

POLICY GOVERNING THE USE OF DISCRETIONARY FUNDS OLEAN LOCAL DEVELOPMENT CORPORATION

Purpose & Provisions:

This document formalizes the written policy of the Olean Local Development Corporation (the “Authority”) with respect to recommended governance best practices. Section 2824 (1)(b) of Public Authorities Law requires directors to understand, review, and monitor the implementation of fundamental financial and management controls and the operating decisions of the authority.

Objectives:

The Board of Directors has an obligation to authorize the expenditure of funds only for purposes that relate to and support the mission of the authority. This policy identifies the proper use of authority discretionary funds and clarifies what would and would not be considered appropriate expenditures.

Proper & Improper Discretionary Expenditures:

The expenditure of authority funds must relate directly to an enumerated power, duty, or purpose of the authority. The funds of the authority may not be spent in support of the private or personal interests or to the benefit of directors, management, or staff. Proper documentation is required to justify the nature and purpose of each expenditure.

Improper use of discretionary funds would include, but not be limited to:

- Charitable contributions or sponsorships of events not associated with the authority’s mission;
- Subsidized or free use of authority services for the personal use of current or former board members, staff, or family members of staff;
- Flowers and gifts for staff, directors or family members;
- Membership dues in professional organizations on behalf of employees;

The authority may not use public funds to purchase items considered personal expenses or that are intended to personally benefit an employee or director. Expenditures are required to follow the Olean Local Development Corporation Purchasing Guidelines in place.