the Public Officers Law, including the Open Meetings Law (“OML”) and Freedom of Information Law (“FOIL”), along with the State Environmental Quality Review Act (“SEQRA”).

II. CORPORATION MISSION STATEMENT

The Agency was established pursuant to the Act with purposes and powers and the Agency’s Mission includes undertaking projects and programmatic initiatives in furtherance of and to advance the job opportunities, health, general prosperity and economic welfare of the people of the County and to improve their recreation opportunities, prosperity and standard of living. In furtherance of the purposes and powers vested in the Agency pursuant to the Act, the Agency shall undertake projects, programs and initiatives to achieve the purposes as set forth within the Act. In addition, and in doing so, the Agency shall adhere to its adopted policies and applicable statutory requirements, including PAAA, PARA, OML, FOIL, and SEQRA. Further, and in accordance with GML Section 900-a, the Agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans.

The Agency's goals include continued compliance with current obligations and responsibilities associated with ongoing projects and programs, in addition to identifying new projects and programs that will achieve the Agency's purposes and Mission. In furtherance of these stated goals, the Agency will endeavor to comply with all applicable provisions of the Act, PAAA and PARA. With these stated goals established, the Corporation's values are to maintain the highest ethical standards applicable to public officials and public benefit corporations.

III. ANNUAL PERFORMANCE REVIEW MEASURES

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The Agency shall annually review this Mission Statement and identify whether the Agency (i) continues to meet its stated mission, goals and values; (ii) can quantify measures of improvement to better meet its stated mission, goals and values; (iii) can become more effective and efficient; and (iv) is meeting the interests of the Agency and the County.

In furtherance of the foregoing Performance Measures, the Agency shall further undertake the following annual measures:

- 1) Assure that all current Agency Members have acknowledged that they have read and understood the mission of the Agency;
- 2) An annual review and affirmation of the Agency's membership, board, committee and management structure;
- 3) An annual review and affirmation of its policies, along with Agency appointment of Management of the Agency, along with articulation of the respective roles, goals and expectations of each.

Authority Mission Statement and Performance Measurements

Name of Public Authority: Jefferson County Industrial Development Agency (JCIDA)

Public Authority's Mission Statement:

To advance the job opportunities, health, general prosperity, and economic welfare of the people of the County and to improve their recreation opportunities, prosperity and standard of living.

Date Adopted: April 7, 2011, Amended 10/01/20

List of Performance Measures:

2019 Results:

- | | |
|---------------------------------|----|
| 1. Loans approved | 1. |
| 2. Tax incentives provided | 2. |
| 3. Job Creation | 3. |
| 4. Job Retention | 4. |
| 5. Capital Investment Leveraged | 5. |

Additional questions:

- 1. Have the board members acknowledged that they have read and understood the mission of the public authority?**

Yes, the Board of Directors of the JCIDA have read and understand the mission statement that was adopted on April 7, 2011.

- 2. Who has the power to appoint the management of the public authority?**

The Board of Directors has the power to appoint the management of the JCIDA.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?**

The JCIDA's bylaws give the Board of Directors authority to appoint a Chief Executive Officer following a competitive search process under the direction of the Executive Committee.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

The role of the Board of Directors regarding the implementation of the JCIDA's mission is to provide oversight, input, policy setting and validation that serve to fulfill measurements and results. The Board annually reviews and approves the Agency's mission.

The role of management in the implementation of the mission is to collaborate with the Board of Directors using established programs, policies, and activities as directed by the Board of Directors.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes, the Board of Directors acknowledged their understanding of the responses to each of these questions in public session.

Adaptive Reuse Determination

(Adaptive Reuse is the process of adapting old structures or sites for new purposes)

Are you applying for a tax incentive under the Adaptive Reuse Program? ☐ Yes or ☐ No

If No, please proceed to next Section

- A) What is the age of the structure (in years) _____
- B) Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) ☐ Yes or ☐ No. How many years? _____
- C) Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) ☐ Yes or ☐ No
If yes, please provide dollar amount of income being generated, if any _____
- D) Does the site have historical significance? ☐ Yes or ☐ No
- E) Are you applying for either State/Federal Historical Tax Credit Programs? ☐ Yes or ☐ No. If yes, provide estimated value of tax credits _____
- F) Summarize the financial obstacles to development that this project faces without Agency or other public assistance. Please provide the Agency with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections, documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages): _____
- G) Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the Agency documentation of this support in the form of signed letters from these entities: _____
- H) Please indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments: _____

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT AND FINANCE COMMITTEE CHARTER

Adopted 10/7/10

Amended 12/1/11

Reviewed 10/03/19

I. Purpose

Pursuant to the By-laws of the Jefferson County Industrial Development Agency (the "Agency"), and in accordance with the Public Authorities Accountability Act of 2005 and Public Authority Reform Act of 2009, there is established an Audit and Finance Committee of the Agency whose purpose shall be to (1) assure that the Agency's board fulfills its responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors; and (3) review proposals for the issuance of debt by the Agency and make recommendations regarding such proposals.

II. Powers of the Audit and Finance Committee

It shall be the responsibility of the audit and finance committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Agency employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Review proposals for the issuance of debt and make recommendations.
- Retain, at the Agency's expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Agency Board will ensure that the Audit and Finance Committee has sufficient resources to carry out its duties.

III. Composition of Committee and Selection of Members

The Audit and Finance Committee shall consist of at least three members of the Agency Board who are independent as defined in the Public Authorities Accountability Act of 2005. The Agency Board will appoint the Audit and Finance Committee members and the committee chair.

Audit and Finance Committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, audit and finance committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

Ideally, all members on the Audit and Finance Committee shall possess or obtain a basic understanding of governmental financial reporting, auditing and debt issuances. The audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the Agency.

The Audit and Finance Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls, 5) debt issuances and 6.) an understanding of Audit and Finance Committee functions.

IV. Meetings

The Audit and Finance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit and Finance Committee are expected to attend each committee meeting, in person or via videoconference. The audit and finance committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit and Finance Committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency.

Meeting agendas will be prepared for every meeting and provided to the audit and finance committee members along with briefing materials five business days before the scheduled audit and finance committee meeting. The audit and finance committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings will be recorded.

V. Responsibilities

The Audit and Finance Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Agency's internal auditors; (c) oversight of management's internal controls, compliance and risk assessment practices; (d)

special investigations and whistleblower policies; and (e) issues related to debt issuance and the financial practices of the Agency.

A. Independent Auditors and Financial Statements

The Audit and Finance Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee. Non-audit services include tasks that directly support the Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit and Finance Committee shall:

- Review management's assessments of the effectiveness of the Agency's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The Audit and Finance Committee shall:

- Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.

- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation.

D. Other Responsibilities of the Audit and Finance Committee

The Audit and Finance Committee shall:

- Review proposals for the issuance of debt and to make recommendations.
- Present annually to the Agency Board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls, debt issuances and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Agency. The Audit and Finance Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.

**CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
AND THE CHIEF FISCAL OFFICER
OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

The undersigned, being the duly appointed chief executive officer and chief fiscal officer of the Jefferson County Industrial Development Agency (the "Agency"), hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the Agency, dated as of [day] [month], [year], is accurate, correct, and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the report to be misleading in light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presents in said report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned chief executive officer and chief fiscal officer have executed this Certificate as of the [date] day of [month], [year].

Name:

Title:

Chief Executive Officer

Name:

Title:

Chief Financial Officer

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
CERTIFICATION OF NO CONFLICT OF INTEREST

Adopted 11/5/09 – Reviewed 10/03/19

I, _____, being a duly appointed (member/officer/employee) of the Jefferson County Industrial Development Agency (the "Agency"), do hereby certify pursuant to the by-laws and policies of the Agency, that neither I nor my spouse, minor children, nor dependents has any interest in any contract with the Agency; and I do further certify that I am not engaged in any activity which would constitute a conflict of interest, as defined within the Not-For-Profit Agency Law of the State of New York.

Further, I hereby certify that I have: (1) not accepted other employment which will impair my independence of judgment in the exercise of my official duties; (2) not accepted employment or engaged in any business or professional activity which will require me to disclose confidential information which I have gained by reason of my membership position with the Agency; (3) not disclosed confidential information acquired in the course of my official duties nor used such information to further my own personal interests; (4) not used or attempted to use my position with the Agency to secure unwarranted privileges or exemptions for myself or others; (5) not engaged in any transaction as a representative or agent of the Agency with any business entity in which I have a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of my official duties; (6) not given reasonable basis for the impression that any person can improperly influence me or unduly enjoy my favor in the performance of my duties, or that I am affected by the kinship, rank, position or influence of any party or person; (7) abstained from making personal investments in enterprises which I have reason to believe may be directly involved with my responsibilities or which will otherwise create substantial conflict between my duty in the public interest and my private interests; and (8) endeavored to pursue a course of conduct which will not raise suspicion among the public that I am likely to be engaged in acts that are in violation of my Agency responsibilities.

DATE: _____, 20__

Signature

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL CERTIFICATION OF NO CONFLICT OF INTEREST**

I, _____, being a (member/
officer/employee) of the Jefferson County Industrial Development Agency (the "Agency"), DO
HEREBY CERTIFY, as follows:

1. This Certificate is being delivered for purposes of complying with the provisions
of *Not-For-Profit Agency Law of the State of New York*.
2. That I own, directly or indirectly, five percent (5%) or more of the stock or other
equity interest of the following companies:

3. That I am an officer or employee of the following companies:

4. That I am a member of the board of directors of the following companies:

IN WITNESS WHEREOF, I have hereunto set my hand this __ day of _____, 20__.

Signature

ANNUAL STATEMENT OF FINANCIAL DISCLOSURE

COUNTY OF JEFFERSON

For the period of January 1, 2018 through December 31, 2018

Name and Address

Name

Title

Department or Agency

County Address

County Telephone

Spouse and Children

Provide the name of your spouse (if married) and the names of any dependent children.

Spouse

Child/Age

Child/Age

Child/Age

Child/Age

Child/Age

INSTRUCTIONS

PLEASE COMPLETE THE INFORMATION REQUESTED FOR EACH OF THE AREAS OF POTENTIAL CONFLICT SET FORTH AS ITEMS 1 THROUGH 5 (i.e., Financial Interests, Third-Party Reimbursements, Gifts and Honoraria, Interest in Contracts, Debts and Political Parties).

For the purpose of completing the "Reporting Category" for items 1a through 1d, 2, 3 and 4, no exact dollar amounts are to be included; rather all amounts are to be indicated using the following categories:

"A"	\$ 0 - \$ 5,000
"B"	\$ 5,001 - \$ 20,000
"C"	\$20,001 - \$ 60,000
"D"	\$60,001 - \$100,000
"E"	Over \$100,001

1. Financial Interests

- a. Business Positions - list any office, trusteeship, directorship, partnership, or other position in any business, association, proprietary, or not-for-profit organization for you, your spouse, and your dependent children, if any, and indicate whether these businesses are involved with the County of Jefferson in any manner.

Family Member	Position	Organization	County Dept. or Agency and Nature of Involvement	Reporting Category
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- b. Outside Employment - Describe any outside occupation, employment, trade, business, or profession held by you, your spouse, and your dependent children, if any, and indicate whether such activities are regulated by any state or local agency, as well as any contract, promise or agreement for future employment with respect to your present employment with Jefferson County.

Family Member	Position	Organization	County Dept. or Agency and Nature of Involvement	Reporting Category
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

- c. Investments - Itemize and describe all investments or capital stock above a 5% share of ownership in any business, corporation or partnership, for you, your spouse, or your dependent children, if any. List the location of all real estate within the County, or within five (5) miles of the County, in which you, your spouse, or your dependent children, personally own or have an interest through those holdings listed above.

Family Member	Name and Address of Business	Description of Investment	Reporting Category
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

- d. Other Income - Identify the source and nature of any other income from any source not described above, including teaching income, lecture fees, consultant fees, contractual income, or income which you continue to receive from past employment, or other income of any nature, for you, your spouse, and your dependent children, if any.

Family Member	Name and Address of Source	Nature of Income	Reporting Category
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. **Third-Party Reimbursements, Gifts and Honoraria**

Identify and describe the source of any third-party reimbursement for travel-related expenditures in excess of \$250 for any matter that relates to your official duties. The term "reimbursement" includes any travel-related expenses provided by anyone other than the County for speaking engagements, conferences, or fact-finding events that relate to your official duties. List the source of all gifts aggregating in excess of \$250 received during the last year by you, your spouse, or dependent children, excluding gifts from a relative. Gifts include cash, property, personal items, honoraria, forgiveness of debt and any other payments not reportable as income.

Source	Description and Reporting Category
_____	_____
_____	_____
_____	_____

3. **Interest in Contracts**

Describe any interest of you, your spouse, or your dependent children, if any, in any contract involving the County, or any municipality within the County.

Family Member	Contract Description	Reporting Category
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. **Debts**

Describe all debts of you, your spouse and dependent children in excess of \$5,000.00.

Name of Debtor	Name of Creditor	Reporting Category
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. **Political Parties**

List any position you held within the last five (5) years as an officer of any political party, political committee, or political organization. The term "political organization" includes any independent body or any organization that is affiliated with, or a subsidiary of, a political party.

_____	_____
_____	_____

I hereby certify, under penalty of perjury, that the information disclosed on this form is true and complete, to the best of my knowledge.

Signature

Date

JEFFERSON COUNTY ETHICS CODE
ANNUAL CERTIFICATION OF REVIEW

Article VI of the Jefferson County Code of Ethics, enacted by Local Law No. 2 of 1990, as amended provides that:

Every official, officer and employee is required to attest, on an annual basis that he or she has reviewed the Code of Ethics of the County of Jefferson, to be made on or before March 31 of the year for which the employment is in effect. Such attestation is to be filed with the Ethics Board.

I HEREBY CERTIFY that in compliance with the foregoing rule, I have reviewed the Code of Ethics of Jefferson County, and have met the aforesaid review requirement for the current calendar year.

Signature

Print Name

Date

PLEASE FILE THIS CERTIFICATION WITH YOUR ANNUAL FINANCIAL DISCLOSURE STATEMENT.

CODE OF ETHICS
OF
THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Approved 10/1/09

Amended 12/1/11

Reviewed 10/3/19

The members of the board (the "Board") of the Jefferson County Industrial Development Agency (the "Agency"), a duly established public benefit corporation of the State of New York (the "State"), along with the officers and staff of the Agency, shall comply with and adhere to the provisions of Article 18 of the General Municipal Law of the State.

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

It is the responsibility of each director of the Corporation to disclose any actual or perceived conflict in writing to the Board and then recuse himself/herself from all discussion of the transaction and abstain from voting. It is the responsibility of each employee of the Corporation to disclose any actual or perceived conflict in writing to his/her immediate supervisor and then recuse himself/herself from any discussion or activity on such matter.

Directors, officers and employees of the Corporation may request a Conflicts of Interest Opinion from the Corporation's counsel in order to determine whether a certain set of facts may be an actual or perceived conflict of interest and the actions that must or should be taken, if any.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY

Adopted 10/1/09 – Reviewed 10/03/19

Pursuant to and in accordance with Sections 856 and [GML enabling act] of the General Municipal Law of the State of New York, the members of the board of the Jefferson County Industrial Development Agency (the “Board”) shall serve without salary at the pleasure of the Jefferson County Board of Legislators, New York (the “MUNICIPALITY”) but may be reimbursed for reasonable expenses incurred in the performance of Agency duties at the approval of the Board.

The officers, employees and agents of the Agency shall serve at the pleasure of the Agency at such compensation levels as may be approved by the Board from time to time and may be reimbursed for reasonable expenses incurred in the performance of Agency duties at the approval of the Board.

The members of the Board and officers of the Agency shall be available as required to perform the operations of the Agency and as set forth within the By-Laws of the Agency, as may be amended, restated or revised by the Board from time to time. Said members and officers of the Agency shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the Agency and any other directives of the Board relating to same.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
DEFENSE AND INDEMNIFICATION POLICY

Adopted 10/1/09 - Reviewed 10/03/19

Pursuant to the Bylaws of the Jefferson County Industrial Development Agency (the "Agency"), the Agency shall indemnify all members of the Board of the Agency and each officer and employees thereof, in the performance of their duties, and to the extent authorized by the Board, each other person authorized to act for the Agency or on its behalf, to the full extent to which indemnification is permitted under the General Municipal Law of the State of New York.

Discretionary Funds Policy

Adopted January 3, 2013 – Reviewed 10/03/19

The following is the policy of the Jefferson County Industrial Development Agency ("The Agency") governing the use of the Agency's Discretionary Funds.

As a broad statement of the Agency's policy: The Agency will not use its funds to further interests beyond those which are the enumerated power, duty and purpose of the Agency. The use of its funds shall, in all cases, directly relate to the mission and public purpose of the Agency.

As regards specific acceptable expenditures, the following examples are provided:

1. Travel expenses directly related to the Mission of the Agency. These reimbursements should follow, wherever possible, guidelines established by the GSA as considered reasonable and responsible. This would include meals of staff operating in pursuit of the Agency's mission. All of these expenses must be reasonable in nature and documented.
2. Meals and refreshments for Board members offered during official meetings of The Agency and those other meetings that are directly related to Agency business.
3. Expenditures that fall within acceptable standards for marketing the programs and policies of the Agency.
4. Technology that supports the effective role of the Board of Directors and Staff to include tablets, cell phones and computers.

As regards to specific unacceptable expenditures, the following examples are provided:

1. Gifts for staff, directors and/or family members.
2. Subsidized or free use of the Agency services for the personal use of current or former board members, staff, or family members.
3. Celebrations for special occasions that do not directly relate to the purpose of the Agency, such as catering or decorations for summer picnics, office parties and holiday or retirement parties.
4. Charitable contributions or sponsorships of events not associated with Agency's mission.
5. Purchases of alcohol or tobacco products.
6. Personal use of authority vehicles, unless properly documented for tax purpose.

7. Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or families of Agency staff.
8. Assignment of cell phones, tablets or vehicles to non-Agency staff.
9. Personal use of Agency resources including but not limited to office supplies.

Absent specific statutory power, public authorities may not use public funds to purchase items considered personal expenses or that are intended to personally benefit an employee or director. Expenses such as those listed above do not advance a public purpose and should be considered personal in nature and violate the policy of the Agency.

-0-

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

DISPOSITION OF REAL PROPERTY GUIDELINES

Adopted October 7, 2010

Amended 12/1/11

Reviewed 10/03/19

SECTION 1. DEFINITIONS.

A. "Contracting officer" shall mean the officer or employee of the Jefferson County Industrial Development Agency (hereinafter, the "Agency") who shall be appointed by resolution to be responsible for the disposition of property.

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 State Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such 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 Agency shall:

- (i) maintain adequate inventory controls and accountability systems for all property owned by the Agency and under its control;
- (ii) periodically inventory such property to determine which property shall be disposed of;
- (iii) produce a written report of such property in accordance with subsection B herewith; and
- (iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 2 below.

B. The Agency shall:

- (i) publish, not less frequently than annually, a report listing all property owned in fee by the Agency. 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 Agency and the name of the purchaser for all such property sold by the Agency during such period; and

- (ii) shall deliver copies of such report to 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, 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 duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Agency. The Agency shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Agency property, pending its disposition, and the disposal of such property, shall be performed by the Agency or by the Commissioner of General Services when so authorized under this section.

C. Method of Disposition. Unless otherwise permitted, the Agency 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 Agency and/or contracting officer deems proper. The Agency may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, no disposition of real property, any interest in real property, 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 and provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

D. Sales by the Commissioner of General Services (the "Commissioner"). When the Agency shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Agency may enter into an agreement with the Commissioner pursuant to which the Commissioner may dispose of property of the Agency under terms and conditions agreed to by the Agency and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. 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 Agency, purporting to transfer title or any other interest in property of the Agency 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 closing.

F. Bids for Disposal; Advertising; Procedure: Disposal by Negotiation Explanatory

Statement.

- (i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Agency shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.
- (ii) Whenever public advertising for bids is required under subsection (i) of this Section F:
 - (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 Agency, price and other factors considered; provided, that all bids may be rejected at the Agency's discretion.
- (iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F 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 if the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, 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 (\$15,000.00);
 - (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 or public benefit Agency, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
 - (E) such action is otherwise authorized by law.

(iv) Exceptions to Publicly Advertising for Bids and Obtaining Fair Market Value

(A) No assets owned, leased or otherwise in the control of the Agency may be sold, leased, or otherwise alienated for less than its FMV except if:

- (1) Transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or
- (2) Purpose of transfer is within purpose, mission or statute of the Agency; or
- (3) Written notification to Governor, Speaker, and Temporary President. Such notification is subject to denial. Denial by Governor is in the form of a certification. Denial by legislature is in the form of a resolution. Denial must be made within 60 days of receiving notification during January through June. Provided no denial then Agency may effectuate transfer. However, a local Agency may obtain local approval from the chief executive and legislature of the political subdivision in lieu of the notification to the Governor, Speaker and Temporary President provided the local Agency's enabling legislation provides for such approval and the property was obtained by the Agency from the political subdivision.

(B) If below FMV transfer is proposed, the following information is required to be provided to the Agency's board and the public:

- (1) Description of Asset;
- (2) Appraisal of the FMV of the asset;
- (3) Description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
- (4) Value received compared to FMV;
- (5) Names of private parties to the transaction and value received;
- (6) Names of private parties that have made an offer, the value of offer, and purpose for which the asset would have been used.

(C) Board must 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.

(v) 90 Day Notice of Negotiated Disposals:

(A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000.00);

(2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;

(3) any real property disposed of by lease if the estimated annual rent over the term of the lease is in excess of \$15,000; or

(4) 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.

(B) Each such statement shall be transmitted to 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, and the New York State Legislature (via distribution to the Majority Leader of the Senate and the Speaker of the Assembly) not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Agency making such disposal.

This Policy is subject to modification and amendment at the discretion of the Agency and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Agency is the Chief Executive Officer of the Agency.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
EQUAL EMPLOYMENT OPPORTUNITY POLICY

Adopted 10/7/10 – Review Date 10/03/19

Our Agency is committed to equal employment opportunity. We will not discriminate against qualified employees or applicants for employment in any aspect of employment including, but not limited to: recruitment, hiring, compensation, promotion, job assignments, transfers, demotions, training, leaves of absence, benefits, or termination. The policy prohibits discrimination on any legally-recognized basis including, but not limited to: race, color, creed, sex, pregnancy, age, disability, religion, citizenship, national origin, ancestry, military status, veteran status, marital status, sexual orientation, genetic predisposition or carrier status, arrest or conviction record, and any other category protected by federal, state or local law.

You may discuss equal employment opportunity related questions with the Human Resources Officer or any other member of management. If you have a complaint regarding discrimination or Equal Employment Opportunity, you should immediately report the matter to the Human Resources Officer. If the complaint involves the Human Resources Officer, or an employee makes a report to this Officer and the Officer either does not respond or does not respond in a manner the employee deems satisfactory or consistent with this policy, the employee is required to report the situation to any other member of management.

The Agency will investigate all such complaints as quickly and confidentially as possible. Adverse action will not be taken against an employee because he or she, in good faith, reports or participates in the investigation of a violation of this policy. If you feel that you have been retaliated against for reporting a complaint or participating in an investigation, you should notify the Human Resources Officer or a member of management immediately.

Jefferson County Industrial Development Agency
PROJECT TYPE LISTING
Evaluative Criteria

As per the new State Law requirement each project must include a written cost benefit analysis and be evaluated using the criteria listed below:

- Extent to Which a project will create or retain permanent jobs
- Estimated Value of Tax Exemptions to be provided
- Amount of private sector investment
- Likelihood of project being accomplished in a timely fashion
- The extent of new revenue provided to local taxing jurisdictions
- Any other misc. public benefits that might occur

Material Terms

In addition, as a best practice recommendation IDA Boards, at the time of project approval, should identify "Material Terms" which will be used to determine if a project applicant has met the obligations required for the approval of incentives that were set by the board. These "Material Terms" will be utilized by the board in setting and monitoring project benchmarks during the term of the incentives for the purposes of administering the IDA's Recapture Policy.

It is understood that these "Material Terms" may vary depending on project type and project specifics. Some "Evaluative Criteria" may be defined by the IDA Board as a "Material Term" for the purposes of recapture, but not all Evaluative Criteria may or should be defined as Material Terms.

See Attached Table for Suggested Project Types, Material Terms and Evaluative Criteria.

JCIDA Project Type Matrix Required State Criteria, Material Terms & Evaluative Criteria

State Required Criteria	Project Type	Material Terms	Evaluative Criteria
<ol style="list-style-type: none"> 1. Extent to which a project will create or retain permanent jobs 2. Estimated value of tax exemptions 3. Amount of private sector investment 4. Likelihood of project being accomplished in a timely fashion 5. Extent of new revenue provided to local taxing jurisdictions 6. Any other misc. public benefits 	<u>Manufacturing,</u> <u>Warehouse,</u> <u>Distribution</u>	<ol style="list-style-type: none"> 1. Create or Retain Jobs 2. Private Sector Investment 3. Local Labor Construction 4. Wage Rates above Median Wage for Area 	<ol style="list-style-type: none"> 1. Wage Rates (above Median Wage for Area) 2. Regional Wealth Creation (% Sales/Customers Outside Area) 3. In Region Purchases (% of overall Purchases) 4. Research and Development Activities 5. Investments in Energy Efficiency 6. Locational Land Use Factors, Brownfields or Locally Designated Development Areas 7. LEED/Renewable Resources 8. Retention/Flight Risk
	<u>Agricultural,</u> <u>Food Processing</u>	<ol style="list-style-type: none"> 1. Create or Retain Jobs 2. Private Sector Investment 3. Local Labor Construction 4. Wage Rates above Median Wage for Area 	<ol style="list-style-type: none"> 1. Wage Rates (above Median Wage for Area) 2. Regional Wealth Creation (% Sales/Customers Outside Area) 3. In Region Purchases (% of overall Purchases, from Local Growers) 4. Research and Development Activities 5. Investments in Energy Efficiency 6. Locational Land Use Factors, Proximity to Local Ag. Production 7. LEED/Renewable Resources

Adopted 6/2/16, Ratified 7/7/16, Reviewed 10/3/19

JCIDA Project Type Matrix

Required State Criteria, Material Terms & Evaluative Criteria

State Required Criteria	Project Type	Material Terms	8. Retention/Flight Risk
<ol style="list-style-type: none"> 1. Extent to which a project will create or retain permanent jobs 2. Estimated value of tax exemptions 3. Amount of private sector investment 4. Likelihood of project being accomplished in a timely fashion 5. Extent of new revenue provided to local taxing jurisdictions 6. Any other misc. public benefits 	<p><u>Adaptive Reuse, Community Development</u></p>	<ol style="list-style-type: none"> 1. Private Sector Investment 2. Retain or Create Jobs (if applicable) 3. Local Labor Construction 4. Increased Property Value 5. Increased Revenue to Local Taxing Jurisdictions 	<p>Evaluative Criteria</p> <ol style="list-style-type: none"> 1. Distressed Census Tracts 2. Age of Structure 3. Elimination of Slum and Blight 4. Building or Facility Vacancy 5. Redevelopment Supports Local 6. Community Development Plan 7. Environmental or Safety Issues 8. LEED/Renewable Resources 9. Building or site has Historic designation 10. Site or Structure has delinquent Property or other local Taxes 11. Project/Developer's Return on Investment 12. Impediments to Conventionally Finance Project
	<p><u>Tourism</u></p>	<ol style="list-style-type: none"> 1. Private Sector Investment 2. Create or Retain Jobs (if applicable) 3. Local Labor Construction 4. Regional Wealth Creation (% Sales/Customers Outside Area) 	<ol style="list-style-type: none"> 1. Market Study (Document Demand and Impact on Existing Operators) 2. Regional Wealth Creation 3. Proximity/Support of Regional Tourism Attractions/Facilities 4. Local Official(s), Convention Visitors Bureau Support 5. In Region Purchases, Support of Local Vendors

Adopted 6/2/16, Ratified 7/7/16, Reviewed 10/3/19

JCIDA Project Type Matrix Required State Criteria, Material Terms & Evaluative Criteria

State Required Criteria	Project Type	Material Terms	Evaluative Criteria
<ol style="list-style-type: none"> Extent to which a project will create or retain permanent jobs Estimated value of tax exemptions Amount of private sector investment Likelihood of project being accomplished in a timely fashion Extent of new revenue provided to local taxing jurisdictions Any other misc. public benefits 	<u>Retail</u>	<ol style="list-style-type: none"> Private Sector Investment Create or Retain Jobs (if applicable) Local Labor Construction Regional Wealth Creation (% Sales/Customers Outside Area) 	<ol style="list-style-type: none"> Market Study/Goods or Services Not Readily Available, Impact on Existing Businesses (Municipal CEO approval) Regional Wealth Creation Highly Distressed Census Tracts Urban or Town Center Location Elimination of Slum and Blight Alignment with Local Planning and Development Efforts
	<u>Back Office, Data, Call Centers</u>	<ol style="list-style-type: none"> Private Sector Investment Create or Retain Jobs (if applicable) Local Labor Construction Wage Rates above Median Wage for Area 	<ol style="list-style-type: none"> Wage Rates (above Median Wage for Area) Regional Wealth Creation (% Sales/Customers Outside Area) In Region Purchases (% of Purchases from Local Vendors) Supports Local Business or Cluster Retention/Flight Risk LEED/Renewable Resources

Adopted 6/2/16, Ratified 7/7/16, Reviewed 10/3/19

JCIDA Project Type Matrix
Required State Criteria, Material Terms & Evaluative Criteria

State Required Criteria	Project Type	Material Terms (Suggested)	Evaluative Criteria (Suggested)
<ol style="list-style-type: none"> 1. Extent to which a project will create or retain permanent jobs 2. Estimated value of tax exemptions 	<u>Energy Production</u>	<ol style="list-style-type: none"> 1. Private Sector Investment 2. Create or Retain Jobs (if applicable) 3. Local Labor Construction 4. Wage Rates above Median Wage for Area 	<ol style="list-style-type: none"> 1. Wage Rates (above Median Wage for Area) 2. In Region Purchases (% of Overall Purchases, Local Construction Jobs/Suppliers) 3. Advances Renewable Energy Production/Transmission Goals 4. Provides Capacity or Transmission to Meet Local Demand or Shortage
<ol style="list-style-type: none"> 3. Amount of private sector investment 4. Likelihood of project being accomplished in a timely fashion 5. Extent of new revenue provided to local taxing jurisdictions 6. Any other misc. public benefits 	<u>Market Rate Senior Housing</u>	<ol style="list-style-type: none"> 1. Private Sector Investment 2. Create or Retain Jobs (if applicable) 3. Local Labor Construction 4. Senior Residents at or Below Median Income for Community 	<ol style="list-style-type: none"> 1. Market Study (Document Need and Impact on Existing Facilities) 2. Highly Distressed Census Tract 3. Alignment with Local Planning and Development Efforts 4. Urban, Town/Village Center Location 5. Local Official(s) Support 6. Located in Areas that Serve Below Median Income Seniors 7. Facility Promotes Walkable Community Areas 8. Review of Project/Developer's Return on Investment 9. Ability to Conventionally Finance

Adopted 6/2/16, Ratified 7/7/16, Reviewed 10/3/19

JCIDA Project Type Matrix Required State Criteria, Material Terms & Evaluative Criteria

State Required Criteria	Project Type	Material Terms (Suggested)	Evaluative Criteria (Suggested)
<ol style="list-style-type: none"> 1. Extent to which a project will create or retain permanent jobs 2. Estimated value of tax exemptions 3. Amount of private sector investment 4. Likelihood of project being accomplished in a timely fashion 5. Extent of new revenue provided to local taxing jurisdictions 6. Any other misc. public benefits 	<u>Commercial Housing</u>	<ol style="list-style-type: none"> 1. Private Sector Investment 2. Create or Retain Jobs (if applicable) 3. Local Labor Construction 	<ol style="list-style-type: none"> 10. Provides Specific Senior Amenities (Community Rooms, Health Services etc.) 11. Senior Residents at or Below Median Income for Community 1. Market Study (Document Unmet Need and Impact on Existing Facilities) 2. Highly Distressed Census Tracts 3. Alignment with Local Planning and Development Efforts 4. Urban or Town/Village Center Location 5. Local Official(s) Support 6. Located in Areas that have Inadequate Housing Supply 7. Facility Promotes Transit Oriented or Walkable Community Areas 8. Review of Project/Developer's Return on Investment 9. Impediments to Ability to Conventionally Finance Project

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
EXTENSION OF CREDIT TO BOARD MEMBERS AND OFFICERS**

The Jefferson County Industrial Development Agency, the Board or any Member of the Board, may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board Member or Officer of the Jefferson County Industrial Development Agency.

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FIXED ASSET POLICY**

Adopted 1/4/18 – Reviewed 10/3/19

PURPOSE:

The purpose of this fixed asset policy is to establish guidelines for Management to follow in recording the purchase price of assets on the JCIDA's records as to whether they are to be capitalized or expensed.

OBJECTIVE:

To capitalize fixed asset purchases with a value of \$1,000.00

To capitalize improvements that extend the estimated useful life of sites or buildings with a value of at least \$1,000.00

PROCEDURE:

All fixed asset purchases are to be treated as complete units. If a purchase is less than the capitalization thresholds noted above, it will be expensed. If a purchase exceeds the capitalization threshold, it is to be capitalized and depreciated on the straight-line basis over the appropriate life using the standard use life table.

REVIEW:

This policy will be reviewed for updates annually.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

GOVERNANCE COMMITTEE CHARTER

Adopted 10/7/10 – Review Date 10/03/19

Purpose

Pursuant to the By-laws of the Jefferson County Industrial Development Agency (the “Agency”), and in accordance with the Public Authorities Accountability Act of 2005 and Public Authority reform Act of 2009, there is established a Governance Committee of the Agency whose purposes shall include:

- Keeping the Agency Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Agency,
- Updating the Agency’s corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Agency Board on the skills, qualities and professional or educational experiences necessary to be effective Agency Board members.

Powers of the Governance Committee

The Agency Board has delegated to the Governance Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Agency staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Agency’s expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Agency Board’s adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Agency Board for its approval.

Composition and Selection

The Governance Committee shall be comprised of at least three (3) independent members, with the size of the Governance Committee to be determined by the Agency Board from time to time. The Governance Committee members shall be appointed by, and will serve at the discretion of the Agency’s Board of Directors. The Agency Board may designate one member of the Governance Committee as its Chair. The members shall serve until their resignation, retirement, removal by the Agency Board or until their successors shall be appointed and qualified. When feasible, the immediate past Governance Committee Chair will continue

serving as a member of the Governance Committee for at least one year to ensure an orderly transition.

The Governance Committee shall consist of at least three independent members as defined by the Public Authorities Accountability Act of 2005 and shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, governance committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

The Governance Committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings

The Governance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via videoconference.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings are to be recorded.

Reports

The Governance Committee shall:

- Report its actions and recommendations to the Agency Board at the next regular meeting of the Board.
- Report to the Agency Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the governance committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to:

- (a) the Agency's Board;

- (b) evaluation of the Agency's by-laws and policies;
- (c) examine ethical and conflicts of interest;
- (d) perform board self-evaluations; and
- (e) other miscellaneous issues.

Relationship to the Agency's Board

The Agency Board has delegated to the Governance Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Agency Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the governance committee shall:

- Develop and recommend to the Agency Board the number and structure of committees to be created by the Board.
- Develop and provide recommendations to the Agency Board regarding Board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the board, its committees and senior management in the Agency's governance process.

Evaluation of the Agency's Policies

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary the Agency's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Agency Board any required revisions to the Agency's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Agency Board any required revisions to the Agency's equal opportunity and affirmative action policies.

- Develop and recommend to the Agency Board any required updates on the Agency's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.
- Develop and recommend to the Agency Board any required updates on the Agency's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Agency Board any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, such as the Agency's By-laws. The Governance Committee will oversee the implementation and effectiveness of the By-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The Governance Committee shall:

- Review on an annual basis the compensation and benefits for the senior Agency officials.
- Annually review, assess and make necessary changes to the Governance Committee charter and provide a self-evaluation of the Board of Directors.
- Examine ethics questions and conflicts of interest.

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
CERTIFICATE OF INDEPENDENCE FOR MEMBERS
APPOINTED ON OR AFTER JANUARY 13, 2006**

The undersigned, having been appointed to serve as a member of the Jefferson County Industrial Development Agency (the "Agency") on or after January 13, 2006, hereby certifies, pursuant to subdivision 2 of Section 2825 of the Public Authorities Law, as follows:

He or she is not, and in the past two (2) years, has not been, employed by the Agency, or an affiliate in an executive capacity or been employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Agency or received any other form of financial assistance valued at more than \$15,000 from the Agency.

He or she is not a relative of an executive officer or employee in an executive position of the Agency or an affiliate.

He or she is not, and in the past two (2) years, has not been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency or an affiliate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the ____ day of _____, 20__.

Name:



Full Policy
available upon
request (142 pages)

Information Security Policy

Version 3.0

February 16, 2017

Jefferson County Local Development Corporation
800 Starbuck Ave
Suite 800
Watertown, NY 13601

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Introduction

Overview

This security policy was created to communicate the requirements for secure use of company resources, and represents Jefferson County Local Development Corporation's strategy for how it will implement Information Security principles and technologies. This security policy differs from security processes and procedures, in that the policy provides both high level and specific guidelines on how the Company is to protect its data, but does not specify exactly how that is to be accomplished. This provides leeway to choose which security devices and methods are best in consideration of all factors. This policy is technology and vendor independent, as its intent is to set policy only, which can then be implemented in any manner that accomplishes the specified goals.

Scope

The security policy covers Jefferson County Local Development Corporation's information systems and resources. Perhaps more importantly, it covers the Company data stored on these systems as well as any backups or hardcopies of this data.

Where credit card data is stored or transmitted (i.e., the cardholder data environment), more restrictive requirements will apply. Thus, Jefferson County Local Development Corporation should limit the scope of the cardholder data environment to the fullest extent possible.

Goals

The goals of this security policy are to accomplish the following:

1. To allow for the confidentiality and privacy of Jefferson County Local Development Corporation's information.
2. To provide protection for the integrity of Jefferson County Local Development Corporation's information.
3. To provide for the availability of Jefferson County Local Development Corporation's information.

This is commonly referred to as the "CIA Triad" of Confidentiality, Integrity, and Availability, an approach which is shared by all major security regulations and standards. Additionally, this approach is consistent with generally-accepted industry best practices for security management.

Intent

This security policy indicates senior management's commitment to maintaining a secure network, which allows the IT Staff to do a more effective job of securing Jefferson County Local Development Corporation's information assets.

A security policy may also provide legal protection to Jefferson County Local Development Corporation, by specifying exactly how users can and cannot use the network, how they should treat confidential information, and the proper use of encryption.

It is the intent of this security policy to clearly communicate the requirements necessary for compliance with any applicable regulations, specifically the Payment Card Industry Data Security Standard Version 3.1 (PCI DSS 3.1), as well as any data confidentiality agreements with third parties.

Implementation

This policy requires the appointment of an Information Security Manager, who will be responsible for implementation and ongoing security administration. Specific guidance on this position can be found within this document. The Information Security Manager doesn't necessarily need to be an independent position, but can be a designation fulfilled by an existing employee (i.e., the IT Manager) as long as that employee has the authority to hold a management role, and the resources and abilities to commit to the position. This policy must be implemented with full support of management and/or the executive team.

Policies designated as "End User" policies must be distributed to and formally accepted in writing by the users. Specific guidance regarding security policy implementation and ongoing management can be found within this document.

Revision History

<u>Revision</u>	<u>Date</u>	<u>Notes</u>
Revision 1.0	2/10/2012	First Revision for PCI DSS 2.0 compliance
Revision 2.0	1/24/2014	Revised for PCI DSS 3.0 compliance
Revision 3.0	5/15/2015	Revised for PCI DSS 3.1 compliance

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

INVESTMENT POLICY

Adopted 10/1/09 – Reviewed 10/03/19

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the local government's investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Agency's funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Agency to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Agency's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Agency's funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

5. Internal Controls

- a. All money's collected by an officer or employee of the Agency shall be immediately deposited in such depositories and designated by the Agency for the receipt of such funds.
- b. The Agency shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Agency for investment and deposit purposes.
- c. The Agency is responsible for establishing and maintaining an internal control structure (attached) to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

1. Designation of Depositories

In accordance with the IDA Act, the Agency shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to said law.

B. Investment Policy

1. Permitted Investments

Pursuant to GML Section 11, the Agency is authorized to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposit;*
- c. Obligations of the United States of America;**
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;**

e. Obligations of the State of New York;*

* Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the monies were obtained and (2) they are collateralized in the same manner as set forth in Section VII (C) below for deposits of public funds.

** All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Agency shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chief Executive Officer or Chairman is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Agency may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the GML where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Agency by the bank or trust company shall be held pursuant to a written custodial agreement as described in GML Section 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets

of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

In accordance with the provisions of GML, 10, all deposits of the Agency, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of "eligible securities" with an aggregate "market value" as provided by GML Section 10, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days

with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

- c. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the governing board.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may

cause ineligibility. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

A-1
EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public monies.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- (10) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (11) Zero Coupon obligations of the United States government marketed as "Treasury strips".

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL INTERNAL CONTROL SYSTEM**

Review Date October 3, 2019

These procedures are developed to provide an internal control structure to preserve the assets of the organization. Procedures shall be reviewed at least annually by the independent auditors who will make recommendations to the Board of Directors for suggested changes. Interim changes may be recommended by management; however, such changes shall not be implemented until approved by independent auditors and the board.

The following are daily procedures for processing cash receipts and disbursements:

CASH RECEIPTS:

The Office Assistant or Executive Assistant shall open the daily mail and enter all cash payments in the accounting system. He/She shall make copies of the checks received and file same in the folder for the proper application of the payment.

Weekly, or as needed, Chief Financial Officer shall prepare the bank deposit.

The Executive Assistant or Office Assistant shall make all deposits.

The Chief Financial Officer shall be responsible assuring that all cash/checks are locked in the safe prior to deposit.

Upon completion of the deposit the Chief Financial Officer or Office Assistant shall enter the deposit into the daily cash receipts record, and post the payments to the proper G/L accounts. A separate record is made of all checks posted, and is compared to checks received (by the Office Assistant or Executive Assistant). Discrepancies between checks received and posted shall be investigated at once and reported to the Chief Executive Officer if not reconciled.

All loan payments shall be entered on the appropriate amortization schedule with the date received.

PILOT payments shall be processed in the same manner and deposited to the proper account. Disbursements will be made to the proper taxing jurisdiction when due.

All bank accounts shall be reconciled monthly and must agree with the General Ledger. Bank accounts shall be reconciled by the Office Assistant and approved by the Chief Executive Officer, Treasurer or Chief Financial Officer.

CASH DISBURSEMENTS:

All purchases must be made according to the procurement policy. Procurement Policies must be reviewed annually and approved by the Board of Directors.

All invoices received shall be reviewed by the Chief Financial Officer and verified for accuracy and completeness. The Office Assistant or Chief Financial Officer shall code all invoices and enter them in the system as payables. The Chief Financial Officer shall review all invoices prior to payment.

All invoices must be approved and properly initialed by an authorized signer prior to payment. Prior to filing paid invoices the Office Assistant will review all invoices for required information; missing information must be complete prior to filing.

All reimbursement for expense reports must be audited by the Chief Financial Officer and approved by the Chief Executive Officer prior to payment. Complete detail of expenses and mileage reimbursement, with receipts must be provided. Mileage reimbursement shall be at the IRS approved rate. Expenses in excess of \$25.00 must have receipts, unless approved by the Chief Executive Officer or Treasurer.

The Chief Executive Officers expense report shall be audited by the Chief Financial Officer and approved by the Board Treasurer prior to issuing check. The Chief Executive Officer must provide a separate business mileage record to the Chief Financial Officer monthly.

Checks in an amount greater than \$1,000 require two authorized signatures. Authorized signers shall be approved by the Board of Directors.

The Chief Financial Officer will not be an authorized signer.

Checks less than \$1,000 will require only one signature by an authorized signer of the corporation.

An authorized signer may not sign his/her check for reimbursement of approved travel, unless signed by a second officer of the corporation.

Checks not printed on the accounting system must be entered as a manual check with all of the above approvals required.

FINANCIAL STATEMENTS:

Financial statements and supporting schedules shall be prepared monthly by the Chief Financial Officer in a format approved by the Board of Directors.

A standard Income Statement and Balance Sheet with the following supporting schedules will be provided:

- Miscellaneous Receivables
- Cash Disbursements
- Cash Receipts- General Account
- Unrestricted Aged Payables
- Detailed Activity on All loan Funds
- Special reports as requested by the board.

General Ledger accounts to be reconciled on an ongoing basis.

All Financial Statements shall be reviewed by the Chief Executive Officer or Treasurer prior to presentation to the board.

All investment of funds must be in accordance with investment policies. Investment activities shall be reported to the board monthly. All investment decisions must have the Chief Executive Officers approval after review for compliance with current investment policies.

The Chief Financial Officer will provide a monthly detail of investments to include maturity date and percentage return.

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
LENDING/COLLECTION POLICY AND PROCEDURES**

Amended: June 3, 2010,
September 6, 2012
Amended 11/6/14
Amended 3/5/15
Amended 12/3/15
Reviewed 10/3/19

1. GENERAL STATEMENT

The Jefferson County Industrial Development Agency (JCIDA) functions, among other activities, as a lending institution, making loans for economic development purposes to qualified applicants. Loan procedures will be reviewed periodically to insure that all rules and regulations are being complied with.

The JCIDA will review applications for need of JCIDA funds, appropriateness of project and ability to attain the stated goals.

The Board of Directors (BOD) has the ability to approve exceptions to the lending policy in order to enhance the agency's ability to stimulate economic development and help spur job creation/retention.

2. LENDING AREA

The loans will be made to businesses and industries situated in or having a significant positive economic impact in Jefferson County.

3. TYPES OF LOANS

The JCIDA may lend funds to businesses and/or non profit entities for the following purposes:

Business/real estate acquisition
Working Capital
Fixed assets
Inventory

There must be a positive economic benefit to Jefferson County as defined by:

- a. job creation
- b. job retention
- c. community redevelopment
- d. community enhancement
- e. generate positive net cash flow as defined – businesses that generate a substantial portion of their revenue from sales outside the County

4. DESCRIPTION OF LOAN PROGRAMS

Currently, the JCIDA oversees three loan programs. These programs are defined in Exhibit A.

5. EQUITY CONTRIBUTION OF BORROWER

A minimum equity contribution of 10% of the total eligible project costs is required of the Borrower. The equity contribution required for a start-up business may be greater, depending upon the circumstances. The equity contribution can be in the form of cash or substantial equity in collateral being offered.

6. INTEREST RATES AND REPAYMENT TERMS

Interest rates on the JCIDA loans will be determined by the Board of Directors. The interest rates will generally range from prime minus 3 to prime plus 2 and will generally be on fixed rate basis adjusted every 5 years, when applicable. Recommendations will be made to the Loan Review Committee for applicable loans. Repayment terms for real estate loans will generally range from 10 to 20 years; repayment terms for machinery and equipment purchases will generally range from seven to 10 years. Each RLF and Microenterprise loan will include a balloon payment at the end of a five (5) year period equal to the remaining principal and interest charges.

7. CLOSING FEES

The Borrower shall pay all costs connected with the issuance of the loan.

Specific fees are outlined in Exhibit A for each loan program.

8. DOCUMENTS

The JCIDA will require the completed written business plan and application to include three years of personal financial statements, three years of tax returns and/or business financials. Closing documents necessary to perfect its security interest are required by its commitment letter to fully comply with all Federal regulations and will include personal guarantees.

9. RESPONSIBILITY OF LOAN REVIEW COMMITTEE

The Chairman will appoint up to three representatives of the Board to serve on this Committee for the purpose of initially determining the eligibility of a prospective loan and analysis of the application for presentation to the Board. Upon completion of this analysis the committee will provide a recommendation to the Board at the next scheduled meeting.

10. RESPONSIBILITY OF BOARD OF DIRECTORS

The Board will maintain an active Loan Review Committee. The Board will act on the recommendations of the Committee at their regular scheduled meetings. The Chief Executive Officer will prepare a letter advising the Borrower of the Board's decision. If approved, the letter, among other things, will set forth the general and specific terms and conditions under which the JCIDA is willing to grant the loan; such as the interest rate, repayment period, expected collateral, etc. The letter will also advise the proposed Borrower that he will be obligated to pay all costs incurred by the JCIDA in connection with his application, even if the loan does not close as expected. The letter must include an acceptance of the letter within two weeks. The offer shall expire in 120 days from the date of the letter allowing a reasonable time

for the proposed Borrower to meet the terms and conditions of the loan. An extension of the letter must be approved by the Board of Directors. For JCIDA loans for projects which will have construction financing, the commitment shall be for the anticipated construction period plus two months, and the construction must start within 180 days. An extension of the commitment must be approved by the Board of Directors. The Chief Executive Officer will present to the Board a written report of all delinquent accounts for the Board's review.

11. COLLECTION PROCEDURE

The following collection policy will be administered by the JCIDA:

A. 15 days delinquent

When a loan is 15 days delinquent, a late payment notice is sent by the staff to the Borrower requesting the loan be brought current or may otherwise be placed in default.

B. 30 days delinquent

When a loan is 30 days delinquent, a telephone call is made to the Borrower from the JCIDA staff in order to define the reason for the delinquency. The regular monthly billing is sent to the Borrower, which will include two months payment due plus a late fee, as stated in the Note. A second delinquent letter will be sent requesting the loan be brought current as is subject to be placed in default. **The JCIDA Staff reserves the right to submit any delinquency to a nationally accredited Credit Reporting Agency if a delinquency has not been cured within 30 days following transmittal of the default letter.**

C. 60 days delinquent

A third delinquent letter will be sent demanding the loan be brought current immediately; otherwise, the loan is subject to being placed in default and will be turned over to JCIDA attorney within a certain period of time. At this time, the staff will determine the best collection course to pursue.

12. REPORTS TO BE KEPT

The original loan documents should be kept in the Office of the JCIDA. In addition to these, the following reports are to be kept and updated as needed:

1. current financial reports – updated annually
2. evidence of insurance (includes hazard insurance and flood insurance, if required by the loan documents) – updated annually
3. UCC-1 Financing Statements – updated every five years
4. Annual Employment Report
5. Periodic site visits
6. Annual financial statements and/or personal financial statements and tax returns

It is the responsibility of the JCIDA staff to attempt to receive and update the above documents.

13. ENVIRONMENTAL RISK CONSIDERATION

To reduce the JCIDA's potential liability the JCIDA will require Environmental Site Assessments which satisfy the standards set forth by the United States Environmental Protection Agency's "All Appropriate Inquiry" Final Rule, 40 C.F.R. Part 312.

14. APPRAISALS

The loan amount cannot exceed the appraisal of real estate or equipment unless approved by the Board. All real estate loan requests will require an acceptable appraisal report determined by the loan review committee.

15. RESERVE FOR BAD DEBT

The Revolving Loan Funds Allowance for Bad Debt will be adjusted annually at fiscal year end. Such adjustment will be a percentage of outstanding Accounts Receivables based on the historical average percentage of Accounts written off over the last three years.

At the discretion of the Board of Directors, any individual Loan may be deemed Non-Performing and an additional adjustment may be made to the Reserve.

EXHIBIT A

JCIDA Loan Programs

Jefferson County Industrial Development Agency (JCIDA) Microenterprise Loan Fund

Purpose: The loan fund targets small businesses to create and retain job opportunities, for low to moderate-income residents, in all sectors of the local economy. The program provides equal access to public loan funds and stimulates small business development activity, through start-up and expansion projects.

Area of Availability: Businesses in Jefferson County.

Eligible Activities: Business owners must be income eligible or plan to create jobs that will be held by income eligible individuals.

Employment Eligibility: Businesses having five (5) or less employees including the owner(s).

Funding Uses: Acquisition of machinery and equipment, working capital, furniture, fixtures, and real property.

Funding Limitations: Loans can be up to \$40,000 (including any amounts provided for technical assistance), and will not exceed 40% of total project costs, which ever is less. Multiple loans can be made with a maximum aggregate amount not to exceed \$120,000.

Equity Participation: Equity participation of at least ten (10) percent of the total project costs.

Interest Rate: Generally, interest rates range from Prime minus 3% to Prime plus 2%. Rates determined on a project specific basis and reviewed after five years.

Repayment Terms: Amortization of the loan shall not exceed 12 years. The loan will be amortized over a 12 year period to include a balloon payment at the end of a five (5) year period equal to the remaining principal and interest charges.

Applicant agrees to provide timely repayment of any loan associated with this application according to the terms and conditions found in Loan Documents and as agreed to by participating parties. Staff reserves the right to submit any delinquency to a nationally accredited Credit Reporting Agency if a delinquency has not been cured within 30 days following transmittal of a default letter.

Loan Fund Requirements: Start up business owners (20% or more ownership) are required to participate in the Entrepreneur Training Course provided by the New York State Small Business Development Center sbdc@sunyjefferson.edu within one year of the loan closing and provide the JCIDA with a certificate of completion. If the business owner does not meet the requirement within one year of loan closing, the loan will default to the default interest rate as it states in the Note.

Existing business owners may be required to participate in the Small Business Development Center classes.

Jefferson County Industrial Development Agency (JCIDA)
Microenterprise Loan Fund – Cont.

Application Deadline: Must be submitted by the fifteenth day of the month and will be reviewed by the board on the first Thursday of the following month.

Fees: Application fee of \$100.00 is payable to the JCIDA at the time the application is submitted. A loan closing fee of 1.5% is due at the time of closing. A ½% fee is for any loan modification request is due at the time of request.

Point of Contact: Lyle Eaton
800 Starbuck Avenue, Suite 800
Watertown, NY 13601
315-782-5865

Jefferson County Industrial Development Agency (JCIDA) Revolving Loan Fund (RLF)

Purpose:	The loan fund targets manufacturing and eligible service businesses.
Area of Availability:	Businesses in Jefferson County.
Eligible Activities:	Manufacturing businesses either start-up or expanding; however, deviation for service based businesses will be addressed on a case by case basis. Also, entities that will enhance the community and economic development initiatives of the County.
Employment Eligibility:	None.
Funding Uses:	Fixed assets, working capital and inventory.
Funding Limitations:	Loans generally range from \$25,000 to \$250,000 or 40% of the total project costs, whichever is less. Multiple loans can be made with a maximum aggregate amount not to exceed \$500,000.
Equity Participation:	Equity participation of at least ten (10) percent of the total project costs.
Interest Rate:	Generally, interest rates range from Prime minus 3% to Prime plus 2%. Rates determined on a project specific basis and reviewed after five years.
Repayment Terms:	<p>Loans shall be amortized as follows: Working capital – up to five (5) years; Equipment 7 to 10 years; and Real Estate 10 to 20 years. The loan will include a balloon payment at the end of a five (5) year period equal to the remaining principal and interest charges.</p> <p>Applicant agrees to provide timely repayment of any loan associated with this application according to the terms and conditions found in Loan Documents and as agreed to by participating parties. Staff reserves the right to submit any delinquency to a nationally accredited Credit Reporting Agency if a delinquency has not been cured within 30 days following transmittal of a default letter.</p>
Application Deadline:	Must be submitted by the 15 th day of the month.

**Jefferson County Industrial Development Agency (JCIDA)
Revolving Loan Fund (RLF) – Cont.**

Fees: Application fee of \$250.00 is payable to the JCIDA at the time the application is submitted. A loan closing fee of 1.5% is due at the time of closing. A ½% fee is for any modification request is due at the time of request.

Point of Contact: Lyle Eaton
800 Starbuck Avenue, Suite 800
Watertown, NY 13601
315-782-5865

Watertown Economic Growth Fund (WEGF)

Purpose:	The loan fund targets eligible businesses in all sectors.
Area of Availability:	Businesses located within the Watertown City Limits.
Eligible Activities:	All business sectors are eligible to apply.
Employment Eligibility:	None.
Funding Uses:	Fixed assets and working capital.
Funding Limitations:	Limited to a maximum of 40% of the total project costs or \$250,000 whichever is less.
Equity Participation:	Equity participation of at least ten (10) percent of the total project costs.
Interest Rate:	Rates are determined on an individual project basis and reviewed after five years.
Repayment Terms:	<p>Loans shall be amortized as follows: Working capital - up to five (5) years; Equipment 7 to 10 years; and Real Estate 10 to 20 years. The loan will include a balloon payment at the end of a five (5) year period equal to the remaining principal and interest charges.</p> <p>Applicant agrees to provide timely repayment of any loan associated with this application according to the terms and conditions found in Loan Documents and as agreed to by participating parties. Staff reserves the right to submit any delinquency to a nationally accredited Credit Reporting Agency if a delinquency has not been cured within 30 days following transmittal of a default letter.</p>
Application Deadline:	Must be submitted by the 15 th day of the month.
Fees:	Application fee of \$250.00 is payable to the JCIDA at the time the application is submitted. A loan closing fee of 1.5% is due at the time of closing. A ½% fee is for any modification request is due at the time of request.
Point of Contact:	Lyle Eaton 800 Starbuck Avenue, Suite 800 Watertown, NY 13601 315-782-5865

JCIDA POLICY REGARDING POSSESSION AND USE OF AGENCY-
ISSUED ELECTRONIC EQUIPMENT

Adopted January 3, 2013 - Reviewed October 3, 2019

Equipment Issued Description and Serial Number _____
Equipment Issued to _____
Date of Issuance _____
Agency position held: Board of Director _____ Staff _____

Use Policy

The Jefferson County Industrial Development Agency has issued the above electronic equipment for exclusive use in Agency related activities. This device is not to be used for personal activities and is provided to the above-named individual for the sole purpose of enhancing their Agency-related activities.

Loaning the Device

The device is not to be loaned or allowed to be borrowed or traded by or to any other individual and the material contained therein is understood to be completely confidential.

Responsibility for the Device

The above individual acknowledges that they are responsible for this device and should the device become lost or stolen, the Agency maintains the right to charge the individual for the replacement value of this device.

Damage to the Device

Should the device become damaged and/or fails to function properly, the device must be returned to the Agency so that its qualified Agent can render service to the device. No individuals unauthorized by the Agency are to provide service or complete any modifications to the device without the express written consent of the Agency or its Agent.

Service to the Device

If the device should fail to function properly, the individual in possession of the device should first execute a list of simple steps, outlined below*, in an attempt to resolve the problem. If those simple steps fail to solve the problem the device should be immediately returned to the Agency for service.

Software Downloads

Only software related to activities authorized by the Agency or the recognized Agent of the JCIDA can be loaded on the device. If the user can identify software that, in their opinion, will assist in their ability to exercise their responsibility related to the Agency than a request for that software to be loaded on their device must be made to the Agency or authorized Agent. These 'exceptions' will then be included in a list of authorized software maintained by the Agent of the IDA.

Updates to existing software or downloads of additional software must be completed by the authorized Agent of the IDA.

Download Precautions

Precautions regarding the downloading of new or additional software must be taken to insure the proper integration of each machine within the system being used by the Agency. If simple downloads of updated material can be done by the individual, instructions and recommendations will be provided by our Agent to all Agency representatives with a device.

Passwords

If passwords are required for individual machines, those passwords will be issued to the individual machine by the Agency and then made known to the individual in possession of the device. No unauthorized passwords that might prevent the Agency from capturing stored data on the machines will be permitted.

Device Wear and Tear

Normal 'wear and tear' of the device will be considered the responsibility of the Agency, however, in the event of damage by mis-use of the device, repairs for that damage or machine replacement may be considered the responsibility of the individual user. That determination will be made by the Agency.

Data Plans

The Agency will maintain an adequate data plan to allow your machine to function to its fullest capacity. This will include the use of the 'cloud' for data storage and transfer.

Legal Compliance for Data Storage and Transfer

It should be noted that certain data that the user may be privy to must be considered in light of any compliance issues that it may be implicated. As an example, date regarding health related issues

must be held in strict confidence or risk violating HIPAA laws. Although not recommended, if any data of this nature is stored on your device it remains the user responsibility to protect it.

Annual Device Maintenance

At least once every year, the device must undergo inspection and maintenance typically on or about the anniversary date of the device being placed in service.

Relinquishment

When service to the Jefferson County Industrial Development Agency is concluded for whatever reason, the device must be returned to the Agency in acceptable condition as soon as possible. It is noted that the device is an asset of the JCIDA and any material contained therein or the device itself is IDA property.

BYOD Policy

The Agency does not have a formal policy for the use of personal electronic devices in the pursuit of Agency business. The Agency, however, recognizes that employees will have personal devices with them and will use them occasionally as part of their daily activities. The Agency discourages the use of personal devices in agency activities and is not responsible for repair or replacement of any personal devices.

I have read and have understood the implications of this policy relating to my stewardship of the device identified by the serial number above. I further acknowledge that I have received said device and it is now within my possession:

Signature

-0-

- ** Attempt to reboot the machine by turning it off and on twice
- Insure battery is fully charged by attaching charging device to electrical outlet
- Call technical Agent: Steel Potter, Northern Computers, Office: 315-779-1385

POST ISSUANCE COMPLIANCE PROCEDURES

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Post-Issuance Tax Compliance Procedures

For Conduit Tax-Exempt Bonds

Adopted December 4, 2014 – Reviewed October 3, 2019

The purpose of these Post-Issuance Tax Compliance Procedures is to establish post issuance policies and procedures in connection with tax-exempt conduit bonds (the “Bonds”) issued by the Jefferson County Industrial Development Agency (the “Issuer”) so that all applicable post-issuance requirements of federal income tax law needed to maintain the tax-exempt status of the Bonds are met. The Bonds are qualified private activity bonds issued by the Issuer the proceeds of which are made available to companies owning or operating a qualified facility (each, a “Company” and collectively, “Companies”). The Bonds are repaid from payments on the project investment funded with Bond proceeds. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The Issuer also reserves the right to change these policies and procedures from time to time.

General

Inasmuch as the Issuer is a responsible conduit issuer authorizing the issuance of Bonds for Companies, the Issuer now identifies post-issuance tax compliance procedures for all Bonds authorized by the Issuer on behalf of Companies, as well as the Issuer’s expectations and requirements for all such Companies of Bond proceeds concerning these procedures.

Post-Issuance Compliance Requirements

A. External Advisors / Documentation

The Issuer and the Company shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. Those requirements and procedures shall be documented in the tax compliance agreement (“Tax Agreement”) and/or other documents pertaining to the Bonds that are finalized in connection with the issuance of the Bonds. Those requirements and procedures shall address future compliance with applicable arbitrage rebate requirements, ongoing limitations on private activities at facilities financed with the Bonds during (and in some cases beyond) the period that the Bonds or any bonds refunding the Bonds are outstanding, as well as applicable remediation provisions, and all other applicable post-issuance requirements of federal tax law.

The Company also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets. Such requirement shall be documented in the Tax Agreement and/or other documents pertaining to the Bonds which are executed in connection with the issuance of the Bonds.

The Issuer shall encourage or require the Company to engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds in the manner more fully set forth below.

Unless otherwise provided by the indenture or similar document relating to the Bonds, unexpended Bond proceeds shall be held by a trustee or other financial institution, and the investment of Bond proceeds shall be managed by the Company. The Company shall prepare (or cause the trustee to prepare) regular, periodic statements regarding the investments and transactions involving Bond proceeds and such statements shall be delivered to the Issuer if it so requests.

B. Arbitrage Rebate and Yield

The Company shall be responsible for compliance with all requirements under federal arbitrage laws. In particular, the Company is responsible for:

- 1) determining the likelihood of complying with an arbitrage rebate exemption;
- 2) if necessary, engaging the services of a Rebate Service Provider and, prior to each rebate calculation date, delivering or causing the trustee to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
- 3) providing to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- 4) monitoring efforts of the Rebate Service Provider;
- 5) assuring payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
- 6) during the construction period of each capital project financed in whole or in part by Bonds, monitoring the investment and expenditure of Bond proceeds and consulting with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Bonds;
- 7) establishing procedures to ensure all investments are made at fair market value, and
- 8) retaining copies of all arbitrage reports and investment records, and trustee statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the Issuer.

For Bonds issued after the date hereof, the Company, in the Tax Agreement relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall identify an employee and/or officer to undertake the tasks listed above.

C. Use of Bond Proceeds and Bond-Financed or Refinanced Assets:

The Company shall be responsible for:

- 1) monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the

Bonds to ensure compliance with covenants and restrictions set forth in the Tax Agreement relating to the Bonds;

- 2) maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond proceeds as described below under "Record Keeping Requirements";
- 3) consulting with bond counsel and other legal counsel and advisers in the review of any change in use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Agreement relating to the Bonds;
- 4) conferring at least annually with personnel responsible for the management, administration or use of Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets, so as to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Agreement relating to the Bonds;
- 5) to the extent that the Company discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to avoid or prevent this violation or to undertake a remedial action, pursuant to the applicable section(s) of the Treasury Regulations (i.e., Sections 1.141-12, 1.142-2, 1.144-2 and 1.145-2), if such counsel advises that such action is necessary to preserve the tax-exempt status of the Bonds;
- 6) with respect to facilities financed with exempt facility bonds or qualified small issue manufacturing bonds, adopting any such procedures that bond counsel deems appropriate to periodically assess whether such facility continues to qualify as an exempt facility or a qualified manufacturing facility, as applicable; and
- 7) with respect to facilities financed with qualified small issue manufacturing bonds, track all capital expenditures paid or incurred with respect to the bond-financed facility and all other facilities in the same incorporated municipality during the six-year period commencing three (3) years prior to the date of issue of the Bonds and ending three (3) years after such date, to ensure that such expenditures do not exceed \$20,000,000, in accordance with Section 144(a)(4) of the Internal Revenue Code.

For Bonds issued after the date hereof, the Company, in the Tax Agreement relating to the Bonds and/or other documents finalized at or before the issuance of the Bonds, shall identify an employee and/or officer to undertake the tasks listed above.

All relevant records and contracts shall be maintained as described below.

D. Reporting Requirement of the Company

Following the adoption of these procedures, the Issuer will require all Companies to file a certificate that identifies all assets financed with the bond issue (the "Completion Certificate") with the Issuer within six months after all Bond proceeds deposited in the Construction Fund, Project Fund or similar fund or otherwise to be advanced to pay the capital costs of the facilities being financed and all investment earnings thereon but in no event later than on the third anniversary date of issuance of the Bonds. The form of the Completion Certificate to be provided by the Companies is attached hereto as **Schedule I**. The Completion Certificate identifies total

proceeds spent (including investment earnings) and allocates those funds to expenditures for capital assets.

In respect to Bonds issued after the adoption of these procedures, after filing the Completion Certificate, the Company shall file an annual update with the Issuer that either identifies any changes to the Completion Certificate or certifies that nothing has changed (assets sold, new contract, etc.) (the "Annual Certificate"). The form of the Annual Certificate to be filed by the Companies is attached hereto as **Schedule II**. In the event that such report indicates a new private use, it shall be accompanied by either (a) a certification of the Company that such use, together with other private uses, will not result in private use in excess of five percent (5%) of the proceeds of the Bonds; or (b) an opinion of bond counsel that such use will not cause the Bonds financing such project to become taxable or appropriate remedial action has been taken to preserve the bonds status as tax-exempt bonds.

In respect to Bonds issued after the adoption of these procedures, the Company shall supply the Issuer with all reports establishing that the proceeds have satisfied a spending exception to rebate and all reports prepared by the Rebate Servicer Provider that calculate rebate liability. Such reports shall include Evidence of Rebate Calculation and payment (copy of check, if payment required).

E. Recordkeeping Requirement

The Company shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- 1) a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Company at or in connection with closing of the issue of Bonds;
- 2) a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds and the Final Completion Report filed pursuant to the Lease Agreement, Leaseback Agreement, Installment Sale Agreement, or similar agreement; and
- 3) a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements, and copies of all bidding documents, if any.

F. Issuer Requirements

The Issuer shall:

- 1) cause bond counsel to prepare the initial Form 8038 to be filed in connection with the issuance of the Bonds and shall cause such Form to be duly filed;
- 2) retain a copy of the Bond closing transcript; and
- 3) retain a copy of all certificates and other documents supplied to the Issuer by the Company in connection with the Bonds.

The Issuer shall be responsible for the maintenance of such records for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years.

Schedule I**PROJECT COMPLETION CERTIFICATE**

(To be filed 3 years after issuance and updated annually thereafter)

Name of Bonds: _____
 Company: _____
 Closing Date: _____
 Project Description: _____

I am a representative of the above-named Company and I hereby certify to the Jefferson County Industrial Development Agency (the "Issuer") that all of the proceeds of the above-named Bonds have been expended and the Construction Fund/Project Fund should be closed.

I have attached Exhibit A hereto to identify the various assets paid for or constructed with proceeds of the Bonds and the investment earnings thereon ("Bond-Financed Assets"). All invoices representing costs of the Project should be retained by the Company in accordance with the retention policy attached as Schedule II hereto.

In addition, I hereby certify as follows:

_____ Bond Proceeds were the only source of funds used in the Project; OR

_____ Other sources of funds were contributed to Project Costs. Describe what other funds were utilized, what portion of the Project those other funds financed and what allocation method was used.

If a qualified 501(c)(3) bond issue:

_____ 100% of the Project is utilized by a governmental entity or a qualified 501(c)(3) organization in furtherance of its exempt purposes (i.e., no leases or non-qualifying management agreements, etc.); OR

_____ A portion of the Project is leased to, managed or used by a non-exempt person (a "mixed-use project"). If true, identify user and its actual use on attachment hereto.

If a governmental bond issue:

_____ 100% of the Project is utilized by a governmental entity organization in furtherance of its exempt purposes (i.e., no leases or non-qualifying management agreements, etc.); OR

_____ A portion of the Project is leased to, managed or used by a non-governmental entity(a "mixed-use project"). If true, identify user and its actual use on attachment hereto.

If an exempt facility issue or qualified small issue manufacturing issue:

_____ 100% of the Project is in use for its intended purpose; OR

_____ A portion of the Project is not in use for the intended purpose. If true, please describe.

If a qualified small issue manufacturing issue, provide a listing of all capital expenditures paid or incurred with respect to the bond-financed facility (listed by principal user and related person) and all other facilities in the same incorporated municipality during the six-year period commencing three (3) years prior to the date of issue of the Bonds and ending three (3) years after such date. Refer to the Schedule of Small Issue Capital Expenditures contained in the Tax Compliance Agreement.

Schedule II**ANNUAL PROJECT COMPLIANCE CERTIFICATE**

Name of Bonds: _____
 Company: _____
 Closing Date: _____
 Project Description: _____

I am a representative of the above-named Company and I hereby certify to the Jefferson County Industrial Development Agency (the "Issuer") that the following information in respect of the above-named Bonds is true.

- A. All of the assets identified on the Project Completion Certificate previously filed with the Issuer are still in service, are still used by the Company in compliance with the terms of the Tax Agreement and have not otherwise been disposed of, otherwise any changes are reflected in the attached Exhibit A.

- B. If a qualified 501(c)(3) issue:

_____ 100% of the Project is utilized by a governmental entity or a qualified 501(c)(3) organization in furtherance of its exempt purposes (no leases, non-qualifying management agreements, etc.) since Project completion; OR

_____ A portion of the Project is leased to, managed or used by a non-exempt person (a "mixed-use project") for any period of time since the last certificate filed with the Issuer. If true, identify user and its actual use on attachment hereto.

- C. If a governmental issue:

_____ 100% of the Project is utilized by a governmental entity (no leases, non-qualifying management agreements, etc.) since Project completion; OR

_____ A portion of the Project is leased to, managed or used by a non-governmental entity (a "mixed-use project") for any period of time since the last certificate filed with the Issuer. If true, identify user and its actual use on attachment hereto.

If an exempt facility issue or qualified small issue manufacturing issue:

_____ 100% of the Project is in use for its intended purpose; OR

_____ A portion of the Project has been sold or been taken out of service. If true, please describe.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PROCUREMENT POLICY

Adopted 10/1/09 – Amended 12/3/15

Reviewed 10/3/19

A. Introduction

1. Scope — In accordance with Article 18-A of the General Municipal Law (the "IDA Act"), Section 104-b of the General Municipal Law, and the Public Authorities Accountability Act of 2005, the Jefferson County Industrial Development Agency is required adopt procurement policies which will apply to the procurement of goods and services not subject to the competitive bidding requirements of Section 103 of the GML and paid for by an IDA for its own use and account.
2. Purpose — Pursuant to Section 104-b of the GML, the primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, 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.

B. Procurement Policy

1. Determination Required — Prior to commencing any procurement of goods and services, the Chief Executive Officer or an authorized designee shall prepare a written statement setting forth the basis for (1) the determination that competitive bidding is not required for such procurement, and if applicable (2) the determination that such procurement is not subject to any requirements set forth in this policy. Such written statements shall be maintained by the Chief Executive Officer or such authorized designee in a specially designated procurement file.
2. Procedure for determining whether Procurements are subject to Competitive Bidding — The procedure for determining whether a procurement of goods and services is subject to competitive bidding shall be as follows:
 - a. The Chief Executive Officer or an authorized designee shall make the initial determination as to whether competitive bidding is required. This determination will be based on Section 103 of the GML which requires competitive bidding for expenditures of (1) more than \$20,000 for the performance of any public works contract (services, labor or construction), and (2) more than \$10,000 for any purchase contract (acquisition of commodities, materials, supplies or equipment).
 - b. The Chief Executive Officer or such authorized designee shall review the purchase request against prior years' expenditures and a good faith effort

will be made to determine whether it is known or can reasonably be expected that the aggregate purchases of a similar nature will exceed the above competitive bidding procedures shall be followed for said expenditure.

- c. The Chief Executive Officer or such authorized designee shall present any legal issues regarding the applicability of the competitive bidding requirements stated herein to the Agency's Counsel.
3. Methods of Competition to be used for Non-Bid Procurements and Procurements Exempt by Statute — Alternative proposals or quotations for goods and services shall be secured by use of written requests for proposals or written quotations, verbal quotations or any other method of procurement which furthers the purposes of this Section except for items excepted herein (see 7 below) or procurements made pursuant to:
 - a. GML, Section 103 (3) (through county contracts), or
 - b. GML, Section 104 (through state contracts), or
 - c. State Finance Law, Section 175-b (from agencies for the blind or severely handicapped), or
 - d. Correction Law, Section 186 (articles manufactured in correctional institutions).
4. Procedures for the Purchase of Commodities, Equipment or Goods under \$10,000.
 - a. Up to \$500 The discretion of the Chief Executive Officer or authorized designee.
 - b. \$501 - \$3,000 Documented verbal quotations from at least three vendors.
 - c. \$3,001 - \$10,000 Written/fax quotations from at least three vendors.
5. Procedures for the Purchase of Public Works or Services under \$20,000.
 - a. Up to \$1000 The discretion of the Chief Executive Officer or authorized designee.
 - b. \$1,001 - \$5,000 Documented verbal quotations from at least three vendors.
 - c. \$5,001 - \$20,000 Written/fax quotations from at least three vendors.
6. Basis for the Award of Contracts — Contracts will be awarded to the lowest responsible vendor who meets the specifications.

7. Circumstances justifying an Award to other than the Lowest Cost quoted.
 - a. Delivery requirements
 - b. Quality requirements
 - c. Quality
 - d. Past vendor performance
 - e. The unavailability of three or more vendors who are able to quote on a procurement.
 - f. It may be in the best interests of the Agency to consider only one vendor who has previous expertise with respect to a particular procurement.
8. Documentation
 - a. For each purchase made the Chief Executive Officer or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
 - b. The basis for any determination that competitive bidding is not required shall be documented, in writing, by the Chief Executive Officer or such authorized designee, and filed with the purchase order or contract therefore.
 - c. For those items not subject to competitive bidding such as professional services, emergencies, purchased under county contracts or procurements from sole sources, documentation should include a memo to the file which details why the procurement is not subject to competitive bidding and include, as applicable:
 1. a description of the facts giving rise to the emergency and that they meet the statutory criteria; or
 2. a description of the professional services; or
 3. written verification of county contracts; or
 4. opinions of Counsel, if any; or
 5. a description of sole source items and how such determinations were made.
 - d. Whenever an award is made to other than the lowest quote the reasons for doing so shall be set forth in writing and maintained in the procurement file.

- e. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

9. Exceptions to Bidding

- a. Emergency Situation — An emergency exists if the delay caused by soliciting quotes would endanger the health, welfare or property of the municipality or of the citizens. With approval by the Chief Executive Officer such emergency shall not be subject to competitive bidding or the procedures stated above.
- b. Resolution Waiving Bidding Requirements — The Agency may adopt a resolution waiving the competitive bidding requirements whenever it is determined to be impracticable.
- c. Sole Source — Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product offered and there is no competition available. In this situation, a request for a resolution waiving bidding requirements, as described above, is required.
- d. True Lease — Prices will be obtained through quotations whenever possible. The award shall be made on the basis of goods and/or services to be provided, ability to meet the specifications desired and price.
- e. Insurance — All insurance policies shall be procured in accordance with the following procedures:
 - 1. Premium less than \$10,000 — documented telephone quotations from at least three agents (if available).
 - 2. Premium over \$10,001 — written quotations/fax or proposals from at least three agents (if available)
- f. Professional Services — This category includes services which require special education and/or training, license to practice or are creative in nature. Examples of professional services are: lawyers, doctors, accountants, engineers, artists, etc.
- g. Single Source – Defined as a situation in which, although two or more contractors can supply the required product or services, the agency has determined that it is in its best interest to procure from a particular contractor or vendor without seeking competitive quotes or proposals due to overriding considerations; and for which the reasonableness of cost can be determined. Examples would include the following:

- The selected contractor has familiarity or previous experience with the particular project for which services are needed, helping to ensure continuity, effectiveness, and efficient completion;
- The agency has a specific design or specification for which it feels the selected contractor is best suited to deliver;
- The agency needs maintenance for a particular piece of equipment, and that maintenance must be provided by a particular vendor to maintain the warranty.

In any case where a single source contract is awarded, the agency shall document in the procurement record the circumstances leading to the selection of the vendor, including the alternatives considered, the rationale for selecting the specific vendor and the basis upon which it determined the cost was reasonable.

10. Minority and Women Business Enterprises — It is the goal of the Agency to provide opportunities for the purchase of goods and services from certified minority and/or women-owned business enterprises (“M/WBE”). To that end, the Agency shall use its best efforts to solicit bids and proposals from such businesses by utilizing available lists of M/WBE firms certified with the County of Jefferson and/or the State of New York and by notifying them of opportunities to submit proposals and/or bids for goods or services when practical. Such certified M/WBE firms will be provided sufficient time to submit proposals and/or bids in response to any solicitations.
11. Input from members of the Agency — Comments concerning the procurement policy shall be solicited from the members of the Agency from time to time.
12. Annual Review — the Agency shall annually review its policies and procedures.
13. Unintentional Failure to Comply — The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Agency or any officer thereof.

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
REAL PROPERTY ACQUISITION GUIDELINES**

Adopted June 7, 2018 – Reviewed October 3, 2019

The Jefferson County Industrial Development Agency (the “Agency”), a New York public benefit corporation, in compliance with Section 2824(1)(e) of the New York State Public Authorities Law, hereby adopts the following Real Property Acquisition Guidelines (these “Guidelines”) as of June 7, 2018.

These Guidelines shall apply to the acquisition of real property until such time as the Agency adopts new or revised Guidelines. The Board of Directors shall review and approve these Guidelines, with any necessary modifications and revisions, on an annual basis, or more frequently as the Board may determine.

ARTICLE I

Designation of Contracting Officer

The Agency hereby designates the Chief Executive Officer of the Agency as the Agency’s Contracting Officer in compliance with the provisions of New York State Public Authorities Law. The Contracting Officer shall hold this position until the Members of the Agency designate a new Contracting Officer.

The Contracting Officer shall be responsible for the administration and implementation of these Guidelines. The Contracting Officer shall cause these Guidelines to be posted on the Agency’s website so that they are available to the general public.

ARTICLE II

Application of Guidelines

The procedures outlined in these Guidelines shall apply to the Agency’s acquisition of all interests in real property except for acquisitions of interests in real property where the Agency is involved for the benefit of a third party. As used in these Guidelines, “property” shall include all interests in real property. The Agency shall acquire real property in a prudent manner and in accordance with the requirements of Section 892-E of the New York General Municipal Law.

ARTICLE III

Purpose

The Agency has adopted these Guidelines (i) to comply with the provisions of Section 2824(1)(e) of the New York State Public Authorities Law and (ii) to protect the Agency’s interests when acquiring real property for its own benefit.

ARTICLE IV
Property Acquisition Requirements

A. Acquisition for Fair Market Value. The Agency shall endeavor not to pay more than fair market value for any property being acquired. Where the property is such that it is required for Agency purposes and other property will not suffice, the Agency may under such circumstances pay such reasonable amount in excess of what an independent qualified professional has determined to be fair market value in order to purchase the property. In such case the Agency shall document the reasons why it is necessary to acquire such property and pay more than what was determined to be fair market value.

B. Determination of Fair Market Value. Prior to acquiring any parcel of real property, excepting property being gifted to the Agency, the Contracting Officer shall take reasonable measures to determine the fair market value of the property to be acquired and shall negotiate the purchase price after determination of the fair market value. The fair market value of all real property shall be established by an appraisal conducted by an independent qualified professional. Fair market value of property that is unique in nature and therefore not subject to fair market value pricing shall be determined through an appraisal by an independent qualified professional. In the case of real property gifted to the Agency, an appraisal shall not be required.

C. Environmental Review. Prior to the acquisition of any interest in real property covered by these Guidelines, the Agency shall take necessary steps to determine whether there are any environmental concerns. The Agency shall order a Phase I Environmental Report and, if warranted by the results of the Phase I Environmental Report, the Agency shall order a Phase II Environmental Report. The Agency shall comply with the New York State Environmental Quality Review Act (SEQRA) in any property purchase.

D. Title Review. The Agency shall have Agency General Counsel review the title documents supplied in connection with the acquisition and shall require fee title insurance unless Agency Counsel determines that title insurance is not required.

E. Execution of Property Acquisition. Agency General Counsel shall handle the purchase of property on behalf of the Agency and the Agency shall pay such reasonable fees as are required in connection with such purchase.

ARTICLE V
Yearly Property Report

Each year the Contracting Officer shall publish a report listing all real property acquired by the Agency during the previous twelve-month period. The report shall contain a full description of each parcel of real property purchased, the price paid by the Agency and the name of the individual(s) or entity that sold the property. The Contracting Officer shall publish the report on the Agency's website and shall deliver the report to the Comptroller, the Director of the Budget, the Commissioner of General Services, the New York State Legislature c/o the Speaker of the House, the Senate Majority Leader and the Authorities Budget Office.

Jefferson County Industrial Development Agency (JCIDA)

Policy for Termination and/or Modification of Agency Financial Assistance

And

Recapture of Agency Financial Assistance Previously Granted

Adopted: June 2, 2016

Amended and Restated: January 3, 2019

Reviewed October 3, 2019

1. Purpose. To establish and provide a fair procedure, compliant with Sections 874 and 875 of the New York General Municipal Law and **JCIDA** policies, potentially resulting in the termination and/or modification of Agency Financial Assistance and/or the recapture of all or a portion of Agency Financial Assistance.
2. Goal. The goal of this policy is to enact a procedure for implementing the potential or actual termination and/or modification of Agency Financial Assistance and/or recapture of all or a portion of Agency Financial Assistance from Applicants resulting from the violation of certain statutory requirements and/or Material Factors, as defined herein, that were relied upon and established as consideration for the granting of Financial Assistance to Applicants.
3. Definitions.
 - a. Agency Financial Assistance includes any or all: (i) exemptions from New York State and local sales and use tax; (ii) an exemption from mortgage recording tax; and/or (iii) an abatement from real property tax provided by or through the **JCIDA** (under the terms of a Payment-in-lieu-of-Taxes Agreement or "PILOT Agreement") to an Applicant in order to induce such Applicant to undertake a project (also referred to herein individually or collectively as "Financial Assistance").
 - b. Applicant is a for-profit or not-for-profit entity that has applied for and received Agency Financial Assistance from **JCIDA**.
 - c. Material Factors are factors, and any related reporting requirements established to verify such factors, determined by the **JCIDA** Board as being so significant that without such factors at the level specified, it is unlikely that the JCIDA would have agreed to grant Agency Financial Assistance. Such Agency Financial Assistance was provided based upon evaluation of the Applicant's ability to meet or exceed Material Factors pursuant to the Agency's Uniform Tax Exempt Policy. The quantity of such Material Factors (said Material Factors typically determined at the time a Project is granted **JCIDA** Financial Assistance) and the threshold for

the termination and/or modification of Agency Financial Assistance and for the recapture of Agency Financial Assistance shall be determined by the **JCIDA** Board or **JCIDA** staff, as appropriate (and as further identified, below), on a case by case basis.

- d. Recapture of Agency Financial Assistance is the result of an action taken by the **JCIDA** Board to seek to have an Applicant return all or a portion of Agency Financial Assistance that it has received.
 - e. Termination of Agency Financial Assistance is the result of an action taken by the **JCIDA** Board or **JCIDA** staff, as appropriate, to cause an Applicant to cease receiving Agency Financial Assistance that it otherwise would have obtained in the future,
 - f. Modification of Agency Financial Assistance is the result of an action taken by the **JCIDA** Board to cause a modification of the amount of Agency Financial Assistance to be received by the Applicant, for example, a modification of the abatement/increased payments under a PILOT Agreement, in the future.
4. Termination and/or Modification of Agency Financial Assistance and/or Recapture of Agency Financial Assistance.
- a. Future Agency Financial Assistance may be terminated and/or modified by the **JCIDA** Board for a violation of any Material Factor contained in the **JCIDA** Application for Financial Assistance, inducement resolution (including all submissions made by the Applicant), Agent Agreement, Project Agreement, Lease/Leaseback Agreement, PILOT Agreement or any other agreement by and between the Applicant and the **JCIDA** (collectively, "**JCIDA** Transaction Documents").
 - b. In addition to the termination and/or modification of Agency Financial Assistance, the **JCIDA** may impose recapture of Agency Financial Assistance where it is determined through the process specified below, that:
 - i. Agency Financial Assistance was obtained as a result of a knowing, misstatement of a material fact where such misstatement occurred in the written **JCIDA** Application for Financial Assistance, in any written submission, or in any on the record verbal statement made to **JCIDA** staff, the **JCIDA** Board or any **JCIDA** Committee;
 - ii. An applicant failed to achieve the goals identified as Material Factors by the **JCIDA** Board at the time that the inducement/granting of Financial Assistance was approved. Such recapture of Agency Financial Assistance, to the extent provided by law, may consider extenuating and mitigating circumstances and may consider the extent to which the Applicant failed to achieve and maintain the Material Factors.

5. Procedure to Terminate and/or Modify Agency Financial Assistance or to Recapture Agency Financial Assistance.
 - a. Knowledge of Potential Termination/Modification of Financial Assistance or Recapture Issue: When **JCIDA** staff becomes aware of a potential issue with respect to a Material Factor(s) related to the provision of Financial Assistance to an Applicant and is unable to otherwise remedy the issue, **JCIDA** staff shall notify the President/Chief Executive Officer or Chief Operating Officer of the **JCIDA** (note in the case where **JCIDA** staff is able to remedy said issue, **JCIDA** staff shall still notify the President/Chief Executive Officer or Chief Operating Officer of the **JCIDA**). The **JCIDA** staff shall also notify or cause to be notified, the Chair of the **JCIDA** and such other individuals as the **JCIDA** Board may determine. It is understood that this **JCIDA** Due Process Policy shall not apply to termination of Agency Financial Assistance related to the typical/standard events of default (not otherwise involving a Material Factor) as so identified within **JCIDA** Transaction Documents.
 - b. Decision to Commence a Proceeding: Upon notification by staff pursuant to subsection ("a") the Chair of the **JCIDA** shall cause a proceeding to be commenced to determine if Agency Financial Assistance should be terminated and/or modified and/or recaptured.
 - c. Notice to the Applicant: Once a decision is made to commence a proceeding to terminate and/or modify Agency Financial Assistance (said termination/modification of Agency Financial Assistance being related to a Material Factor and otherwise unrelated to typical/standard events of default as so identified within **JCIDA** Transaction Documents) and/or to recapture Agency Financial Assistance, the Applicant shall be provided written notice ("Notice") of: (i) the alleged Material Factor(s) violation, (ii) the potential for termination and/or modification of Agency Financial Assistance and/or for recapture of Agency Financial Assistance as may be considered with respect to the commencement of such a proceeding, (iii) their rights to be heard and to appeal any such determination, and (iv) the date and time where a meeting of the Executive Committee will take place to consider the matter.
 - d. Sufficient Time to Prepare a Response and Opportunity to be Heard: An Applicant shall be given ten (10) business days from the date said Notice, as described in Section 5(c), above, is received or deemed received to prepare and submit a written response to any alleged Material Factor(s) violation. The ten (10) business day response period, as described above, can be extended for good cause shown, as determined by the Chair. Thereafter, an Applicant will be provided an opportunity to make a written or written and oral presentation to the **JCIDA** Executive Committee.
 - e. Representation: An Applicant shall have the right to be represented by counsel, or to appear without counsel.

- f. Creation of Written Record: The **JCIDA** Executive Committee shall take written meeting minutes that include a statement/summary of: (i) the alleged Material Factor(s) violation, (ii) the response, (iii) all evidence that has been submitted, and (iv) a summary of any oral presentations that have been made. The meeting minutes shall also include the vote, if any, taken by the **JCIDA** Executive Committee.
- g. Executive Session: To the extent allowed by the New York State Open Meetings Law, at the request of an Applicant, the **JCIDA** Executive Committee may go into executive session to receive certain confidential information that pertains to the considerations being made by the **JCIDA** Executive Committee.
- h. **JCIDA** Executive Committee Recommendation: The **JCIDA** Executive Committee shall vote on a resolution recommending a termination and/or a modification of Agency Financial Assistance and/or a recapture of Agency Financial Assistance, or no action. The resolution shall contain a statement of the reasons for the recommendation and shall be passed by a majority vote of the entire Executive Committee. The Committee recommendation shall be presented to the full **JCIDA** Board for a final determination. No recommendation to terminate and/or modify agency financial assistance and/or to recapture agency financial assistance will become effective until and unless it is adopted by a majority vote of the entire **JCIDA** Board. The **JCIDA** Board may reject recommendation, modify a recommendation or approval recommendation in whole or in part.
 - i. If a determination is made to recapture an abated amount of real property tax payment or payments provided by and through the **JCIDA** to an Applicant under the terms of a PILOT Agreement, the maximum amount that may be recaptured is equal to, but may be less than, the sum total of real property tax abatement received by the Applicant in the year or years that the violation(s) of Material Factors occurred as so determined by the **JCIDA** Board in consultation with **JCIDA** staff and as provided in the related inducement resolution authorizing the provision of Financial Assistance to the Applicant. If the **JCIDA** Board determines that an Applicant be subject to a real property tax abatement recapture event with respect to a particular year or year(s), it need not also simultaneously determine, although it may do so, termination of real property tax abatements going forward.
 - ii. If a determination is made to modify Agency Financial Assistance, the **JCIDA** Board, in consultation with **JCIDA** staff, may modify the amount of Financial Assistance, for example, to require a modification of any PILOT Agreement to require increased payments.
- i. Appeal to **JCIDA** Board: An Applicant shall have the right to submit a written appeal to the **JCIDA** Board prior to the date upon which the **JCIDA** Board would otherwise consider taking action on a recommendation from the **JCIDA** Executive

Committee. In addition, the Chair of the **JCIDA** Board may, in his or her discretion, grant an Applicant an opportunity to address the **JCIDA** Board prior to its action on a recommendation from the **JCIDA** Executive Committee.

- j. Flexible Application of Termination and/or Modification of Agency Financial Assistance and Recapture of Agency Financial Assistance: To the extent permitted by law and **JCIDA** policies, the **JCIDA** Board shall have broad discretion in determining how to implement the termination and/or modification of Agency Financial Assistance and the recapture of Agency Financial Assistance. Such determination related thereto shall be based upon the circumstances that trigger such action. The **JCIDA** Board shall consider the extent of the violation of a Material Factor, the duration of such violation, the cause of such violation and the extent to which there was a creation of net new jobs and new investment and adherence to such other Material Factors as may have been considered at the time of the inducement.
6. Other Remedies Available to JCIDA. Notwithstanding the foregoing, the **JCIDA**, acting through its staff, retains the right to terminate Agency Financial Assistance as otherwise provided within the **JCIDA** Transaction Documents (for non-Material Factor(s) issues). Cause for such termination of Agency Financial Assistance include, but are not limited to, failure of the Applicant to make PILOT payments on a timely basis, failure to make reports as required by the **JCIDA** Transaction Documents, or other uncured breaches of the **JCIDA** Transaction Documents.
7. Distribution of Recaptured Financial Assistance. Any and all such returned/recaptured amounts of Agency Financial Assistance shall be redistributed to the appropriate affected tax jurisdiction, unless agreed to otherwise by any local taxing jurisdiction.
8. Recapture of State and Local Sales and Compensating Use Taxes. The **JCIDA** shall keep and maintain records of the amount of state and local sales and use tax exemption benefits provided to each project. The **JCIDA** shall, within 30 days of providing financial assistance to a project that includes any amount of state sales and use tax exemption benefits, report to the Commissioner of Taxation and Finance the amount of such benefits for each project. The **JCIDA** shall recover, recapture, receive, or otherwise obtain from an Applicant, agent, or project operator state sales and use exemption benefits taken which are in excess of the amounts authorized or which are for property or services not authorized or taken in cases where the applicant failed to comply with a material term or condition to use property or services in the manner required by the Agency agreement.

If **JCIDA** recovers, recaptures, receives, or otherwise obtains any amount of state sales and use tax exemption benefits from an Applicant, agent, project operator or other person or entity, the **JCIDA** shall, within 30 days of coming into possession of such amount, remit such amount to the Commissioner of Taxation and Finance, together with such information that the Commissioner may deem necessary to administer payment for such amount. Upon the failure of an Applicant, agent, project operator or other person or entity to remit payment for any amounts of state sales and use tax exemption benefits upon demand by

the **JCIDA**, the **JCIDA** shall join the New York State Commissioner of Taxation and Finance as a party in any action or proceeding that the **JCIDA** commences to recover, recapture, obtain or otherwise seek the return of state sales and use tax exemption benefits from an Applicant, agent, project operator or other person or entity.

The **JCIDA** shall prepare an annual compliance report detailing its activities and efforts to recover, recapture, receive or otherwise obtain state sales and use tax exemption benefits in excess of the amounts authorized or for property or services not authorized or taken, and shall file said report with the Commissioner of Taxation and finance, the Director of the Division of the Budget, the Commissioner of Economic Development, the State Comptroller, and the Jefferson County Board of Legislators.



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
NY 12230

New York State Archives
Tel. 518-474-6926

To: Local Government Officials
From: Geoffrey A. Huth, Director, Government Records Services
Subject: *Records Retention and Disposition Schedule MI-1*
Date: June 15, 2011

Records Retention and Disposition Schedule MI-1, last revised in 2006, contains the following advice in the Introduction regarding retaining records beyond their legal minimum retention periods for legal actions:

Some records may be needed to defend the local government in legal actions. Records that are being used in such actions must be retained for the entire period of the action even if their retention period has passed. **If the retention period has expired by the time the legal action ends, the record must be retained for at least one additional year** to resolve any need for the record in an appeal. If the retention period has **not** expired, the record must be retained for the remainder of the retention period, but not less than one year after the legal action ends. Prior to disposing of records, local officials may wish to consult with their county attorney to verify that no legal actions have been initiated which would require longer retention of the records.

On April 1, 2007, Chapter 13 of the State Finance Law, known as the "False Claims Act," went into effect. The law allows a local government to bring a civil action to recover financial losses from a fraudulent claim in triplicate, and in addition allows a private citizen with inside knowledge of such fraud to receive up to 30% of the proceeds. The broad scope of this statute covers almost any false claim or statement that involves a demand for payment from the local government or which deprives the government of revenues. Section 192 of this statute permits any legal action to be commenced "no later than ten years after the date on which the violation of this article is committed." This legal requirement may require that certain records covered by this schedule be retained for longer than their stated legal minimum retention periods, in some cases up to 10 years. This longer retention may not only involve specific records covered by items found in the Fiscal section, but also other records found throughout the schedule needed for supplementary documentation. In instances involving potential actions under the "False Claims Act," local officials may wish to consult with their attorney to verify whether any specific records warrant longer retention.

The New York State Archives intends to include this additional language in the Introduction of future editions of the *Schedule MI-1*. I invite you to contact my office or the State Archives' Regional Advisory Officer (RAO) in your region if you have any questions about how this statute affects the use of *Schedule MI-1*.



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
NY 12230

New York State Archives
Tel. 518-474-6926

To: Local Government Officials
From: Geoffrey A. Huth, Director, Government Records Services
Subject: *Records Retention and Disposition Schedule MI-1*
Date: May 16, 2011

Records Retention and Disposition Schedule MI-1, last revised in 2006, includes an item, Records filed by contractor or sub-contractor with local government related to public works project, in the Public Property and Equipment section. This item, #789, in the current version of the *Schedule MI-1*, authorizes records destruction three years after contract completion.

The Laws of 2008 (Chapter 8) effectively revised Section 220 (3-a) of the Labor Law upon which the retention and disposition of this contractor records item was based. The revised law lengthens the retention period of contractor records to five years after contract completion. To avoid premature destruction of these records, government officials should cease destroying records as authorized by the relevant item and should instead follow the indicated retention period prescribed by law and by the proposed new item below. The New York State Archives intends to revise this item in future editions of the *Schedule MI-1*.

The proposed revision of the item is as follows:

[] Records filed by contractor or sub-contractor with local government related to public works project, pursuant to Section 220 (3-a), Labor Law, including but not limited to copy or abstract of payroll, classification of workers employed on a project, and statement of work to be performed by each classification:

RETENTION: 5 years after contract completion

Please be aware that the proposed revisions are tentative until they are formally approved. I invite you to contact my office or the State Archives' Regional Advisory Officer (RAO) in your region if you have any questions about the *Schedule MI-1* or comments on the proposed revision.

RECORDS RETENTION AND DISPOSITION
SCHEDULE MI-1

Section 185.14, 8NYCRR (Appendix K)

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New York State Archives
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REV. 2006

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**RESOLUTION REGARDING RULES FOR
PUBLIC HEARINGS CONDUCTED BY THE AGENCY**

Adopted 11/5/09 – Reviewed 10/03/19

At a duly called regular meeting of the Jefferson County Industrial Development Agency held at 800 Starbuck Avenue, Watertown, New York 13601 on the 5th day of November 2009, it was announced that among the purposes of the meeting was to consider adopting rules for public hearings conducted by the Agency. After discussion the following Resolution was moved by Ms. Pfaff seconded by Mr. Burto and unanimously carried that the following will be the rules for all Agency public hearings:

1. The Hearing Officer will read the Resolution of the Board authorizing the public hearing.
2. Each speaker shall be limited to five (5) minutes.
3. A speaker may not be permitted to relinquish all or any part of his/her allotted time to another speaker.
4. Written comments may be accepted and included in the minutes.
5. They may, but do not have to be read aloud at the hearing.
6. All comments by any speaker must be addressed to the Hearing Officer and there shall be no dialogue or open debate between members of the public during the hearing.
7. The Hearing Officer will not answer questions or make comments and there shall be no dialogue between the Hearing Officer and the public.
8. Each speaker must introduce himself/herself by name and address. The Hearing Officer may require anyone wishing to speak to sign in with their name and address and then take the speakers in order of sign in.
9. Each speaker is limited to a single opportunity.
10. Only one speaker shall have the floor at a time and others present shall remain silent until it is their opportunity to speak.
11. No demonstration shall be permitted which will disrupt the hearing. If anyone has demonstration signs they will be required to leave them at a location designated by the Hearing Officer.
12. Disturbances may result in the suspension of the hearing and the removal of any offending party at the sole discretion of the Hearing Officer.
13. The Hearing Officer may limit a speaker to less than five (5) minutes if his or her comments are repetitive and have already been addressed by other speakers.

The Hearing Officer shall announce these rules at the beginning of the hearing.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TRAVEL POLICY

Adopted 10/1/09 - Amended 12/1/11

Reviewed 10/03/19

Section 1. APPLICABILITY

This policy shall apply to every member of the board (the "Board") of the Jefferson County Industrial Development Agency (the "Agency") 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 Chief Executive Officer prior to such travel. Provided, however, in the instance where the Chief Executive Officer will seek reimbursement for official travel, such travel must be pre-authorized by the Chairman of the Agency.

Section 3. PAYMENT of TRAVEL

The Agency 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 Agency. 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, or if it saves time. The traveler will be reimbursed at a standard mileage reimbursement rate.

Meals will be reimbursed at actual expense. Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis taking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case by case basis. Mileage rates and lodging caps will be established and from time to time amended by the Treasurer. All determinations made pursuant to this section shall be made by the Treasurer. In the instance where such determinations regard the travel of the Treasurer, the Chairman shall make such determinations.

**JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

UNIFORM GUIDANCE – INTERNAL CONTROLS

Adopted 1/4/2018

Reviewed 10/3/19

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Statement

The Federal Uniform Grant Guidance identifies the criteria that must be met in order to properly charge costs to Federally funded projects.

The Jefferson County Industrial Development Agency (Agency) shall adhere to all applicable cost principles governing the use of Federal grants and contracts. This policy addresses the importance of properly classifying costs, both direct and indirect, charged to grant funded projects and that proposed and actual expenditures are consistent with the grant agreement and all applicable Federal rules embodied in the Uniform Grant Guidance at 2 CFR 200 (UGG). Agency personnel who are responsible for administering, expending or monitoring grant funded programs should be well versed with the categories of costs that are generally allowable and unallowable.

All costs expended using Federal funds must meet the following general criteria laid forth in the UGG at 2 CFR 200, Subpart E:

- Be **necessary and reasonable** for the proper and efficient performance and administration of the grant program.
- Be **allocable** to Federal awards under the provisions of the Federal circular.
- Be authorized and not prohibited under state or local laws or regulations.
- Conform to any limitations or exclusions set forth in the principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the Agency.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost and also be charged to a Federal award as an indirect cost.
- Except as otherwise provided for in the Federal circular, be determined in accordance with generally accepted accounting principles and not included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period.
- Be net of all applicable credits.
- Be adequately documented.

The cost guidelines of the UGG must be considered any time Federal award funds are to be expended. The Agency may apply Federal UGG requirements to non-Federal projects.

Federal regulations also require that any other Agency policies related to specific types of expenditures must also be followed. Examples include travel, meals, procurement or equipment accountability.

Direct and indirect costs

Allowable and allocable costs must be appropriately classified as direct or indirect. In general, direct costs are those that can be identified specifically with a particular cost objective while indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. It is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

If an indirect cost rate is going to be utilized for charging indirect rates, the rate must first be approved by the applicable approving authority or not exceed the de minimis level of 10%. In general, however, indirect costs will be borne by the Agency and not allocated to the grant.

Cost transfers

Any costs charged to a Federal award that do not meet the allowable cost criteria must be removed from the award account and charged to an account that does not require adherence to Federal UGG or other applicable guidelines. Cost transfers must be performed in accordance with the Agency's policy and will be approved by the CEO as a transfer.

Failure to adequately follow this policy and related procedures could result in questioned costs, audit findings, potential repayment of disallowed costs and discontinuance of funding. Grant Program Managers (GPM), agency personnel and any other individuals responsible for expending grant funds are held responsible for compliance with UGG.

Responsibilities

Deputy CEO and the CFO are responsible for creating purchasing documents and encumbering grant funds at the request of a GPM. They should be familiar with the general cost principles embodied in the Federal UGG. Deputy CEO or CFO must notify the GPM when they recognize a request as an unallowable cost and will reject the requisition.

Grant Program Managers (GPMs) must ensure that any costs charged to their award are aligned with applicable cost principles, are computed correctly, and would not create a compliance violation. GPMs should collect, maintain and where applicable, submit copies of adequate documentation to support the expenditures. GPMs monitor, review and approve (or disapprove) grant expenditures at the program office level as the first level of "Approver" for non-personnel expenditures to ensure that applicable cost principles, regulations and policies are followed.

Definitions

Direct costs are expenses that are specifically associated with a particular grant program that can be directly assigned to such activities relatively easily with a high degree of accuracy. Common examples of direct costs include the GPM's salary and fringe benefits, equipment and supplies for the program, subcontracted service provider, or other materials consumed or expended in the performance of the grant.

Indirect costs are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular program. They are expenses that benefit more than one grant. Common examples of indirect costs include utilities, local telephone charges, shared office supplies, administrative or secretarial salaries.

Acronyms

ACH	Automated Clearing House
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
DoED (ED)	US Department of Education
EDGAR	Education Department General Administrative Regulations
EPLS	Excluded Parties List System
ESEA	Elementary and Secondary Education Act
FERPA	Family Educational Rights and Privacy Act
FMV	Full Market Value
G5	The US DoED Grant Management System
GAN	Grant Award Notice
GAAP	Generally Accepted Accounting Principles
GPM	Grant Program Manager
GSA	General Services Administration
LEP	Limited English Proficiency
MORIC	Mohawk Regional Information Center
NY GML	New York General Municipal Law
NYSED	New York State Education Department
OMB	Office of Management and Budget
PCEN	Pupils with Compensatory Educational Needs
UGG	Uniform Grant Guidance
WAWF	Wide Area Work Flow

History:

Created May 19, 2017

Appendix A – Financial Standards

The Agency maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

A. Financial Management Standards

Financial management systems standards include:

Identification

The Agency shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and, if applicable, name of the pass-through entity.

Financial Reporting

Accurate, current, and complete disclosure of the financial results of each Federal award or program must be made in accordance with the financial reporting requirements set forth in the grant award document. The Agency must maintain records which adequately identify the source and application of funds provided for Federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. Reports will be filed in a timely fashion on the forms directed by the state or Federal agency.

Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The Agency shall safeguard all such property and must assure that it is used solely for authorized purposes. The Agency maintains an internal controls procedures manual which shall be followed to implement these activities. The Agency's CFO shall, from time to time, assess the effectiveness of these controls across all risk areas and shall include the controls of Federal grants and programs as part of this regular review.

B. Overview of the Financial Management/Accounting System

The Agency maintains an accounting system for financial management. All budgets are loaded into the system before the beginning of the fiscal year, and transfers within accounts are authorized by the board of directors. The Agency CFO is responsible for overseeing the entire system and its functional integration. Federal funds are named in such a fashion to permit a clear delineation of the accounting for subsequent identification by CFDA title and number. Plain English names, including contract numbers if applicable, are used to track grants and targeted Federal funds.

The Deputy CEO, in conjunction with the CFO and the grant program manager, shall compile or cause to be compiled timely, accurate financial reports. Monthly grant reports shall include current and cumulative expenditures against project budget, with unencumbered amounts remaining identified

C. Budgeting

The Planning Phase: Meetings and Discussions

Before Receiving the Grant Award Notice (GAN): Upon notification of the availability of a grant, the Deputy CEO shall make an initial determination whether the Agency meets the minimum qualifications for the grant; whether this grant, if awarded, supplements and does not supplant any existing efforts in this area; and whether the grant is in concert with the Agency's objectives. If the Deputy CEO determines that it is in the Agency's best interests to apply for a specific grant, he/she shall convene a small working group to develop a grant proposal meeting the objectives of the Agency and the awarding agency. In the event of grants continuing on a forward funded basis, the Deputy CEO shall develop a preliminary guide for the upcoming budget. Prior to filing the grant application for new awards, the Deputy CEO shall present the general grant concept to the Board of Directors and receive its approval on filing for the grant.

Reviewing and Approving the Budget: The budget is developed with the CEO and the Deputy CEO once an amount is determined. The final approval of the grant budget normally resides with the awarding agency. Instructions and timelines for approval shall be followed in submitting the budget to the awarding agency. The Deputy CEO, in conjunction with the CFO, shall review the items in the budget to ensure allowability. See Appendix B for a discussion on allowability of costs. If this review determines that a cost is not allowable, then it shall be eliminated from the budget and the program grant manager shall be notified of this action. Once the Agency Office determines that all budgeted items are allowable, the budget is approved by the Deputy CEO and forwarded to the awarding agency for its approval. Simultaneously, the grant application and the budget is submitted to the CFO.

After Receiving the GAN: Upon receipt of notice that a new grant will be awarded, the Deputy CEO will prepare plans for implementation. In the case of continuation of forward funded grants, the Grants Program Manager will coordinate the budget with the Deputy CEO and CFO to ensure proper accounting for the expenditures.

Amending the Budget

The CEO, Grant Program Manager, or Deputy CEO, as appropriate, shall prepare necessary documentation to amend any grants awarded. These amendments shall consider available carryover and shall comply with amendment provisions received in the Grant Award Notice. The CEO or Deputy CEO shall approve the amendments. If necessary, amendments shall be forwarded to and approved by the awarding agency.

Budget Control

On a monthly basis the CFO will provide the CEO, as well as the Deputy CEO, with a report of expenditures incurred during the month. This shall be incorporated into the monthly CFO's report for all Agency funds.

D. Accounting Records

Payroll and purchasing records for each grant, as well as application records, shall be maintained for a period of six years after the final receipts are made and the final bills are paid.

E. Spending Grant Funds

The CFO shall oversee the accounting functions for all grants. Payroll operations will make allowable payments for personnel services. No employees shall be paid unless approved by the CEO or Deputy CEO. Purchasing operations shall be in accordance with the Agency Purchasing policy. Requisitions shall originate at the user level and be approved by the Grant Program Manager, CEO, or the Deputy CEO before execution as a Purchase Order. Only the Deputy CEO may commit the funds to a purchase.

Appendix B - Allowability of Cost

Expenditures must be aligned with approved budgeted items. Any changes or variations from the state or federally approved budget and grant application need prior approval from the state or Federal government. For grants originating directly from the Federal government, changes will be submitted in a format approved by the awarding agency.

When determining how the Agency will spend its grant funds, the CEO and/or the Deputy CEO will review the proposed cost to determine whether it is an allowable use of Federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by Federal funds must meet the standards in the bulleted list below. Agency personnel must consider these factors when making an allowability determination.

- **Be Necessary and Reasonable for the performance of the Federal award.** Agency staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the Agency or the proper and efficient performance of the Federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; Federal, state and other laws and regulations; and terms and conditions of the Federal award.
- Market prices for comparable goods or services for the geographic area.
- Restrictions regarding product origin (e.g., "Buy American" requirements)
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the Agency, its employees, the public at large, and the Federal government.
- Whether the Agency significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost. 2 C.F.R. §200.404

While 2 C.F.R. §200.404 does not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the Agency can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant program.
 - Whether the cost is identified in the approved budget or application.
 - Whether there is a benefit associated with the cost.
 - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
 - Whether the cost addresses program goals and objectives and is based on program data.
-
- **Allocable to the Federal award.** A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received. This means that the Federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. §200.405. For example, if 50% of an employee's salary is paid with grant funds, then that employee must spend at least 50% of his or her time on the grant program. This will be documented in order to demonstrate the allocability determination.
 - **Consistent with policies and procedures that apply uniformly to both Federally financed and other activities of the Agency.**
 - **Conform to any limitations or exclusions set forth as cost principles in the terms and conditions of the Federal award.**
 - **Consistent treatment.** A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
 - **Adequately documented.** All expenditures must be properly documented.
 - **Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in the condition of the Federal award.**
 - **Not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.** Some Federal program statutes require the non-Federal entity to contribute a certain amount of non-Federal resources to be eligible for the Federal program.
 - **Be the net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or

erroneous charges. To the extent that such credits accruing to or received by the Agency relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. §200.406. Non-cash credits (reward programs based on points, miles, etc.) shall not be considered credits and shall not be accrued to the Federal award.

As provided above, in addition to Federal guidelines, Federal rules require state- and Agency-level requirements and policies regarding expenditures be followed as well. Policies relating to local expenditures are listed as Related Policy above.

Selected Items of Cost

Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable in a specific award despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, Federal funds cannot be used to purchase it.

Agency personnel responsible for spending Federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The Agency must follow these rules when charging these specific expenditures to a Federal grant. When applicable, Agency staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, program-specific rules may deem a cost as unallowable and Agency personnel must follow those non-Federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	Allowable with restrictions
Advisory councils	Allowable with restrictions
Alcoholic beverages	Not allowable
Alumni/ae activities	Not specifically addressed
Audit services	Allowable with restrictions
Bad debts	Not allowable
Bonding costs	Allowable with restrictions
Collection of improper payments	Allowable
Commencement and convocation costs	Not specifically addressed
Compensation – personal services	Allowable with restrictions
Compensation – fringe benefits	Allowable with restrictions
Conferences	Allowable with restrictions
Contingency provisions	Not allowable with exceptions
Contributions and donations	Not allowable
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	Allowable with restrictions
Depreciation	Allowable with qualifications
Employee health and welfare costs	Allowable with restrictions
Entertainment costs	Not allowable with exceptions
Equipment and other capital expenditures	Based on specific requirements
Exchange rates	Allowable with restrictions
Fines, penalties, damages and other settlements	Not allowable with exception
Fund raising and investment management costs	Not allowable with exception
Gains and losses on disposition of depreciable assets	Allowable with restrictions
General costs of government	Not allowable with exceptions
Goods and services for personal use	Not allowable
Idle facilities and idle capacity	Idle facilities – not allowable with exceptions; idle capacity – allowable with restrictions
Insurance and indemnification	Allowable with restrictions
Intellectual property	Allowable with restrictions
Interest	Allowable with restrictions
Lobbying	Not allowable
Losses on other awards or contracts	Not allowable
Maintenance and repair costs	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	Allowable with restrictions

Memberships, subscriptions, and professional activity costs	Allowable with restrictions, not allowable for lobbying organizations
Organization costs	Not allowable except Federal prior approval
Participant support costs	Allowable with prior approval of the Federal awarding agency
Plant and security costs	Allowable
Pre-award costs	Allowable with restrictions
Professional services costs	Allowable with restrictions
Proposal costs	Allowable with restrictions
Publication and printing costs	Allowable with restrictions
Rearrangement and reconversion costs	Allowable (ordinary and normal)
Recruiting costs	Allowable with restrictions
Relocation costs of employees	Allowable with restrictions
Rental costs of real property and equipment	Allowable with restrictions
Scholarships and student aid costs	Not addressed; refer to Federal agency awarding grant
Selling and marketing costs	Not allowable with exceptions
Specialized service facilities	Allowable with restrictions
Student activity costs	Not allowable unless specifically provided for in the Federal award
Taxes (including Value Added Tax)	Allowable with restrictions
Termination costs	Allowable with restrictions
Training and education costs	Allowable for employee development
Transportation costs	Allowable with restrictions
Travel costs	Allowable with restrictions
Trustees	Not specifically addressed, refer to Federal agency awarding agency

Likewise, it is possible for the State and/or Agency to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees must consult Federal, State and Agency requirements when spending Federal funds. In general, Agency travel and procurement policy complies with state and Federal requirements. Compliance with Agency policy meets the intent of the uniform guidance.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute, along with accompanying program regulations, non-regulatory guidance and grant award notifications.

The state and/or Agency rules related to some specific cost items are discussed below. All purchases of goods and services must be accomplished through the Deputy CEO, with the CFO

acting to commit the funds. The Deputy CEO shall coordinate personnel services procured through Federal awards, including both assignment of personnel costs to the grant and procurement of personnel services from an outside source. Agency employees must be aware of these State and Agency rules and ensure they are complying with these requirements.

Time and Effort Standards

All employees who are paid in full or in part with Federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. This includes an employee whose salary is paid with Agency funds but is used to meet a required “match” in a Federal program. These documents, known as time and effort records, are maintained in order to charge the costs of personnel compensation to Federal grants.

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both Federally assisted and all other activities compensated by the Agency on an integrated basis;
- Comply with the established accounting policies and practices of the Agency and Support the distribution of the employee’s salary or wages among specific activities or costs objectives.
- Be certified by the supervisor to assure that the work was in compliance with the grant or award intent.

Time and Effort Procedures

The Agency’s time and attendance accounting procedures are based on accounting for time “lost.” Specifically, the Agency requires that all time away from work be reported, while time on the job is generally considered as having been accomplished without providing documentation to that effect. Individuals compensated by Federal grant or award must account for the time on the job, and the portion of time spent on Federally related work, separately in order to properly meet the time and effort requirements. These records will be filed with the applicable grant to substantiate the use of time.

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, Agency Staff can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether Federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program specific fiscal rules?
 - o For example, the Agency may be required to use Federal funds only to supplement the amount of funds available from non-Federal (and possibly other Federal) sources.
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the Staff should also consider whether the proposed cost is consistent with the underlying needs of the program and the approved Agency goals and strategy. For example, program funds must benefit the appropriate population of students for which they are allocated. Funds should be targeted to address areas of weakness, as necessary. To make this determination, the Deputy CEO should review data when making purchases to ensure that Federal funds to meet these areas of concern.

Appendix C – Cash Management

The Agency will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the Agency. If the Agency receives an advance in Federal grant funds, the Agency will remit interest earned on the advanced payment quarterly to the Federal agency consistent with 2 C.F.R. § 200.305(b)(9).

When calculating the interest earned on grant funds, regardless of the date of obligation, interest is calculated from the date that the Federal funds are drawn down until the date on which those funds are disbursed by the Agency.

Interest would not accrue if the Agency uses non-Federal funds to pay the vendor and/or employees prior to the funds being drawn down from system, commonly known as a reimbursement.

Payment Methods

Reimbursements: The Agency will initially charge Federal grant expenditures to non-Federal funds.

The Deputy CEO will request reimbursement for actual expenditures incurred under the Federal grants at least semi-annually, and more frequently if dictated by the awarding agency. Requests for reimbursement will be filed with the Grants Finance Unit, depending on the source of the grant. The reimbursement method will dictate the required forms to substantiate the claim. All reimbursements shall be based on actual disbursements, not on obligations.

Consistent with state and Federal requirements, the Agency will maintain source documentation supporting the Federal expenditures (invoices, time sheets, payroll stubs, etc.) for a period of six years after the grant is closed and the final funds are received and will make such documentation available for review by the granting agency upon request.

Reimbursements of actual expenditures do not require interest calculations.

Advances: To the extent the Agency receives advance payments of Federal grant funds, the Agency will strive to expend the Federal funds on allowable expenditures as expeditiously as possible. Specifically, the Agency attempts to expend all drawn downs of Federal funds within 72 hours of receipt. The Agency will hold Federal advance payments in interest-bearing accounts, unless an allowable exception applies. The Agency will begin to calculate interest earned on cash balances once funds are deposited into the Agency's account.

Interest on advances will be calculated based on interest received daily and shall be apportioned to the Federal funds in the account in direct proportion to the overall amount in the account. Total Federal grant cash balances will be calculated on cash balances per grant and applying the Agency's actual interest rate. The Agency will remit interest earned on grant funds annually to the U.S. Department of Health and Human Services Payment Management System (regardless of the Federal awarding agency for the grant) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. The Agency may retain up to \$500 of interest earned per year. To the maximum extent possible, use of advance payments shall be avoided. Reimbursements are the preferred means of utilizing Federal grants.

Carryover

State-Administered Grants: The Agency may be able to "carryover" any funds left over at the end of the initial 15 month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months. 34 C.F.R. § 76.709. Accordingly, the Agency may have multiple years of grant funds available under the

same program at the same time. The CFO will track the expenditures and encumbrances and will determine the amount of available funding for carryover. The Deputy CEO will be kept aware of this amount and will adjust the expenditures to reflect this factor. The carryover will be reported in the monthly fiscal reports submitted to the Deputy CEO.

Direct Grants: Direct grants are not normally subject to carryover provisions. However, under 2 C.F.R. § 200.308, direct grantees enjoy unique authority to expand the period of availability of Federal funds. The Agency is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the Agency must provide written notice to the Federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances. The Deputy CEO will coordinate the notice to the awarding agency and monitor the progress in obtaining the extension.

The Agency will seek prior approval from the Federal agency when the extension will not be contrary to Federal statute, regulation or grant conditions and:

- The terms and conditions of the Federal award prohibit the extension;
 - The extension requires additional Federal funds; or
 - The extension involves any change in the approved objectives or scope of the project.
- 2 C.F.R. § 200.308(d)(2).

Appendix D - Standards of Conduct

In accordance with 2 C.F.R. §200.112, NY GML §§ 806 and 808, the Agency maintains of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the Agency may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Any gift having a value of \$75 or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her in the performance of his or her official duties or was intended as a reward for any official action on his or her part shall not be accepted. However, the Board welcomes and encourages the writing of letters or notes expressing gratitude or appreciation to staff members. Gifts from children that are principally sentimental in nature, and of significant financial value, may be accepted in the spirit in which they are given.

“Officer or Employee” means an officer or employee of the Agency, whether paid or unpaid, including members of the Board and their appointed professional or nonprofessional staff.

“Interest” means an officer or employee shall be deemed to have an interest in the contract of (a) his spouse, minor children and dependents, except a contract of employment with the municipality which such officer or employee serves, (b) a firm, partnership or association of which such officer or employee is a member or employee, (c) a corporation of which such officer or employee is an officer, director, or employee and (d) a corporation any stock of which is owned or controlled directly or indirectly by such officer or employee."

Any employee, officer, or member of the public noting or suspecting a violation of this policy is encouraged to bring the matter to the Board or the CEO. Matters of this nature shall be held in confidence to the maximum extent possible pending a thorough investigation of the allegations of impropriety. Knowing or willful violation of this policy by any employee or member of the Board may result in disciplinary action up to and including dismissal.

In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate any of the provisions of the Board's code of ethics and its accompanying regulation may be fined, suspended, or removed from office or employment, as the case may be, in the manner provided by law.

Any Agency officer or employee who has, will have, or later acquires an interest in any action, legislation, or proposed contract shall publicly disclose the nature and extent of such interest in writing to the Board of Directors, except that such disclosure shall not be required for any of the exceptions listed under New York General Municipal Law §802

No Agency officer or employee shall, after termination of services or employment with the Agency, appear before any board, or department, of the Agency in relation to any case in which the individual personally participated during the period of service or employment, or which was under active consideration.

No Agency officer or employee shall engage in, solicit, negotiate for, or promise to accept private employment when such interests or services create a conflict with or impairs the proper discharge of official duties. This shall include entering into contingency agreements to represent clients before the Board.

Board members shall disclose, in writing, upon assuming office, any possible conflicts of interest. This shall be entered into the minutes of the Board. At any time where a possible conflict arises, the Board member will also make such disclosure in writing. As an example, a board member married to the owner of a business, or acting as an officer in the business, with which the Agency conducts business exceeding \$750 annually, must make such disclosure. The disclosure only needs to be made once unless there is a material change to the underlying factors. By making such a notice the appearance of impropriety is mitigated and the ability to influence the Agency for personal gain is in full view.

Appendix E – Eligibility

The main objective of this compliance requirement is that only eligible individuals or organizations participate in Federal assistance programs. The criterion for determining eligibility will vary from program to program, but the objective that only eligible individuals or organizations participate remains consistent across all Federal programs. To comply with this objective, recipients must first assure that proper eligibility determinations are made, which means that the recipient must determine the parameters and limitations to define eligibility for a specific program in accordance with the program's purpose. Eligibility for a specific award will be announced in the award notice. In making application for a grant or award, the Agency will ensure that it is qualified for all eligibility criteria and shall maintain evidence of the qualification for the duration of the award period and the required records holding period.

Appendix F – Equipment and Real Property Management

Equipment and real property procured through any Federally funded award shall be accounted for under Agency's Procurement; Purchasing; and Depreciation Policy. The Agency shall maintain an active accounting and inventory system for all items procured through Federal grants.

A. Property Classifications

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Agency for financial statement purposes, or \$5,000. 2 C.F.R. § 200.33.

Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Agency for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 C.F.R. § 200.94.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. § 200.20.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and

- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 C.F.R. § 200.12.

B. Inventory Procedure

Upon receipt any property classified above, the Shipping and Receiving Department or the Technology Department shall identify the equipment, inspect it for condition, ensure it matches the requirement stated on the purchase order, and shall apply asset control tags to the equipment/item. The item shall be entered into the inventory system in sufficient detail to provide a discrete identification of the item (nomenclature, serial numbers, model numbers, etc.) as well as the location where the equipment will ultimately be situated. Only after this is accomplished will the equipment be shipped to the final destination. Receiving reports will then be signed and forwarded to the CFO for processing and payment.

C. Inventory Records

For each equipment and computing device purchased with Federal funds, the following information is maintained:

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title;
- Acquisition date and cost of the property;
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired;
- Location, use and condition of the property; and
- Any ultimate disposition data including the date of disposal and sale price of the property.

Upon final disposition of the property (either at the end of useful life, sale, loss, etc.) the CFO shall request that the Board of Directors declare the item excess to the needs of the Agency. Once this resolution is recorded in the minutes, the CFO may dispose of the property within the guidelines approved by the Board of Directors. Any monetary value derived from the disposal of the property shall be applied as a credit to the Federal Grant, if applicable.

D. Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

E. Maintenance

In accordance with 2 C.F.R. § 200.313(d)(4), the Agency maintains adequate maintenance procedures to ensure that property is kept in good condition. Issues arising during normal operations will be reported to the Deputy CEO .

F. Lost or Stolen Items

The Agency maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Devices are assigned to a building for use by trained personnel. Losses will be reported to the Deputy CEO as soon as practicable after the loss is noticed. At that time, appropriate administrative personnel will conduct an inquiry to determine the nature and cause of the loss. If a theft is suspected, a police report will be filed. If the property is not recovered in 60 days, it can be removed from the inventory as a loss.

G. Use of Equipment

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the Agency will not encumber the property without prior approval of the Federal awarding agency and the pass-through entity.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the Federal awarding agency that financed the equipment. Second preference is given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-Federally funded programs or projects is also permissible.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority: (1) activities under a Federal award from the Federal awarding agency which funded the original program or project; then (2) activities under Federal awards from other Federal awarding agencies.

H. Disposal of Equipment

When it is determined that original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the Deputy CEO will contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency. If the item has a current FMV of more than \$5,000, the Federal awarding agency is entitled to the Federal share of the current market value or sales proceeds. All final decisions to excess property are reserved to the Board of Directors.

If acquiring replacement equipment, the Agency may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property. Net cost will be applied to any accounts used to acquire equipment including a trade in.

Appendix G – Matching, Level of Effort and Earmarking

Matching, also referred to as “cost sharing”, is a requirement for the recipient to provide contributions or donations of a specified amount or percentage to supplement Federal assistance received. In other words, when the recipient participates in a Federal program and an operating budget is prepared, the Federal government may require the recipient to provide contributions to cover a portion of that program’s operations.

Level of effort defines particular goals or objectives the recipient must achieve with the assistance received, and includes recipient requirements for a specified level of service, specified level of expenditures for designated activities, and Federal funds to supplement and not supplant non-Federal services.

Earmarking is a requirement that specifies a limit amount or percentage of the program’s assistance that must (minimum) or may (maximum) be used for specified activities. Examples of this include limits imposed on the Federal government on the amount of Federal funds to cover administrative expenses, or a percentage requirement for total program funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered (e.g. a limit on how many participants a recipient can provide assistance to).

Individual Federal grants may have matching or level of effort requirements associated with the grant as a condition of award. The Deputy CEO will determine these requirements during the application/pre-award phase of the process. These requirements will be budgeted and tracked during execution of the award. The following criteria will be met when identifying matching/level of effort/earmarking of funds by the Agency:

- Must be verifiable in the Agency’s accounting system
- Must not be included as the contribution to any other Federal award (no “double-dipping”)
- Must be necessary and reasonable for accomplishing the program objectives
- Must be allowable under cost principles previously stated in this guidance

- Must not be paid by another Federal agency or under another Federal award
- Must be provided for in the budget approved for the award by the applicable Federal Agency.

The Deputy CEO will ensure that earmark requirements are fully complied with. The CFO will monitor this aspect and ensure that no funds are disbursed that do not meet the earmark requirements.

Appendix H – Period of Performance

The period of performance will be described in the grant award notice. All obligations must occur on or between the beginning and ending dates of the grant project. 2 C.F.R. § 200.309. This period of time is known as the period of performance. 2 C.F.R. § 200.77. The period of performance is dictated by statute. Further, certain grants have specific requirements for carryover funds that must be adhered to. The period of performance is a required data point for claiming reimbursement. The period of performance can only be changed by the awarding agency. In instances where the budget is under executed and funding will remain at the end of the performance period, the Deputy CEO will apply to the awarding agency for an extension of the time for performance. If granted, this extension will be listed on a modification to the grant award notice. On application for reimbursement, all information on award notice modifications must be annotated on the claim in order for it to be processed properly and in a timely fashion.

Appendix I – Procurement and Suspension and Debarment

This section covers compliance of laws and regulations when obtaining a good or services from a vendor, supplier, or provider. The Agency will comply with its established Procurement policy and its Purchasing policy in all purchases made through Federal grants or awards. The fact that the source is a Federal grant/award does not relieve the Agency from complying with all aspects of the effective policy. The procurement requirement is established to ensure that such goods and services are obtained in an effective manner, including the prohibition of conflicts of interest, the fair selection of vendors, provide open and free competition among vendors, etc. The suspension and debarment requirement establishes that certain non-Federal entities have been prohibited from participating in or receiving Federal assistance for various reasons, including prior mismanagement of funds or previous non-compliance of laws and regulations. This prohibition may be temporary (suspension) or indefinite (debarment; until specifically allowed by the government). When performing this purchase, the Agency Deputy CEO must verify that the vendor, supplier, provider or their respective principals (e.g., owners, top management, etc.) are not suspended, debarred or otherwise excluded by the Federal government. This is done by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) or by contacting the Federal agency.

The Agency awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The Agency may not subcontract with or award subgrants to any person or company who is debarred or suspended.

Appendix J – Program Income

Program income is sometimes directly generated by the Federally funded program. This type of income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. However, it generally does not include interest on program funds (which is covered under “Cash Management”); nor does it cover rebates, credits, discounts, and refunds (covered under “Allowable Costs/Cost Principles”); nor proceeds from the sale of equipment or real property (covered under “Equipment and Real Property Management”). The uses or treatment of program income are either deducted by the Federal agency from the current program budget (e.g., the program income substitutes part of the original budget), added to the current program budget, or used to meet matching requirements.

Use of Program Income

The default method for the use of program income for the Agency is the deduction method. Under the deduction method, any program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the Agency is otherwise directed by the Federal awarding agency or pass-through entity. The Agency may also request prior approval from the Federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the Agency. The program income must then be used for the purposes and under the conditions of the Federal award.

While the deduction method is the default method, the Agency always refers to the Grant Award Notice prior to determining the appropriate use of program income.

Appendix K – Reporting

This section establishes that all recipients must submit reports (whether financial, performance-related, or of special nature) to the Federal government to monitor Federal assistance activities and uses. The most common reports are pre-designed by the Federal agency, are approved by OMB, and are available to all recipients and the general public. The time deadlines for submitting them vary depending on the report, and will generally be established in the initial Grant Award Notice. Furthermore, the reporting requirements (e.g., which reports must be submitted, the timing of the submission, information in the reports, etc.) may vary from recipient to recipient, although the Federal government has established several reports that apply to all recipients. Common reports include:

- SF-270 the *Request for Advance or Reimbursement*.
- SF-425 the *Federal Financial Report*.
- FS-10 the *Proposed Budget for a Federal or State Project*
- FS-10A the *Proposed Amendment for a Federal or State Project*
- FS-25 the *Request for Funds for a Federal or State Project*

Reconciliation and Closeout Procedures

It is critical for charges to match the actual disbursement. Budget estimates or other distribution percentages determined before the services are performed or purchases made do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. Therefore, when filing final reports, all accounting must be for actual, not budgeted accounting numbers.

Record Retention

A. Retention:

The Agency maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the sub-grantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with Federal program requirements. The Agency also maintains records of significant project experiences and results. These records and accounts must be retained and made available for programmatic or financial audit and will be maintained for a minimum of six years after filing the final reports, unless the New York state retention period prescribes a longer retention period.

If any litigation, claim, or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

Upon reaching the end of the retention period, records will be destroyed by shredding or, in the case of electron records, deletion with overwrite on the recorded section of the medium.

B. Access to Records

The Agency provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the Agency which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Agency's personnel for the purpose of interview and discussion related to such documents.

C. Privacy

Documents subject to Freedom of Information Law requests or Freedom of Information Act requests will be reviewed for privacy concerns and properly redacted prior to release under either law. This does not apply to properly executed subpoenas or investigations by properly documented law enforcement in the conduct of official duties.

Appendix L – Subrecipient Monitoring

In the event that the Agency awards subgrants to other entities (also known as pass-through entities), the Agency shall monitor those grant subrecipients to ensure compliance with Federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a subgrant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected. The Agency shall require that all subrecipients provide required reports and financial documents in sufficient detail to permit the Agency to make its required reports. In this manner the Agency will exercise a level of control. The Agency may also conduct site visits, regular contact, interviews, meetings and examinations of the subrecipient, as well as requiring that the subrecipient be subject to an annual single audit. The specific measures will be developed at the time the subgrant is awarded and will be followed up by the Deputy CEO for the Agency.

Appendix M – Special Tests and Provisions

Certain programs have unique compliance requirements—established by laws, regulations, and contract or grant agreements—that do not fit into the requirements listed above. The Deputy CEO must review these, normally provided in the Grant Award Notice, and ensure compliance with those requirements. The CFO must review the program’s contract, grant agreements, referenced laws, and regulations to identify unique compliance requirements. In conjunction with the Program Manager and the Deputy CEO, the CFO will develop audit objectives and audit procedures under this section to ensure full compliance.

UNIFORM TAX EXEMPTION POLICY

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

The Jefferson County Industrial Development Agency (herein, the "Agency") was established as a public benefit corporation of the State of New York (the "State") by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 369 of the Laws of 1971 of the State, as amended (hereinafter collectively called the "Act"), with purposes and powers that include, among other things, the undertaking of certain "projects" as defined within the Act, including the construction, operation and maintenance of civic, industrial, manufacturing and commercial facilities.

In accordance with the Act, the Agency has adopted this Uniform Tax Exemption Policy with respect to the provision of financial assistance to applicants, which shall generally include (i) real property tax abatements relating to otherwise taxable real property acquired or leased by the Agency and memorialized within Payment-in-lieu-of-Tax Agreements ("PILOT Agreements"); (ii) exemptions from sales and use taxes for taxable materials and services acquired by agents of the Agency; and (iii) exemptions for mortgage recording taxes in connection with mortgage-secured financings in which the Agency may participate. The Agency may grant enhanced benefits on a case by case basis for a project expected to have a meaningful net positive economic impact within the County of Jefferson (the "County") and/or component municipalities as determined by the Agency's members pursuant to the criteria at Section E to this policy.

A. Real Property Tax Abatements.

(i) Industrial and Non-Industrial Projects. The Agency maintains a policy for the provision of real property tax abatements for qualified projects undertaken by the Agency where the Agency acquires a fee or leasehold interest in real estate. The abatement provided by the Agency for qualifying industrial and non-industrial projects shall apply to the value added to real property brought about by construction and/or renovation of qualifying projects (the "Added Value"), above the parcel's assessed value prior to construction or renovation (the "Base Value"). In establishing these values, the Agency shall have the option of relying on data provided by the assessor for the impacted jurisdiction or requiring the applicant to furnish an appraisal from a qualified commercial real estate appraiser, approved in advance by the Agency.

The period of real property tax abatement for a project shall not exceed the period of the respective project financing or lease, and under no circumstances shall the period of abatement exceed fifteen (15) years (the "PILOT Term"). The abatement shall be on a graduated schedule applicable to county, municipal and school real property taxes, and will result in increasing percentages of real property taxes due over the PILOT Term. Any schedule shall be graduated such that the total abatement provided shall not exceed a fifty percent (50%) abatement over a fifteen (15) year period. Eligible projects include industrial projects (i.e. manufacturing, remanufacturing, assembly, processing, product research and development, etc.); non-industrial projects (i.e. .

warehouse, wholesale/distribution, commercial, qualified retail subject to the limitations of Section 862(2) of the Act, office building, hotel, qualified community and civic facilities); and renewable energy projects with a rated capacity of less than 25 megawatts.

B. Deviations.

Any project not listed in this policy or any proposed PILOT Agreement, the terms of which are outside the provisions of this policy, shall be treated as a deviation. In accordance with the Act, the Agency shall notify affected taxing jurisdictions prior to undertaking any proposed deviation from this policy and the reasons therefore. Any deviations from the foregoing standard policy shall require the affirmative consent of each affected taxing jurisdiction and will be made only with the specific approval of the Agency's members based on the factors listed in paragraph F to this policy and those described in Section 874(4)(a) of the Act.

C. PILOT Agreement Approval Process.

All applications for PILOT agreements shall be reviewed and evaluated pursuant to the Agency's existing policies, and the applicant shall be required to adhere to these policies for the duration of the PILOT Term. Failure to do so may result in cancellation of the PILOT at the Agency's sole discretion.

The Agency shall comply with applicable provisions of the Act in connection with the provision of financial assistance to any applicant requesting financial assistance of more than \$100,000, including the scheduling and conduct of a public hearing in accordance with Section 859-a of the Act. In addition to public hearing notice requirements contained within the Act, the agency has established the following practices:

1) Prior to conducting any required public hearings for a project, Agency staff shall work closely with representatives of the affected taxing jurisdictions to discuss the proposed project and shall provide each affected taxing jurisdiction with the following materials: (i) a copy of the application submitted to the Agency, (ii) a cost-benefit analysis relating to the project, (iii) a summary of the terms and structure of financial assistance to be provided by the Agency (including proposed PILOT abatement or payment schedule(s); (iv) whether the Agency is considering a deviation from this policy with respect to the proposed project; and (v) any additional information an affected taxing jurisdiction may deem necessary or appropriate to their deliberations.

2) The Agency's final approval of any PILOT Agreement shall be contingent upon the applicant securing all approvals required for the project from any impacted jurisdiction and providing proof thereof to the Agency.

3) The Agency's final consideration and approval of a PILOT Agreement shall be contingent upon compliance with the New York State Environmental Review Act and the regulation promulgated thereunder (SEQRA). For all actions considered to be Type I under SEQRA the Agency shall be considered an involved agency, and the applicant shall be responsible to identify the Agency as such in its submittals to the Lead Agency.

4) Each project receiving any abatement from real property taxes will be subject to a PILOT Agreement in a form acceptable to the Agency and in compliance with the Act. The Agency will consider project factors, similar to those described in paragraph E to this policy, when determining the amounts to be paid under the PILOT Agreement.

5) A copy of the PILOT Agreement will be forwarded to each of the affected taxing jurisdictions within fifteen (15) days of execution. In accordance with Section 858(15) of the Act, unless otherwise agreed by the affected taxing jurisdictions, all PILOT Agreements shall provide that PILOT Payments received shall be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt as a result of the Agency's involvement in the project.

6) Prior to the Agency's approval of any PILOT Agreement, Agency staff shall work closely with representatives of the affected taxing jurisdictions to determine whether the affected taxing jurisdictions collectively desire to establish an allocation of PILOT Payments other than pro-rata. If it is desired by the affected taxing jurisdictions to establish a negotiated allocation of PILOT payments for a particular project (other than pro-rata), the Agency shall provide the affected taxing jurisdiction with forms of approving resolutions for consideration in connection with the establishment of an agreed distribution formula.

7) The Agency shall require all project applicants to make commitments with respect to the use of local labor and all such project sponsors shall comply with any and all applicable codes of conduct with respect to ethics and conflicts of interest, and in accordance with all applicable policies of the Agency.

D. Sales and Use Tax Exemptions.

The Agency maintains a policy for the provision of sales and use tax exemptions for qualified projects undertaken by the Agency. Where the Agency authorizes the undertaking of a project in accordance with the Act and has appointed an applicant its agent to undertake same, the Agency may enter into one or more agreements with such applicant evidencing such appointment and allowing the applicant to purchase and/or lease materials, equipment and taxable services as agent of the Agency. The abatement provided by the Agency for qualifying projects shall apply to purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project is completed (i.e. certificate of occupancy). Operating and maintenance expenses of projects are not eligible for sales or use tax relief and no sales tax exemption shall be provided by the Agency for purchases and rentals after a project is completed.

All project applicants must agree in writing to file with the New York State Department of Taxation Form ST-340, and/or such other forms as may from time to time be required, and annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the Act.

E. Mortgage Recording Tax Exemptions.

The Agency maintains a policy to provide mortgage recording tax exemptions for qualified projects undertaken by the Agency. Where the Agency authorizes the undertaking of a project in accordance with the Act and the applicant secures one or more loans to pay for project acquisition or improvements that will be secured against the project with one or more mortgages, the Agency may participate as a non-recourse mortgagor with the applicant for purposes of exempting any mortgage recording taxes that would otherwise be due and payable but for the Agency's involvement with the project. The Agency's Policy is to permit mortgage recording tax exemptions on all project related financing to the full extent permitted by New York State Law, whether or not the Agency has issued its bonds to finance the Project.

The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financings, (e.g. second mortgages on the project to secure subordinated indebtedness of the project applicant). In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

F. Evaluation Criteria.

The determination of whether a project is qualified to receive financial assistance from the Agency shall be based on the criteria identified in the Agency's cost benefit analysis and the Application. In making its determination the Agency may consider any or all of the following criteria, no single one of which is determinative:

- 1) The nature of the proposed project (e.g., manufacturing, commercial, civic, etc.).
- 2) The nature of the property before the project begins (e.g., vacant land, vacant building, etc.)
- 3) The economic condition of the area at the time of the application and the economic multiplying effect the project will have on the area.
- 4) The extent to which the project will create or retain permanent, private sector jobs within Jefferson County, the number of jobs to be created/retained and/or the salary ranges of such jobs.
- 5) The estimated value of tax exemptions to be provided.
- 6) The estimated value of other public assistance.
- 7) The economic impact of the project and the proposed tax exemptions on affected taxing jurisdictions.
- 8) The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.

- 9) The amount of private sector investment generated or likely to be generated within Jefferson County by the proposed project.
- 10) The likelihood of accomplishing the proposed project in a timely fashion.
- 11) The effect of the proposed project upon the environment and surrounding property.
- 12) The extent to which the proposed project will require the provision of additional services including, but not limited to, educational, transportation, emergency medical or police and fire services.
- 13) The extent to which the proposed project when completed will enhance the long term tax base and/or make a significant capital investment.
- 14) The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
- 15) Any other pertinent reasons deemed relevant by the Agency provided said reasons are set further in writing.

G. Recapture of Benefits.

Project applicants must agree that the agency, at its sole discretion and on a case-by-case basis, may determine, (but shall not be required to do so) with respect to a particular project, that a project has failed to meet its intended goals and may recapture the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. The Agency's review and determination in connection with the recapture of benefits shall be conducted pursuant to the Agency's Recapture Policy, as the same may be amended from time to time.

H. Effective Date.

This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after February 1, 2018.

I. Amendments.

The Agency, by resolution of its members, and upon notice to all affected taxing jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

WHISTLEBLOWER POLICY

Adopted 10/1/09

Amended 12/1/11

Reviewed 10/03/19

Every member of the board (the "Board") of the Jefferson County Industrial Development Agency (the "Agency") and all officers and employees thereof, in the performance of their duties shall conduct themselves with honesty and integrity and observe the highest standards of business and personal ethics as set forth in the Code of Ethics of the Agency (the "Code").

Each member, officer or employee is responsible to report any violation of the Code (whether suspected or known) to the Agency's Chief Executive Officer. In the event the suspected or known violation involves the Agency's Chief Executive Officer, the report of such violation shall be made to the Agency's Chairman. Reports of violations will be kept confidential to the extent possible. No individual, regardless of their position with the Agency, will be subject to any retaliation for making a good faith claim and, any employee who chooses to retaliate against someone who has reported a violation, shall be subject to disciplinary action which may include termination of employment. Regardless, any claim of retaliation will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate offense.

The Chief Executive Officer or the Chairman, as the case may be, is responsible for immediately forwarding any claim to the Agency's counsel who shall investigate the claim in a timely manner and report the results and a recommendation for handling to the Chief Executive Officer, Chairman or Executive Committee, as appropriate in the best judgment of counsel.

In the event any member, officer or employee believes in good faith that disclosing information within the Agency as set forth above would likely subject him or her to adverse action or be wholly ineffective, such individual may instead disclose the information to the Authorities Budget Office at 1-800-560-1770.