

## TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

### DISCRETIONARY FUNDS POLICY

#### **Section 1. PURPOSE**

The purpose of this policy is to adhere to the recommended practices of the New York State Authorities Budget Office (the “ABO”) to protect against the use of discretionary funds for purposes that do not advance the Town of Guilderland Industrial Development Agency’s (the “Agency”) mission. ABO Recommendation Practice entitled, “Written Policies Governing the Use of Authority Discretionary Funds,” specifically recommends, adoption by the Agency, of a policy on the proper use of discretionary funds that incorporates the legal principals set forth in New York State Attorney General Opinion #2007-F4.

#### **Section 2. DISCRETIONARY FUNDS**

##### **A. Use of Discretionary Funds**

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

##### **B. Approval of Use of Discretionary Funds**

Discretionary funds shall be such funds held by the Agency and identified as “discretionary funds” in the Agency’s budget.

All expenditures of discretionary funds shall be submitted by the Chief Executive Officer and approved by resolution of the board of the Agency. Any request for a proposed expenditure shall be accompanied by an application, in form and substance acceptable to the Agency, and shall fall within Annual Budget Allocations. Provided, however, in the instance where the Chief Executive Officer will seek an expenditure of discretionary funds, such expenditure shall be pre-authorized by the Chairperson or Treasurer of the Agency. The Chief Executive Officer or the Chairperson or the Treasurer, as the case may be, shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits the Agency as opposed to an individual board member, officer, or employee and (ii) advances the mission and public purpose of the Agency. Scrutiny of all expenses will be guided by judgment relating to the relevance of such costs and the benefits, which may accrue from such activities.

Notwithstanding the foregoing, the Chief Executive Officer shall have the authority to make expenditures of discretionary funds, as provided in the Agency’s budget, in an amount not to exceed \$500 without approval by the Agency.

**C. Examples of Appropriate Uses of Discretionary Funds.** The items discussed below are specific examples of appropriate uses of discretionary funds but are not intended as an exhaustive list thereof:

- (i) Membership Dues: Membership dues paid for the Agency to belong to a professional peer organization is a permissible use of Agency discretionary funds. However, individual memberships costs for board members, officers, and employees to belong to a professional, social, or fraternal organization whereby the membership is of, and the primary benefit is to the individual, rather than the Agency, should not be an appropriate Agency expenditure.
- (ii) Charitable Contributions & Sponsorship: The appropriateness of such sponsorship or charitable contribution will depend on whether it relates to the powers, duty, and purposes of the Agency and whether such expenditure will advance the Agency's mission and public purpose.
- (iii) Food and Beverages: With the exception of food and beverages purchased during business travel as provided in the Agency's Travel Policy, expenditures of food and beverages for personal consumption of board members, officers and employees should not be considered an appropriate use of Agency discretionary funds. Provided, however, expenditures for food and beverages purchased for or during the conduct of Agency business, may be an appropriate expenditure of Agency discretionary funds, provided that the expense is reasonable in light of the circumstances surrounding Agency activity.
- (iv) Professional Training, Certification, and Licensing: Paying the costs to attend training to maintain certifications or licenses or to attend professional conferences may be an appropriate expenditure of Agency discretionary funds.
- (v) Marketing: Expenses incurred in the course of marketing to (1) businesses located within the Town of Guilderland and (2) support partners in furtherance of the mission of assisting with the creation of new or the expansion of existing businesses may be an appropriate expenditure of Agency discretionary funds.
- (vi) Capital Projects and Project Development: Any participation by the Agency in funding a capital project or assisting in project development will be subject to completion of an application, in form and substance acceptable to the Agency, review by the Agency staff and board, review by Agency counsel and consideration and approval by the Agency board.
- (vii) Technology: Expenses incurred to improve the Agency's access to technology including updated devices or programs, as necessary.

**D. Examples of Inappropriate Uses of Discretionary Funds.**

- (i) Gifts: Gifts for members, officers, employees and/or their respective family members.
- (ii) Events: Celebrations or events that do not relate to the mission of the Agency.
- (iii) Substances: Purchases of alcohol or tobacco products, or expenses on behalf of a spouse, friend or guest of the Agency member, officer or employee.

- (iv) Programs and Services: Subsidized or free use of Agency services for the personal use of current or former Agency members, officers, employees and/or their respective family members.
- (v) Resources: Personal use of Agency resources, including, but not limited to, office supplies.
- (vi) Other: Any other expenditure of funds to purchase, acquire or use items that would be considered personal expenses or that are intended to personally benefit an Agency member, officer or employee.

Adopted and Reaffirmed: December 3, 2024