

ONTARIO COUNTY ECONOMIC DEVELOPMENT CORPORATION

POLICIES AND PROCEDURES MANUAL

(As amended February 12, 2019)

(As amended March 8, 2016)

(As amended March 4, 2014)

The effective date of all policies described in this manual is January 3, 2012. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

Ontario County Economic Development Corporation

“Creative Minds Creating Wealth”

The Ontario County Economic Development Corporation (OCEDC) defines its Mission as follows:

OCEDC shall be operated exclusively for the lawful purposes of benefiting and furthering the well-being of the citizens of Ontario County, and, among other things, to principally benefit individuals of low- to moderate-income:

- By engaging in activities to relieve and reduce unemployment;
- By promoting and providing for additional employment;
- By maintaining and creating better job opportunities;
- By carrying on research for the purpose of attracting new industry to Ontario County;
- By helping to increase the tax base of Ontario County through the attraction of private sector investment; and
- By encouraging the development of, or retention of, industry and commerce in Ontario County.

Note:

Statutes cited throughout this manual are subject to revision from time to time. To the extent that revisions cause this manual to be inconsistent with these statutes, the statutes, as amended, shall control.

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GENERAL INFORMATION AND GOVERNANCE

Introduction

The Ontario County Economic Development Corporation (OCEDC) was organized April 12, 2010 through actions of the OCEDC Board of Directors, as designated in its Certificate of Corporation. OCEDC was formed pursuant to section 402 and section 201 of Not-For-Profit Corporation law. OCEDC is a not for profit corporation organized to promote the economic development of Ontario County. OCEDC is a separate and distinct entity from Ontario County, and the County has no management control or fiscal oversight over OCEDC. All the functions carried out by OCEDC are its sole responsibility and within its sole discretion, subject to its Bylaws, Policies and Procedures and the laws of the State of New York.

Economic Development Corporation Functions

As set out fully in of the New York State Not-For-Profit Corporation Law, in furtherance of its corporate purposes, OCEDC has the ability to buy, sell and lease property and issue debt. Private for profit and non for profit entities may apply to the OCEDC for a variety of financial and other assistance, which may include but is not limited to loans.

Board Members

The Board shall consist of up to eleven (11) Directors at any given time. As long as the Board consists of eleven (11) Directors, three (3) shall be appointed by the Ontario County Board of Supervisors. In the event that the size of the Board of Directors reduces to less than eleven (11) members, then no more than one-third (1/3) of the Directors shall be County appointees. Each of the remaining Directors shall be appointed by the Board of Directors of OCEDC. Each Director shall be appointed to a three (3) year term except for the members appointed by the Ontario County Board of Supervisors which will be appointed for two (2) years corresponding to the Directors town election cycle. OCEDC By-Laws (By-Laws) defines board member responsibilities to include:

- Executing direct oversight of the Executive Director and other senior management in the effective and ethical management of OCEDC;
- Understanding, reviewing and monitoring the implementation of fundamental financial and management controls and operational decisions of OCEDC;
- Adopting and reviewing OCEDC policies and procedures as needed;
- Establishing written policies and procedures including policies protecting staff from retaliation, investments, travel, the acquisition and disposition of real property and the procurement of goods and services; and
- Adopting a defense and indemnification policy and disclosing such policy to all prospective board members.

Officers

The bylaws of OCEDC call for four officer positions: Chair, Vice-Chair, Secretary and Treasurer. They are elected to one year terms at OCEDC's Annual Meeting. Any two (2) or more offices may be held by the same person, except the offices of Chair and Secretary.

Fiduciary Responsibility

Board members are required to:

- Perform duties in good faith with due diligence and care, and
- Apply judgment in the best interest of the authority, its mission and the public.

Each Board member is expected to sign an acknowledgement of their role and fiduciary duties upon taking the oath of office, including reappointments. These acknowledgements will be filed with the ABO and copies will be maintained by OCEDC for the duration of the Board member's term.

COMPENSATION AND ATTENDANCE

Board Members

The members of the Board of the Agency shall be available as required to perform the operations of the Agency as set forth in the Agency's By-Laws.

It is in the best interest of OCEDC that board members attend all meetings. If a board member misses more than six regularly scheduled meetings in one calendar year or three consecutive meetings, the Chair shall discuss with the board member whether the member shall continue on the board, and then report back to the board. Board members shall be paid for reasonable travel expenses to attend board meetings.

Officers, Employees and Agents

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 subject to Board approval.

Officers, employees and agents of the Agency shall be available as required to perform the operations of the Agency as set forth in the Agency's By-Laws and 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.

Independence

The By-Laws require that the majority of board members be "independent". An independent board member is one who:

- Is not currently and has not been employed by OCEDC, or an affiliate, in an executive capacity for the last two years;
- Has not been employed by an entity that received remuneration valued at more than fifteen thousand dollars (\$15,000) in goods, services or other financial assistance provided by OCEDC in the past two years;
- Is not a relative of an executive officer or employee in an executive position of OCEDC;

- Is not/has not been a lobbyist registered under state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of OCEDC in the past two years; and

Board Committees

In accordance with PAAA and the Public Authorities Reform Act of 2009 (PARA), and as authorized by the OCEDC corporate Bylaws, the OCEDC Board of Directors has the ability to establish as many committees as it sees fit but at minimum must have an Audit Committee, Finance Committee, and a Governance Committee. The purpose, membership, and authority of these committees have been provided for in their respective charters.

As authorized by the corporate By-Laws, the OCEDC Board of Directors has established an Audit Committee, Finance Committee, and Governance Committee. The Audit Committee, which meets at least once per year, has at least three members. The Audit Committee recommends to the Board the hiring of a certified independent accounting firm, provides direct oversight of the annual independent audit, and may conduct or authorize investigations into matters related to finances.

The Finance Committee consists of at least three members and meets on an ad hoc basis but at least once a year. The Finance Committee reviews all loans made by the OCEDC. The Finance Committee recommends further action on these loans. Membership on this committee rotates on an annual basis.

The Governance Committee, which meets at least once per year, consists of at least three members. The Governance Committee keeps the Board informed of best governance practices, reviews governance trends, updates best governance practices, advises the Board on skills and experience required of potential Directors, and ensures an appropriate, confidential means to report improper or fraudulent activities, allegations of corruption, criminal activity, conflicts of interest, or abuse by Directors, officers, or staff.

Self Evaluation

The Board shall conduct an annual evaluation of its performance. The evaluation provides an opportunity for board members to measure their individual and collective effectiveness, the Board's compliance with its own policies and procedures, and to identify areas for Board improvement. Annually, and within 60 days of year-end, board members will complete the survey for evaluation and submit these to the staff who will compile and present to the full Board. To the extent that the results of this evaluation demonstrate the need for the Board to improve its performance, amend its practices or procedures, or clarify its expectations of board members, the Board is expected to implement suitable corrective actions in a timely fashion. Board member comments are protected from disclosure under Article 6 of the Public Officers Law, however the results of the assessment are to be provided to the Authorities Budget Office (ABO).

OCEDC Staff

OCEDC has chosen Ontario County (the “County”) as its current supplier for staffing services. Under a Master Agreement between OCEDC and the County, County employees act as OCEDC staff, and as such are bound by the County’s employment policies and procedures. OCEDC compensates the County for the services. The County’s Economic Developer functions as Executive Director of OCEDC, and has been designated as the OCEDC’s CEO. The County’s Economic Development Specialist has been designated as the OCEDC’s Deputy Director. The Senior Fiscal Manager has been designated as OCEDC’s CFO, Procurement Officer and Contracting Officer. Agency Counsel is retained directly by OCEDC. The responsibilities of agency counsel will be to provide advice in general matters of agency operations, provide assistance as needed to transaction or bond counsel, confer with agency officers and staff regarding regulatory and statutory compliance, and other such legal services as needed.

Other helpful documents:

OCEDC Bylaws
OCEDC Certificate of Incorporation
OCEDC Project Policy Manual

CODE OF ETHICS

Introduction

OCEDC was organized to benefit the people of Ontario County by attracting and retaining businesses in the county. It is important to avoid conflicts of interest that may undermine the credibility of the OCEDC. The detail of ethical rules applying to OCEDC board and staff members is set out in the PAAA, General Municipal Law sections 800 to 805-a and 883. The detail of ethical rules applying to OCEDC board and staff members was adopted by the OCEDC Board by a Resolution to Adopt a Policy Governing Director Conflicts of Interest and Adopt a Policy for Indemnifying Directors. Questions about what constitutes a conflict of interest are often complex and should be addressed with the agency or Governance Committee whenever any doubt or question arises.

Policy

OCEDC Board members and staff shall exercise their best judgment for the benefit of the agency and shall refrain from being influenced by personal considerations in the performance of their duties.

Board members and staff may not engage in any business or professional activity on behalf of the agency where that activity might result in financial benefit to the board or staff member, their family or business associates.

No board member or staff shall have an interest in any contract with OCEDC when the board member or staff has the power or duty to:

- Negotiate, prepare, authorize or approve the contract,
- Authorize or approve payment there under;
- Audit bills or claims under the contract; or
- Appoint an officer or staff who has any of the powers or duties set forth above.

Board members and staff shall not accept gifts or entertainment of value exceeding twenty-five dollars (\$25.00), when such gift could be reasonably interpreted to be for the purpose of influencing the board or staff member's performance of their duties relative to OCEDC.

Board members and staff shall not deal preferentially with suppliers and others where personal gains accrue to the board member or staff, or their families or business associates.

Board members and staff shall avoid employment, investments, and personal interests that may work to the disadvantage of the Agency.

Board members and staff shall not disclose confidential information acquired in the course of their OCEDC duties to further their own personal interests, or that of their families or business associates.

No OCEDC member shall have an interest in a bank or trust company designated as a depository, paying, registration or for investment agent by OCEDC.

OCEDC is prohibited from extending or maintaining a personal loan, arranging for the extension of a personal loan, or renew a personal loan for any officer, board member or staff member of the OCEDC.

OCEDC has adopted an Annual Disclosure and Conflict of Interest Statement for the purpose of compliance. Board members and employees are required to complete and sign this statement and submit it to OCEDC staff.

Penalties

In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate any of the foregoing provisions may be fined, suspended or removed from office or employment, as the case may be in the manner provided by law. Willful or knowing violation of these rules may also result in criminal liability.

DEFENSE AND INDEMNIFICATION POLICY

OCEDC indemnifies and defends board members, audit and governance committee members, and OCEDC staff individually and as a group from claims arising from the good faith performance of their duties. OCEDC carries directors' and officers' liability and general liability insurance to provide coverage in the event of such action.

POLICY PROTECTING STAFF FROM RETALIATION

(also known as Whistleblower Policy)

The OCEDC is committed to providing a work environment in which staff -- when they reasonably believe that acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by a staff or board member have occurred -- can raise their concerns in good faith, free of discrimination, retaliation, adverse employment action or harassment. OCEDC strictly prohibits reprisal, discrimination, retaliation, or harassment of any kind against any employee who, based on a reasonable belief that such conduct or practices have occurred or are occurring, reports that information to the individual(s) designated in this policy as having the authority to investigate, discover or terminate any such conduct or practice.

All reports will be taken seriously and will be promptly investigated. The specific action taken in any particular case will depend on the nature and gravity of the conduct or circumstances reported and the quality of the information provided.

Any complaint may be reported by contacting the Chair of the OCEDC Governance Committee or Agency Counsel if the conduct complained of involves the Chair of the Governance Committee, and must be made in writing. The complaint shall include the name of the reporter, whose identity shall be held in confidence to the extent consistent with law by the person(s) receiving it and those who investigate it. All complaints and concerns will receive the same level of attention and shall be promptly and thoroughly investigated by the Governance Committee. All OCEDC staff and board members are required to cooperate with the Governance Committee's investigation.

Upon completion of the Governance Committee's investigation, which shall be completed within sixty (60) days of receipt of the complaint, its factual findings, conclusions and recommendations shall be communicated to the OCEDC board in writing. Where the Governance Committee finds reason to believe that a crime may have been committed, the OCEDC Board shall refer the matter to the Ontario County Sheriff and District Attorney. If the Chair of the Governance Committee is involved in the alleged misconduct, he/she shall take no part in the investigation and shall not be provided with information regarding such investigation until such time as its conclusions are delivered to the OCEDC board.

If the complaint alleges misconduct on the part of County employees acting as staff to OCEDC, such complaint should also be communicated to that employee's direct supervisor, or to the County Administrator, for investigation pursuant to Ontario County's Whistleblower Policy and Procedures. A report of alleged misconduct by County employees to County officials shall not relieve OCEDC from conducting its own investigation as set out in this policy.

OPEN MEETINGS POLICY

Introduction

The Ontario County Economic Development Corp. is subject to New York State's Open Meetings Law, as codified in NY Public Officers Law Article 7 (as amended from time to time). The Open Meetings Law is designed to provide public access to the deliberations and decisions of public bodies.

What Constitutes a Meeting

A "meeting" for the purposes of the Open Meetings Law is an official convening of the OCEDC board, or its Governance or Audit Committees, for the purpose of conducting OCEDC business, including videoconferencing. A quorum must be present for business to be transacted.

Responsibilities under the Law

If a meeting is scheduled at least a week in advance, notice must be given to the public not less than 72 hours prior to the meeting. Notice to the public shall be accomplished by posting in one or more designated public locations. In the case of OCEDC, these locations are the street level doors to 20 Ontario Street, or such other place as shall be designated.

When a meeting is scheduled less than a week in advance, notice must be given to the public "to the extent practicable" at a reasonable time prior to the meeting. As above, notice to the public must be given by posting.

Executive Session

An executive session can be called during an opening meeting to discuss certain subjects, as detailed in Public Officers Law Section 105. Those most applicable to OCEDC are:

- Discussions regarding proposed, pending or current litigation;
- Financial, employment or credit history of a person or corporation; or
- Proposed acquisition, sale or lease of real property, but only when publicity would substantially affect the value thereof.

To close a meeting for executive session, a motion must be made, seconded and carried during an open meeting. The motion must identify the general subject matter to be considered. The motion must be carried by a majority vote of the total membership of the board present. Attendance at an executive session shall be permitted to any member of the OCEDC board and any other persons authorized by said board.

A motion to end the executive session must be carried by a majority vote as above. With only certain exceptions, stated in Article 6 of the Public Officers Law, all action based upon discussions during executive session must be taken during public session of the board and must be reflected in the minutes of the board.

Meeting Minutes

Minutes shall be taken at all meetings of the OCEDC Board and its Governance, Audit and Finance committees, and shall include a record or summary of all motions, proposals,

resolutions or other matters formally voted upon and the vote thereon. Minutes of executive sessions shall consist of a record of any final vote or determination of any action, but not including information protected from disclosure under Article 6 of the Public Officers Law. As a practical matter, the OCEDC board exits Executive Session before action is taken. Minutes shall be available to the public within two (2) weeks from the date of board approval, but minutes of executive sessions shall be available within one (1) week from the date of board approval.

Other helpful documents:

New York State Dept. of State Committee on Open Government web site-

<http://www.dos.ny.gov/coog/index.html>

FREEDOM OF INFORMATION LAW POLICY

Introduction

The Ontario County Economic Development Corporation is subject to New York State's Freedom of Information Law (FOIL). The purpose of this law is to allow the public access to records used in establishing public policy or decision-making.

What is a 'Record'

A record is any information kept by the OCEDC in any physical form whatever. In addition to paper records, this includes:

- CDs, computer discs and other electronic media;
- Audio and video tape recordings; and
- Emails, charts, maps and photographs.

While the OCEDC is not required to prepare new records to comply with this law, the OCEDC is required to provide information from its existing records in the form requested if it has the ability to do so.

What Records are Accessible under FOIL

As a practical matter, records are accessible unless they fall under one of the exclusions set out in Public Officers Law Article 6. Those most applicable to OCEDC are:

- Disclosure would result in an unwarranted invasion of personal privacy (unless deletion of identifying information is possible, the person involved consents or the person involved seeks records relating to him/herself);
- Disclosure of trade secrets would cause substantial injury to the competitive position of the involved company; or
- Intra-agency memoranda (other than instructions to staff that affect the public) and draft/non-final determinations of the OCEDC.

OCEDC is required to maintain the following records:

- A record of any abstention or "No" vote for an action item at each meeting. As a practical matter, this should be included in the minutes to each board and committee meeting.

- A list of the names, public office address, title and salary (at the present time not applicable) of every officer and staff member of the OCEDC.
- A detailed list of the subject matter of all records in the possession of the OCEDC.

Records Access Officer

OCEDC has designated its Agency Counsel as the records access officer for the purposes of FOIL. The records access officer has the duty of coordinating the OCEDC's response to public request for records.

Requests for Access to OCEDC Records

Requests for OCEDC records shall be made to OCEDC Agency Counsel c/o Ontario County Office of Economic Development, 20 Ontario St., Canandaigua, NY 14424. Unless copies are requested in the written request, records shall be made available for inspection pursuant to FOIL during the regular office hours of the Ontario County Office of Economic Development. Copies of OCEDC documents produced pursuant to a FOIL request shall be provided upon pre-payment of \$.25 per page copied for up to 9 x 14 inch documents, or the actual cost of reproducing any other record, except when a different fee is otherwise prescribed by statute.

OCEDC must respond in writing to requests for information within five business days of receipt by either:

- Making the record available;
- Denying access, writing giving the reason(s) for the denial; or
- Acknowledge the request and state the approximate date when the request will be granted (normally within 20 days from the date of acknowledgement unless otherwise stated in writing).

Other helpful documents:

New York State Dept. of State Committee on Open Government web site-
<http://www.dos.state.ny.us/coog/coogwww.html>
New York State Archives System Manual

WEB SITE POLICY

Introduction

The New York Public Authorities Law, as amended in 2005 by PAAA, and in 2009 by PARA requires OCEDC to make available on its web site specific financial and budgetary information, as well as additional information regarding its operations. OCEDC is committed to the principles of public disclosure and the transparent reporting of its financial and management information. The ABO has issued Guidance No. 10-03 "Posting and Maintaining Reports on Public Authority Web Sites" to assist state and local authorities in their reporting and disclosure obligations.

Policy

The Executive Director is responsible for ensuring that all required information is posted on the web site, that the information is current and accurate, and that information is made available in a manner that enables the public to easily find and navigate through it.

Permanent Disclosures

The following information will be posted permanently on the OCEDC web site in their most current form:

- OCEDC Policy and Procedures manual, to include: mission statement; enabling statute; code of ethics; procurement policy; property acquisition and disposition policy; and the investment policy,
- Uniform Tax Exemption Policy,
- OCEDC Bylaws,
- Organizational Chart,
- Subsidiary report submitted to legislature, including required information.
- A list of OCEDC Board Members and Executive Management whose compensation exceeds \$100,000, if any.
- Any other document required by the ABO

Annual Disclosures

The following reports will be prepared annually and posted to the web site within 90 days of year-end, and will be maintained on the web site for a minimum of two years:

- Report on Operations and Accomplishments,
- Schedule of Debt,
- Personal and Real Property Transactions,
- Management's Assessment of Internal Controls and Procedures.

Other Reports

The following reports will be posted to the web site when available, and maintained on the web site for a minimum of two years:

- Annual Budget Report (4-year plan)
- Certified Financial Audit, including management letter and report on internal controls,
- Official Statements for all Debt Issuances.

Board Reporting

The names of Board members will be posted on the web site, along with the adopted schedule of meetings for the current fiscal year. Meeting notices, agendas, and minutes of the Board shall be posted on the web site. Minutes will remain on the web site for no less than two years following the date on which the meeting was held.

INVESTMENT POLICY

Introduction

The purpose of establishing an investment policy is to develop operating principles within the guidelines of current legislation governing investment activity. The Executive Director, CFO and Treasurer will be guided by this Investment Policy in managing the short and long-term investment of the Agency's available cash.

Permitted Investments

OCEDC's investment policies are governed by state statutes. Primarily, OCEDC monies must be deposited in FDIC insured commercial banks or trust companies operating a branch within Ontario County. FDIC insured demand accounts and certificates of deposit are permissible investments, as are obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of New York State or its localities.

Designation of Depositories

OCEDC authorizes the following banks for the deposit of moneys up to the maximum amounts:

<u>Depository Name</u>	<u>Maximum Amount</u>
Canandaigua National Bank	\$ 2,000,000
Five Star Bank	\$ 2,000,000
Lyons National Bank	\$ 2,000,000
Bank of the Finger Lakes	\$ 2,000,000

OCEDC will review the Designation of Depositories on an annual basis.

Purchase of Investments

Investment decisions are made by the Finance Committee, with board approval, considering permitted investments, rates of returns, financial institution strength, product offerings and available agency cash flow.

INTERNAL CONTROLS

Management continually reviews and updates the Policies and Procedures Manual that includes the organization's internal controls over financial reporting, which effectively documents the systems of internal controls presently in place. Reviews and updates to the manual are performed either because of an audit report or to adopt best practices.

Annually, to support the activities of the Board of Directors, the CFO, acting under the direction of the Audit Committee examines the procedures in place for effective design and operation of internal controls. The CFO reports to the Audit Committee the results of

their examination including an overall conclusion regarding the effectiveness of the internal control environment, and suggests possible improvements.

Additionally, in performing their annual audit of financial statements, OCEDC's independent auditors consider OCEDC's internal control over financial reporting in planning and performing their audit. Management is expected to develop and implement corrective action, in a timely manner, for any deficiencies identified and brought to their attention by independent auditors.

ACCOUNTING AND REPORTING

Introduction

Accounting and reporting form the public face of the agency's financial management function. Through properly recording OCEDC's transactions and reporting them using the appropriate accounting guidelines, OCEDC communicates about the agency's fiscal affairs with many stakeholders.

Accounting Systems

OCEDC's accounting records are maintained on accounting software. Entries are made throughout each month to record transactions that have occurred.

The agency maintains one fund for general operations. A backup is made of all data in the accounting software program and is stored off-site.

Voucher System

The agency has implemented a voucher system such that all entries are recorded on a voucher form and reviewed and signed before entry in the accounting software. Entries made by the Finance Clerk are reviewed by the CFO. Entries made by the CFO are reviewed by the Executive Director or in their absence, the Deputy Director designee.

Basis of Reporting

Financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned, not received, and expenses when incurred, not paid.

Generally Accepted Accounting Principles are followed.

Internal Reports

Internal financial reports are prepared by the CFO for monthly board meetings.

Additional reports may be available periodically as appropriate. OCEDC staff prepares a Pipeline Report, which reports closed, induced and possible project revenue to the board members.

Budgets

The Finance Committee prepares an annual budget for board members' review in the fourth quarter of the calendar year as well as projections for three additional years and an actual vs. estimated budget with an analysis and measurement of financial and operating

performance. Following comments and revisions by OCEDC's board, the budget is submitted for approval at the October board meeting.

Audits

The EDC's will have an annual audit of its financial statements as defined in Section 2 (11) of State Law performed by an independent certified public accountant. The purpose of the audit is to provide independent verification that the financial statements of OCEDC are substantially accurate. The annual audit must be completed in a timely manner and is expected to be filed within 90 days of the end of the EDCs' fiscal year with the Authorities Budget Office, but no later than within 30 days of its completion. In addition, a Federal Single Audit (A-133) is required if the Agency receives in excess of \$750,000 in federal HUD awards (or an amended amount as determined by HUD) in any fiscal year.

An engagement letter is received annually from the independent auditor setting forth the scope of the audit engagement and fee. The Board requires that the audit partner on the OCEDC engagement be rotated every five years. The CPA firm performing the audit will not perform any non-audit bookkeeping services for the OCEDC.

An important part of the annual audit is the preparation by the independent auditor of a management letter. This letter reports on any areas of improvement that the auditors encountered during their engagement. OCEDC responds to the management letter with a plan for improvement.

CASH MANAGEMENT/TREASURY

Introduction

Safeguarding cash is one of the most basic responsibilities of OCEDC's staff and board of directors. Cash, because of its nature, is the asset most susceptible to theft. Beyond that, market and interest rate fluctuations can jeopardize principle and earnings unless a conservative investment policy is followed. OCEDC endeavors to safeguard cash through segregation of duties whenever possible, given OCEDC's small number of staff. OCEDC endeavors to comply with all governing state law and generally accepted accounting principles.

To this end, all participants in OCEDC's investment process shall seek to act responsibly as custodians of OCEDC's funds and shall avoid any transaction that places Corporation funds at unreasonable risk. All participants involved in the investment process shall also refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

Bank Accounts

As of the date of this document, OCEDC has demand deposit and money market accounts at Canandaigua National Bank (CNB) and Lyons National Bank. The demand

deposit account is used for general corporate receipts and disbursements and the money market accounts are used to maintain an interest earning account without having to restrict the availability of the funds. Certificates of deposit and money market accounts are held periodically, depending on the necessity of funds availability and interest rates. The CFO shall provide the Board a quarterly “Bank Balance Report” listing all account balances.

Investments

The CFO shall provide a quarterly investment review to the Board, noting the inventory of existing investments, new investments and the selection of investment bankers, brokers, agents, dealers or auditors. The investments of OCEDC will be subject to independent audit at the time independent auditors conduct the annual financial audit of OCEDC.

Debt

The Finance Committee will be consulted regarding any proposed issuance of debt and will provide recommendations to be followed by the Board.

Cash Receipts

The finance/administrative support staff is given loan payments and fees and completes the appropriate bank deposit slip. All bank deposit slips are maintained in a locked location, separate from any blank checks. Cash receipts are deposited with the bank within four business days of receipt.

Loan payments are received by support staff and are provided to the finance clerk who processes them in the accounting system after review by the CFO. In some cases, the transaction fee is wire transferred to the appropriate corporate account at closing. OCEDC’s transaction counsel provides OCEDC’s account information and informs OCEDC’s CFO that the fee has been wire transferred. The CFO receives a receipt for the wire transfer from the bank.

Cash Disbursements

When a vendor invoice arrives, the finance/administrative support staff places it in a folder for the CFO. The CFO gives all invoices to the Director who reviews and signs them. The CFO identifies bills to be paid based on due date and confirmation that the product was received or service rendered. The CFO prepares a report entitled “Invoices Presented for Payment” on a monthly basis. At the board meeting, the CFO presents the Invoices Presented for Payment report. Following questions, the board may approve payment of all or some of the bills.

Upon board approval, the CFO prepares a pre-numbered two or three-part perforated check for each approved invoice. Checks require two authorized signatures and are typically signed by the Treasurer and Chair. Other authorized signers include the Executive Director, Vice Chair, Deputy Director and CFO. Once paid, the check stub or a copy of the check containing payment information is detached and stapled to the invoice. The check and remaining stub are mailed to the vendor. Paid invoices are filed

numerically by month of payment. Pre-numbered check stock is kept in a locked area where access is limited to the CFO.

Intra-bank or Inter-bank transfers:

Transfers may be necessary due to investment decisions as discussed above, collateral coverage at a particular investment institution and/or the availability of corporate cash flow. Although it is often necessary to perform transfers without prior board approval in order ensure to timely management of resources, said transfers are reviewed and approval requested by the board of directors via inclusion on the Invoices Presented for Payment report submitted at the next board meeting. If approval is denied at the time of the meeting, the transfer will be reversed the following business day.

The CFO initiates the wire by first confirming the bank account and routing number of the recipient's bank (OCEDC's council) and then requesting a wire via email EDC's appointed banking contact. Contained in the email to the banker is a request to process the transfer only upon approval of the Executive Director or in his absence the, Deputy Director, who is copied in on the original email.

Bank Reconciliations

Statements are received from the banks on a monthly basis by the finance/administrative support staff and placed in a folder for the CFO. Bank reconciliations are prepared by the CFO within ten business days of receipt of the statements and reviewed and initialed by the Treasurer at the ensuing board meeting. In the occasion that the Treasurer is not in attendance at the board meeting, the CFO will bring the bank reconciliations to the next scheduled board meeting. Completed bank reconciliations are filed chronologically by bank.

Reporting

In addition to the Invoices Presented for Payment report, the CFO also prepares and e-mails or mails to board members a monthly Balance Sheet and Income Statement. The Treasurer or CFO presents this report to the board members at each meeting.

On a quarterly basis, the CFO prepares and e-mails or mails to the board of directors a Bank Balance Report. The amount, interest rate and maturity of investments as well as the amount in demand deposit accounts is reported. The total balances maintained at each bank are reflected.

ACCOUNTS RECEIVABLE

Introduction

OCEDC's balance sheet includes amounts due from others. These amounts can include receivables from federal and state agency grants and amounts due from outstanding loans.

Recordkeeping

All accounts receivable are recorded in separate receivable accounts and the CFO prepares an aging of these balances from time to time to aid in their collection. On a monthly basis, the total of the individual accounts receivable are compared to the total in the general ledger and differences are reconciled.

Collection

Collection efforts may include written reminders, telephone calls and other communications to the entity from which the funds are owed. Continued failure to pay, despite these efforts, results in reporting to the OCEDC board for its guidance regarding possible collection action.

Reserve for Doubtful Accounts

It is the policy of OCEDC to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable;
2. Historical collection and bad debt experience;
3. Evaluations of specific accounts based on discussions with the staff member(s) that originated the transaction resulting in the receivable.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year if further collection efforts have been abandoned. The recommendation to reserve an account and/or subsequently to write it off is made by the Finance Committee with final approval by the OCEDC Board of Directors. It is expected that the reserve for uncollectible accounts will be subject to examination by independent auditors during the annual audit of the OCEDC's financial statements.

Reporting

On a monthly basis, the board receives a Balance Sheet report that shows the balance in accounts receivable. The CFO and Treasurer will report on any delinquent balances (those with balances 30 days past due or more) as needed.

CAPITAL ASSETS

Introduction

As of the date of this document, OCEDC does not own capital assets, however the policies and procedures in this section are considered prudent and therefore necessary.

Acquisition

Assets are purchased using guidelines established under OCEDC's procurement policy. Assets with a purchase price of \$1,000 or more and an expected life of more than one year are capitalized and depreciated by OCEDC.

Recordkeeping

The CFO maintains a spreadsheet to track capital assets by category. This spreadsheet is also utilized for the purposes of calculating depreciation of the assets. A physical inventory of all assets is conducted on a yearly basis.

Depreciation Guidelines

Depreciation is computed using the straight-line method over the estimated useful life of the capital asset. Land is not depreciated. Estimated useful lives for the following asset classifications have been established based upon depreciation guidance provided by the office of the New York State Comptroller:

- Deferred Acquisition Costs (interest, legal, design fees) - 20 years
- Building– 20 years
- Lights, weather system & fencing- 20 years
- Building Improvements – 10 years
- Equipment – 3 to 7 years

Risk Assessment

OCEDC will periodically perform a risk assessment of all Corporation assets. This assessment may involve the work of an outside insurance consultant or may be performed by staff. The goal of this risk assessment is to determine whether assets are adequately safeguarded and insured to prevent loss to OCEDC.

Disposal

The Public Authorities Accountability Act (PAAA) of 2005 requires that OCEDC name a ‘Contracting Officer’ to supervise and direct the disposition of property. As stated in the OCEDC staff section of this manual, OCEDC's CFO has been designated as the Contracting Officer for purposes of PAAA compliance.

Real property owned by the OCEDC must be appraised before disposal. Property whose value is not readily determinable against similar property due to its unique nature or circumstances must be appraised before disposal. PARA requires that property may be: (1) disposed of at market value or (2) for an amount less than fair market value only if certain criteria are met (these exceptions are detailed below). Generally, all disposals of property will be done through a publicly advertised bid. All bids must be publicly disclosed. Price and other factors may be considered, and the award must be made with reasonable promptness, or all bids will be rejected. Additionally, all dispositions must be evidenced by a deed, bill of sale, lease or other instrument.

Exceptions to Disposal Rules

Property may be disposed of through negotiation or auction without public bidding -only if the disposition:

- is less than \$15,000 or,
- will be to the state or any political subdivision thereof, or,
- is intend to further the public health, safety, welfare or economic development of the County, and,

- A board resolution authorizing the transaction is duly approved by the OCEDC board, and,
- If the disposition is of personal property with an estimated fair market value in excess of \$15,000, or is real property with an estimated fair market value in excess of \$100,000 (by lease if the annual rent over the term of the lease is in excess of \$15,000), or any property disposed of by exchange, no less than 90 days prior to the disposition a written explanation is filed with the New York State:
 - State Comptroller;
 - Director of the Budget;
 - Commissioner of General Services; and
 - Legislature.

Property may be disposed of for less than fair market value only if the disposition:

- Is to a government or other public entity, and that the terms and conditions of the transfer require that the assets remain with the government or other entity, or,
- The purpose of the transfer is within the purpose, mission, or governing statute of OCEDC, or,
- With written notification to the County Executive and County Legislature to be subject to denial by either body within 60 days of receiving such notification

When the disposal of property for less than its fair market value has been proposed, the Executive Director will provide the following information to the ABO, and to the public via the OCEDC web site:

- A full description of the asset;
- An appraisal of the fair market value of the asset
- A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer;
- A statement of the value to be received compared to the fair market value;
- The names of any private parties participating in the transfer;
- The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought;

The OCEDC Board must authorize all disposals of property for less than fair market value and will evidence their consideration of the above factors by a written determination documenting that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

ACCOUNTS PAYABLE & PROCUREMENT

Introduction

Buying the right goods or services at the right price not only keeps OCEDC operating effectively, but also insures the proper use of corporate funds and guards against allegations of favoritism and fraud. OCEDC endeavors to purchase the best products and services at a fair price.

Sales Tax Status

As a private, not-for-profit corporation, OCEDC is exempt from payment of New York State Sales Tax on purchases made for corporate usage. Proof of OCEDC’s status may be required at the time a purchase is made. A copy of OCEDC’s Certificate of Establishment (see Appendix) should be made and given to each OCEDC vendor. If, for whatever reason, a vendor refuses this documentation, the sales tax should be paid at the time of purchase and a refund claim should be submitted New York State Tax Department, Sales Tax Audit Bureau on New York State Sales Tax Form AU-11.

Purchasing Guidelines

OCEDC uses the following purchasing guidelines to secure competitive prices:

Purchase Contracts	Verbal Quote	Written Quote	Bid Required
Under \$2,000	One needed		
\$2,000 to \$19,999		<ul style="list-style-type: none"> • Three needed • Review and recommendation to Board by CFO or Director • Final approval by Board 	
\$20,000 and up			<ul style="list-style-type: none"> • Publicly advertised bidding process (follow Ontario County bidding procedures)

Verbal and written quotes need to be documented by the staff member purchasing the service or product (written quotes need CFO or Executive Director review and recommendation to the Board for approval of the chosen vendor). This documentation should be maintained in the vendor file and compared to invoice(s) received from this vendor.

Preferred Source Procurement

Section 162(4) of State Finance Law requires public authorities and public benefit corporations as defined by Title 1 Section 2 of the Public Authorities law, to purchase certain approved products and services from preferred sources if available. The EDC will endeavor to purchase services and commodities from preferred sources if the product or

service meets the EDC's needs in form, function, and utility. The following are NYS's three Preferred Source Organizations:

New York State Department of Correction Services Division of Industries

New York State Preferred Source Program for People who are Blind

New York State Industries for the Disabled

When an item is needed the EDC shall review the following website for its needed product and services.

<https://nyspro.ogs.ny.gov/content/buying-preferred-source-0>

The website has a combined list of all goods and services offered by the three organizations. Any product or services secured from the above organizations are exempt from New York State's required competitive bid process.

Exceptions

In certain situations, solicitation of alternative proposals or quotes may not be practical. These situations include:

Professional Services- Professional services are services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, knowledge, absence of conflict of interests, reputation, education and training, judgment, integrity, continuity of service, experience, and moral worth. Furthermore, certain professional services to be provided to OCEDC, e.g., legal and accounting services, impact potential liability of OCEDC and its members. These qualifications and the liability concerns of OCEDC are not necessarily found or addressed in the individual, company or firm that offers the lowest price. The natures of these services are such that they do not readily lend themselves to competitive procurement procedures. The circumstances involving the need for a particular vendor should be documented including such information as specialized knowledge and/or experience.

Sole Source- A sole source can be a manufacturer or service provider for which there are no other sources offering an equal or equivalent product. Prior to a vendor being considered a sole source, a letter on the vendor's letterhead must be on file detailing their sole source status. Sole Source status must be approved by the OCEDC Board of Directors.

Emergency Purchase- An emergency is an urgent need which requires immediate action and cannot reasonably wait until the next scheduled board meeting. These

goods or services must be purchased immediately; a delay in order to seek alternate proposals may threaten the life, health, safety, economic well-being or welfare of the OCEDC. This section does not preclude alternate proposals if time permits. When an occurrence or condition is unforeseen, it should happen rarely and the circumstances around it shall be well documented.

In case of an emergency as defined above, the Executive Director, or in his absence, the Deputy Director, is authorized to commit corporate resources if circumstances require his or her action before a scheduled board meeting as follows:

1. The Executive Director, or in his absence, the Deputy Director, may commit funds at his or her sole discretion up to \$1,000.
2. The Executive Director, or in his absence, the Deputy Director, with the Chair's approval, may commit up to \$5,000.

In addition, the Chair of the Board may commit Corporate resources if circumstances require his or her action before a scheduled board meeting and if said action necessitates the exclusion of involvement of the Executive Director (i.e. conflicts of interest exist) as follows:

1. The Chair may commit funds at his or her sole discretion up to \$1,000.
2. The Chair, with another board officer's approval, may commit up to \$5,000.

All such commitments by the Executive Director or the Chair of the Board will be presented to the board at the next scheduled meeting for ratification.

Compliance with Procurement Lobbying Law

OCEDC is required to comply with the law which governs contacts between the OCEDC and individuals/entities during the bidding process. The law establishes a restricted period, essentially the time between when the earliest notice of the Request for Proposal (RFP) is given and when the final contract is awarded, during which time contact between bidders and the OCEDC are restricted to a person designated by the OCEDC.

The OCEDC is required to:

- Designate a person to be contacted by bidders. For OCEDC this person is the CFO;
- Maintain records of contacts (including name, address, telephone number, place of employment and occupation) with bidders during the restricted period;
- Include copies of this policy in the OCEDC's RFP documents;
- Receive affirmation from all bidders of their understanding of the provisions of this law and their agreement to comply;
- Include a certification in the contract that all information provided to OCEDC is complete, true and accurate. This language must allow the OCEDC to terminate the contract if it is found that the certification is intentionally false or incomplete; and

- OCEDC staff must notify OCEDC counsel in the event they become aware of a violation of this policy.

Impermissible Contact

If the OCEDC (staff or any Board member) is contacted by a vendor or potential vendor in such a manner as to attempt to unduly influence solicitation procurement, the chair of the Governance Committee will be immediately notified by the Procurement Officer to discuss the severity of the action and determine if further action is required. If it is determined that there is no cause to believe the allegation is true then the matter is documented and given to the Procurement Officer to file away. If there is cause to determine that an impermissible contact was made then the vendor or potential vendor shall be notified in writing that an investigation is being held. Results of the investigation may include a ‘no wrong doing’ finding or a willful violation of State Finance Law 139-j(3) resulting in a non-responsible candidate for services. In either case the Offeror shall be notified in writing of the determination. All documents are held in the Procurement Officer’s files.

CORPORATE CREDIT CARD POLICY

General

- The Ontario County Economic Development Corporation (the “Agency”), at the discretion of the Board of Directors, shall maintain a corporate credit card account for use by its employees or employees of Ontario County who have been designated to work for the Agency by contract agreement.
- A corporate credit card will be issued to personnel and/or contracted personnel from Ontario County at the discretion of and upon written approval of the Chief Executive Officer (“CEO”). In the instance that the CEO should receive a corporate credit card then the written approval shall come from the Chair of the Agency’s Board of Directors.
- The staff member whose name appears on the corporate credit card (the “Cardholder”) shall complete and sign the statement attached to the ‘Corporate Credit Card Usage Policy’ and submit it to the Chief Financial Officer (“CFO”) prior to use of the corporate credit card.
- The corporate credit card shall be paid in full monthly by the Agency. No balances except for current charges shall be carried on the card.
- The corporate credit card account shall maintain a five thousand dollar (\$5,000) credit limit. Changes in limit can only be authorized by the Board of Directors.
- All uses of the corporate credit card are subject to the purchasing guidelines outlined in the Agency's Policy and Procedures Manual.

- The credit card may not be used to procure cash advances nor for any illegal purchases.

Usage

- A corporate credit card shall be issued to an employee of the Ontario County Economic Development Corporation (the “Agency”), or employees of Ontario County who have been designated to work for the Agency by contract agreement, at the discretion of and upon written approval of the CEO. In the instance that the CEO should receive a corporate credit card then the written approval shall come from the Chair of the Agency’s Board of Directors.
- The staff member or contracted employee of Ontario County whose name appears on the corporate credit card (the “Cardholder”) shall complete and sign the statement attached to this Policy and submit it to the Chief Financial Officer ("CFO") prior to use of the corporate credit card.
- The Cardholder will sign the credit card immediately upon receipt.
- Acceptance of the credit card by the Cardholder implies acceptance and agreement with the policies and procedures set forth in the credit card agreement.
- The Cardholder will ensure that use of the credit card is within the purchasing guidelines outlined in the Agency's Policy and Procedures Manual.
- The credit card may not be used to procure cash advances nor for any illegal purchases.
- The Cardholder is responsible at all times for the physical security of the credit card.
- The Cardholder will immediately notify both the credit card services company and the Chief Financial Officer if the card is lost or stolen.
- The Cardholder shall retain all receipts, and will provide them for reconciliation purposes to the CFO at the first available opportunity but no later than the credit card statement date.
- The credit card must be returned immediately to the Agency if:
 - Requested by the CFO;
 - The Cardholder is no longer employed by the Agency and/or Ontario County.
- The Cardholder agrees to cooperate fully with the Agency if an incorrect charge is

identified on the Cardholder's statement.

- No purchases of a personal nature shall be made with the corporate credit card.

Conferences and Training

Conferences and training opportunities are beneficial to OCEDC since they provide a forum for board members and staff to gain new skills and keep up-to-date on the most current trends in economic development and board governance. Any staff or board member attending conferences or training to be paid for in whole or in part by the OCEDC shall submit to the Executive Director a Conference and Training Voucher. . The voucher should contain a brief description of the event including costs and benefits for review and approval. The Executive Director's attendance requires pre-approval by one of the officers of the board of directors.

Reimbursable Business Expenses

OCEDC will reimburse all reasonable, business-related expenses incurred by the board or staff member. In some cases (see Conferences and Training), these expenses will require prior approval. Business expenses incurred by the board or staff member must be documented on a Conference and Training Voucher and submitted within one month of the expenditure. The business purpose of each expense must be fully documented. The Executive Director reviews and signs each voucher. The Executive Director's vouchers shall be reviewed and signed by an officer of the board of directors. Some common business expenses are discussed below. As a rule, board or staff members should choose the most reasonably economical option available to them when incurring business expenses.

Mileage

Mileage is reimbursed at the current Internal Revenue Service published rate in effect at the time of travel. Mileage is only reimbursed for use of staff or board member-owned vehicles. Commuting mileage for staff members is not reimbursable.

Air, Bus or Train Travel

The OCEDC will pay for the cost of coach or economy rates using the most reasonably cost-effective routing available when air, bus or train travel is necessary. Staff and board members are encouraged to book transportation as early as possible in order to get the most economical rates.

Lodging

Lodging is reimbursed if travel takes the staff or board member 75 miles or more away from home and reasonably requires an overnight stay. Room sharing, if appropriate, is encouraged. Expenses incurred related to a spouse or companions are not reimbursable. Expenses submitted for reimbursement by corporate staff or board member(s) cannot be more than if the staff or board member had traveled alone. Items such as house cleaner, valet or laundry service, in-room movies, alcoholic beverages and personal items are not reimbursable.

Meals

OCEDC staff and board members may incur meal and other related expenses such as tips during day training or daily Corporation business, if these expenses are directly related to activities of OCEDC and reasonable in amount. Items such as alcoholic beverages and personal items are not reimbursable. Attendees and business purpose must be fully documented when submitting for reimbursement.

If an employee is traveling to an overnight conference with prior approval, then the use of per diem rates for meals and incidental expenses is required and no receipts are necessary. Meals and Incidental Expenses include meals, tips and fees for food, and luggage handling. Meal and Incidental Expense reimbursement shall be in accordance with the rate set forth by the Internal Revenue Service. Some areas of the country may have different per diem reimbursement rates. Staff should consult with the CFO to obtain these rates. Staff and board members will not be entitled to reimbursement for the cost of meals that are included in the costs of the conference.

Tips

Tips, when appropriate are reimbursable. Tips should be limited to 20% of the total bill in the case of meals and as reasonable and customary amounts in other cases.

Telephone

Cellular telephones should be used whenever possible for business calls by OCEDC staff. In the event that use of a cell phone is impractical, reasonably necessary business calls will be reimbursed when the board or staff member is at a Corporation-approved overnight conference or training. Personal phone calls will be reimbursed up to a \$5.00 daily maximum.

Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner. Accounts payable are processed on a daily basis. Information is entered into the accounting software system from approved invoices (See Cash Disbursements section) with appropriate documentation attached.

It is the policy of OCEDC that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

SECURITY

Introduction

The security of the paper and electronic files is an important function of OCEDC's staff.

Accounting records are maintained in a secured area in the CFO's office. Blank checks and petty cash are secured as discussed in the Cash Management/Treasury section, above.

Access to Electronically Stored Accounting Data

The CFO and Finance Clerk(s) shall utilize passwords to restrict access to accounting software and data. Only the CFO and Finance Clerk(s) will be assigned passwords that allow access to the system. Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than quarterly.

Storage of Back-Up Files

OCEDC maintains its electronic data files on a secure server which is backed up on a regular basis.

TIMELINE

January

- Authorized signers cards and board approval for new check signers as necessary- *CFO*
- Schedule of Investments- *CFO*
- Follow up letter sent to OCEDC projects that have not responded to monitoring letter-*CFO & Executive Director*

Board Survey – *OCEDC staff*

February

- Annual financial statements are prepared and audited- *CFO/Public Accounting firm*
- Federal Single Audit is prepared if required – *CFO/Public Accounting Firm*

March

- The following are filed with the Ontario County clerk and Ontario County's Finance Director by month end and posted on OCEDC's web-site as soon as practical (those items noted are included in PARIS reporting system):
 - OCEDC Annual Report
 - Audited Financial Statements (requires board approval and CEO and CFO certification)
 - Management Letter from public accountants
 - *-Executive Director, CFO*
- Annual Disclosure/Conflict of Interest sign off (5/15) – *CFO*
- Annual Meeting
- Board review & approval of Mission Statement and performance measures- *CEO/CFO/Board*
- Board review & approval of Investment Guidelines- *CEO/CFO/Board*
- Board review & approval of Whistleblower Policy- *CEO/CFO/Board*
- Distribute Annual Disclosure Statement-Conflict of Interest – *OCEDC staff*
- Property Use and Disposition Guidelines – Annual Review - *CFO*

- Procurement Guidelines – Annual Review - *CFO*

- Schedule of Investments- *CFO*

May

- Form 990 prepared and submitted – *CFO/Public accounting Firm*

July

- Schedule of Investments- *CFO*

September

- Federal Single Audit (if required)

October

- Schedule of Investments- Include budget on Corporation web-site - *CFO*
- Budget for OCEDC and three years projections prepared --- *CFO*

November

-

December

- Audit scheduled with public accounting firm- *CFO & Audit Committee*
- Monitoring letters sent to project contacts-*CFO*
- Board meeting date schedule developed for upcoming year- *OCEDC staff*