



Board of Directors Meeting
Tuesday, January 17th, 2023 | 8:15 a.m.
IN PERSON: The Hub CoWorks, 67 Merchants Row
Remote Option:

<https://us06web.zoom.us/j/8028021111?pwd=M2tYNHNOU3RzTUZiemkrVmk0MmFvUT09>

Agenda

- Call to Order Shana Louiselle, President
- Approval of Minutes from October 18th, 2022 (pages 2-4) Shana Louiselle, President
- Executive Director's Report Lyle Jepson
 - Approval of Policies and Procedures (see attached materials, pages 5-54)
 - CSJ Request –Mary Cohen, Housing Trust Executive Director (see attached materials, pages 55-62)
- Committee Reports
 - Real Estate (see attached materials, pages 63-65) Nicole Kesselring, Chair
 - Marketing (see attached materials, pages 66-68) MaryAnn Goulette, Co-Chair
 - Business Development (see attached materials, pages 69-81) Russ Marsan, Chair
 - Events (see attached materials, pages 82-85) Eric Mallette, Chair
 - Finance (see attached materials, pages 86-87) Karen Garrow, Chair
 - Policy (see attached materials, pages 88-103) Tyler Richardson
 - DEI Committee (see attached materials, pages 104-106) Shana Louiselle, Co-Chair
- Old Business
- New Business
- Adjournment

Upcoming Meetings and Events:

DEI Committee – Friday, January 20th, 11:00 a.m. – 12:00 p.m.
Legislative Breakfast (Southside Steakhouse) – Monday, January 30th, 7:30 a.m. – 9:00 a.m.
Real Estate Committee – Wednesday, February 1st, 8:15 a.m. – 9:15 a.m.
Marketing Committee – Thursday, February 2nd, 11:30 a.m. – 12:30 p.m.
Business Development Committee – Wednesday, February 8th, 8:15 a.m. – 9:15 a.m.
Events Committee – Thursday, February 9th, 4:00 p.m. – 5:00 p.m.
Policy Committee – Friday, February 10th, 12:00 p.m. – 1:00 p.m.
Finance Committee – Tuesday, February 14th, 8:15 a.m. – 9:15 a.m.
CEDRR Mixer (Stafford Technical Center) – Tuesday, February 14th, 5:00 p.m. – 7:00 p.m.
DEI Committee – Friday, February 17th, 11:00 a.m. – 12:00 p.m.
Act 250 Informational Meeting (Hub CoWorks) – Friday, February 17th, 12:00 p.m. – 1:30 p.m.
Board of Directors – Tuesday, February 21st, 8:15 a.m. – 9:15 a.m.
The Real Rutland Business Feud (The Paramount Theatre) – Saturday, February 25th, 7:00 p.m.



**Board of Directors Meeting Minutes, Tuesday, October 18, 2022, 8:15 am
Rutland Regional Planning Commission Conference Room**

Present: John Casella II, Eric Mallette, Shana Louiselle, Maryanne Goulette, Russ Marsan, Mike Doenges, Jess Anderson, Mary Cohen, Nicole Kesselring, John Russell, Sue Bishop, Rolf Hirschmann, Cam Schaefer, Lyle Jepson, Tyler Richardson, Chrispin White, Olivia Lyons, Lori Pinkowski

Meeting was called to order at 8:16 a.m.

Jess Anderson made a motion to approve the minutes from 9/13/22 as written. Mike Doenges seconded the motion, which passed unanimously.

Executive Committee: Lyle presented the board with a new slate of Officers and Directors, which is being recommended by the Executive Committee.

Election of Officers:

FY23 President: Shana Louiselle
FY23 Vice President: Russ Marsan
FY23 Treasurer: Karen Garrow
FY23 Secretary: Nicole Kesselring

Mike Doenges made a motion to approve the slate of new Officers as presented. Rolf Hirschman seconded the motion, which passed unanimously.

Election of Directors: A detailed process was put in place for engaging interested and qualified candidates, much of it informed by the work of the DEI Committee. Through a press release and other efforts, a call was put forward for interested applicants. Twenty-one people came forward. Lyle interviewed each and 17 followed up with a resume. Three were chosen to present to the CEDRR Board (see below). The other 14 will be asked to bring their skill sets to other CEDRR Committees.

FY23 Directors: Raven Crispino (first term) Alex Hilliard (first term) Daniel Mora (first term)

Jess Anderson made a motion to approve the slate of new Directors as presented. Cam Schaefer seconded the motion, which passed unanimously.

Real Estate: Nicole reported the committee discussed a Criterium Lalancette & Dudka Capital Needs Assessment Proposal for the 112 Quality Lane building. It was agreed that we should periodically update the plan and that the cost seemed appropriate for the scope of work, but it was determined there was no urgency in updating the 2013 plan. The conversation has been tabled until Sept/October 2023. Regarding 112 Quality Lane tenant transition, the committee decided to offer to Bodycote the option to sublet, rather than revise the lease, with the opportunity to return to the committee once they have a more firm plan regarding a Phase II change in space needs. Regarding a Regional Housing Plan, there is a meeting scheduled for October 21st that will include housing partner organizations in the County, with the goal to create a region-wide strategic plan for housing development with short-term and long-term goals.



Marketing: Maryanne turned it over to Olivia to talk about the weekend getaway. Olivia reported that four families from TX, CA, NC and NYC came to Rutland at the end of September and spent four days exploring the area. They were chosen out of a pool of 450 entries, of which 30 were interviewed by Olivia and four were chosen. It was marketed on social media and reached approximately 400,000 people. The weekend started with a welcome dinner at Still On The Mountain on Thursday evening and culminated with a breakfast at Sugar & Spice on Sunday morning. Families participated in a county-wide scavenger hunt, which we hope to use in the future for locals. Families went kayaking, attended the Farmers Market and the Chili Cookoff in Poultney. Families loved the experience and the couple from NC put an offer on a house in Pittsford (it was not accepted but they are still looking). Sue connected with a few of the families and is sending periodic listings as they become available in the area. Some of the families mentioned they would have liked to speak to possible employers in the area. (Olivia did not know this until they arrived, otherwise she would have set something up). One in particular was a Grant Manager for a University in TX. A job description for a Grant Manager was sent to her for consideration of employment at CEDRR.

Business Development: Russ and Tyler reported that four grants have been applied for on behalf of four businesses to the Regional Economic Development Grant Program through the State of Vermont. The total ask is approximately \$100,000. CEDRR is in the process of administering \$489,000 in grant funding from the Northern Borders Regional Commission for the extension of the water infrastructure to Phase II of the Airport Business Park. A previous grant of \$50,000 from the USDA is being administered for equipment for the HUB. An EDA Grant in the amount of \$734,00 was awarded plus matching grants, to CEDRR for The HUB. Tyler reported that over 3 million dollars in Federal money has been awarded to us in the past year. It was determined that adding a Grant Manager to the staff would be beneficial. The search for a Program Director has brought Scott Graves from MA. He has previously started an incubator. Lyle has been checking his references and will be speaking to him again today. The committee is recommending to the Events and Marketing Committees that they consider a way to bring together events from around the Region, such as multi-cultural events, into a common calendar location, both for tourist and locals.

Events: Eric reported that Mixers are back, and several businesses are renewing year to year for the month of their choosing. Mixers already schedule for next year include Four Seasons Sotheby's for July, Allen Pools and Spas for October and HFCU for December. The Real Rutland Feud is taking place on February 25 at the Paramount. We have seven teams confirmed with one possible yes. Two more will be targeted. The Annual Meeting and Open House will be on November 14th from 5-7 pm with the Annual Meeting starting at 6 pm. Roots will cater the event and Nikki Adams will provide music. Eric reported we need more members on the Events Committee.

Finance: Tyler reported that there was a loss for the month of September, but a gain for the year. Money will be spent on equipment and personnel for the HUB in the coming months. All loan clients are current except for one. Tyler met with the borrower and other lenders on this project to continue discussions and determine steps forward.

Policy: The committee met for the first time since June. Tyler laid out plans for the meetings in November and December. Representatives from DRM will be invited to the November meeting for their



perspective on the coming session. Most of the December meeting will be spent on fine-tuning our Policy Statement in preparation for the Legislative Breakfast to be scheduled in January.

DEI: Please refer to notes under Executive Committee for the work the DEI has been doing.

The meeting was adjourned at 8:57 a.m. at which time the Board toured the Hub CoWorks.



Fiscal Policies and Procedures for Federal Grants

**Approved by the Board of Directors on
[Date of approval]**

Secretary (print)

Secretary (Signature)

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INTRODUCTION AND OVERVIEW

This manual sets forth the policies and procedures used by Rutland Economic Development Corporation (dba Chamber and Economic Development of the Rutland Region) ("ORGANIZATION") to administer federal funds. The manual contains the internal controls and grant management standards used by ORGANIZATION to ensure that all federal funds are lawfully expended. It describes ORGANIZATION's financial management system in detail, including cash management procedures, procurement policies; inventory management protocols; methods for determining the allowability of expenditures; time and effort reporting; record retention, and sub-recipient monitoring responsibilities. New and incumbent employees of ORGANIZATION with financial or administrative responsibility for federal funds are expected to review this manual to gain familiarity and understanding of ORGANIZATION's rules and practices.

Federal regulations require grantees to use fiscal control and fund accounting procedures that ensure proper disbursement of and accounting for federal funds ([34 CFR 76.702](#) and [2 CFR 200.302](#)). Implementing and maintaining an appropriate accounting system is a fiduciary responsibility for receiving a federal award. Accepting an award creates a legal duty on the part of ORGANIZATION to use the funds or property made available under the award following the terms and conditions of the grant. The approved grant application constitutes an accounting document that establishes the purposes and amount of the awarding agency's obligation to the grantee. In turn, it creates a commitment by ORGANIZATION to perform and expend funds following the approved grant agreement and the applicable laws, regulations, rules, and guidelines.

What is the difference between Policies and Procedures?

Policies are goals. Policies are formal guidance for an organization and may require adoption by a board or other governing body.

Procedures are steps that ensure goals are met. The procedures are simply written fiscal steps/processes to achieve an organization's goals. The appropriate staff must internally review changes in procedures. Written procedures (as well as policies) are evidence of compliance with program monitoring requirements. Written procedures are also used to train new staff. Procedures and processes do not need to be adopted by the local governing board.

Which actions require written procedures and which sections require written policies?

The exact Federal language is:

Procedures:

- Written Cash Management Procedure - [§ 200.302\(b\)\(6\)](#) & [§ 200.305](#) Written Allowability Procedures - [§ 200.302\(b\)\(7\)](#)
- Written Procurement Procedures - [§ 200.319\(d\)](#)
- Time and Effort: the exact language is "records." Records: [§ 200.430](#). Salary charges must be based on records that accurately reflect the work performed and be incorporated into official records. "Records" is the same as "documented procedures."

Policies:

- Written Conflicts of Interest Policy - [§ 200.318\(c\)](#) Written Travel Policy - [§ 200.474\(b\)](#)

FINANCIAL MANAGEMENT PROCEDURES

ORGANIZATION maintains a proper financial management system to receive direct and pass-through grants and to expend funds associated with a grant award. Specific 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 the return of funds or termination of the award.

Financial Management Standards

The standards for financial management systems are found in [2 CFR § 200.302](#). The required standards include:

Identification

ORGANIZATION must 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 each federal award or program's financial results must be made per the financial reporting requirements outlined in [§§ 200.328](#) and [200.329](#).

Accounting Records

ORGANIZATION must maintain records that adequately identify the source and application of funds for federally assisted activities. These records must contain information about the grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.

Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. ORGANIZATION must safeguard all such property and ensure it is used solely for authorized purposes.

"Internal controls" are tools to help program and financial managers achieve results and safeguard the integrity of their programs. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved to adequately protect money and property per a grant program's objectives:

- Effectiveness and efficiency of operations;
- Proper evaluation, monitoring, and prompt action when instances of noncompliance are identified;
- Compliance with applicable laws, regulations, and the terms and conditions of awards.

Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

Cash Management

ORGANIZATION must maintain written procedures to implement the cash management requirements found in [§ 200.302\(b\)\(6\)](#) & [§ 200.305](#).

Allowable Costs

ORGANIZATION must maintain written procedures for determining the allowability of costs in accordance with [CFR 200 Subpart E- Cost Principles](#).

Overview of the Financial Management/Accounting System

ORGANIZATION employs an accounting firm ("Accountant") that uses QuickBooks Nonprofit version and Microsoft Excel to organize and track financial information in an accounting system. Budgets are entered and tracked in Excel. Revenues and expenditures are tracked in QuickBooks. A project tracking number (e.g., 22-043) is assigned to each project when the Letter of Agreement (LOA) is received. This project number is unique to the award and is used to track the project's financials. The project tracking number connects financial records to the LOA, which contains 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. A budget is generated in Excel and used to track actual versus budgeted revenues and expenditures. The LOA's first page containing the grant/contract details is placed in the accounts receivable and accounts payable folders. All relevant project documents are stored electronically in ORGANIZATION's cloud storage. Transactions require prior approval from the Executive Director or Operations Director, who verifies that charges are allowable and within budget before giving written authorization. A check (or another form of payment) is issued and attached to the payment documentation (invoice, check request, explanation of expense). Before signing the check, the Executive Director or Operations Director reviews the document

package, including checks and supporting documents.

Property with a value greater than \$5,000 is capitalized, and lesser amounts are expensed. Capitalized property is kept in an inventory spreadsheet in Excel that includes the following (if known) for each item: name, description, purchase date, purchase price, replacement value, location, and expected replacement date.

ORGANIZATION's practice is to invoice/draw down from awards quarterly for reimbursable grants. Accountant generates a QuickBooks transaction detail report of all charges posted to the award for the quarter. Charges noted explicitly in the budget are transferred to the project Excel spreadsheet and balanced to the amount outstanding within the federal award system (usually a report generated within the federal grant platform). The invoice is submitted through the federal grant portal system required by the grant (EX: ASAP.gov, EZFedgrants.gov).

The Executive Director is in charge of timely and accurate financial reporting. Additional personnel operate under the supervision and authority of the Executive Director. Financial information is tracked continuously against approved budgets. Financial reports are generated quarterly for invoicing or as needed for other purposes.

Budgeting

ORGANIZATION develops grant proposals and proposal budgets for mission-aligned activities in partnership with others participating in the projects. Project partners are routinely asked to submit a scope of work and budget for proposal development. This information is used to develop the project budget. Partners work with ORGANIZATION to develop grant objectives and review the draft proposal before submitting it to the funder. This ensures that all partners are aware of their tasks and how their job relates to work performed by other partners in accomplishing the project. ORGANIZATION tracks proposals and budgets in its administrative records, assigning a project number only after receiving the LOA. When an LOA is received, any reporting requirements and special conditions are noted and communicated to all relevant partners.

The Executive Director is responsible for reviewing and approving budgets included in proposals and timely financial reporting. Project Managers identified in the grant proposal are responsible for developing project reports. The Executive Director reviews reports before submitting the report/document to the funder. The Executive Director notifies the Project Manager of any reporting requirements due when the Notice of Award is received and establishes timetables for meeting project reporting deadlines.

After Receiving the LOA

Project partners are notified that the grant agreement notice has been received, and contracts or agreements are developed for work to be performed. If the LOA is for a different amount than initially budgeted, this is discussed with all of the Partners, and a plan is developed to adjust the Partner's scope of work and budget. If the budget cannot be changed, the award is declined.

Amending the Budget

If project partners can justify the need for a budget adjustment, the adjustment is discussed with the funder. Action is taken based on instructions from the funder.

Budget Control

The Accountant and Operations Director reconcile bank statements monthly and develops financial reports (profit and loss statement, balance sheet, and budget-to-actual). The budget-to-actual is balanced to the profit and loss statement. The budget-to-actual itemizes each project-by-project number and tracks revenues and expenditures. The Executive Director researches and resolves any items of significant difference.

Accounting Records

Assets, liabilities, revenues, and expenses are defined in Generally Accepted Accounting Principles (GAAP).

Financial statement presentation follows Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the organization must report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions. In addition, the organization must present a cash flow statement.

To observe restrictions that donors place on grants and other gifts, as well as designations made by the Board of Directors, all assets, liabilities, and activities are accounted for in the following net asset classifications:

- Net Assets without Donor Restrictions – not subject to donor-imposed restrictions. Net assets without Donor Restrictions may be designated for a specific purpose or location by actions of the Board of Directors.
- Net Assets with Donor Restrictions – subject to donor-imposed stipulations that may be fulfilled by actions of the organization to meet the stipulations become unrestricted at the date specified by the donor or required to be retained and invested permanently by the organization.

Revenue: Support and revenue are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. The Organization chooses to show restricted contributions (including contributions of long-lived assets) whose restrictions are met in the same reporting period as unrestricted contributions.

Expense: All expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets, that is, the expiration of the donor-imposed stipulated purpose or the elapsing of the specified time period, are reported as reclassifications of net assets.

Administrative Procedures: ORGANIZATION's administrative procedures are documented and updated periodically in conjunction with the year-end audit. This documentation is included as ATTACHMENT A.

ATTACHMENT B Chart of Accounts presents the chart of accounts for ORGANIZATION's financial transactions.

Spending Grant Funds

All costs charged to a federal grant are classified as either direct or indirect. While developing and reviewing the grant budget and when expending grant funds, program and fiscal staff should keep in mind the difference between direct costs and indirect costs as defined in 2 CFR Part 200, the Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards. All costs must be correctly and consistently identified as either direct or indirect in the accounting system. It is the policy and procedure for ORGANIZATION to review these costs in the following order to ensure the principles of the award are followed.

Direct and Indirect Costs

Determining Whether a Cost is Direct or Indirect: Direct costs are those costs that can be explicitly identified with a particular final cost objective, such as a federal award or other internally or externally funded activity, or that can be directly assigned to such activities relatively quickly with a high degree of accuracy (2 CFR § 200.413(a)). Indirect costs are those incurred for a shared or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically helped, without effort disproportionate to the results achieved (2 CFR § 200.56). Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs (2 CFR § 200.413(a)).

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials, and other items of expense incurred for the Federal award (2

CFR § 200.413(b)). Administrative and clerical staff salaries should generally be treated as indirect costs. Direct charging of these costs may be appropriate only if all the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- The costs are not recovered as indirect costs (2 CFR § 200.413(c)).

Personnel integral to a project or activity reports time spent on a project by including hours worked on their timesheet and noting the project number. Direct expenses of the project are tracked by project number tied directly to the LOA.

Indirect Cost Rate: ORGANIZATION does not have a negotiated indirect cost rate nor a provisional rate and therefore uses the 10% de minimis rate allowed by 2 CFR § 200.414(f) unless program guidelines provide for a different rate.

Applying the Indirect Cost Rate: The appropriate indirect cost rate is multiplied against the actual direct costs modified to exclude distorting costs (i.e., equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships, and fellowships, participant support costs, and the portion of each subaward over \$25,000) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. Once ORGANIZATION applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. Where a federal program has a specific cap on the percentage of administrative costs charged to a grant, that cap must include all direct administrative charges and any recovered indirect charges.

DETERMINING ALLOWABILITY OF COSTS

Expenditures must be aligned with approved budgeted items. Changes requiring prior approval must receive approval from the grantor.

When determining how ORGANIZATION will spend its grant funds, ORGANIZATION staff will review the proposed cost to decide whether it is an allowable use of federal grant funds before obligating and expending those funds on the proposed good or service. All costs supported by federal funds must meet the standards outlined in 2 CFR Part 200, which are provided in the bulleted list below. The following factors must be considered when making an allowability determination specific to each program:

Necessary and Reasonable

All costs must be necessary and reasonable for the performance of the federal award. The department 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 a prudent person would incur 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 the 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 ORGANIZATION or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as sound business practices, arms-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.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to ORGANIZATION, its employees, the public at large, and the federal government.
- Whether ORGANIZATION significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost (2 CFR §200.404).

While 2 CFR §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 program’s needs. Specifically, the expenditure must be necessary to achieve an important program objective.

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 a public benefit is associated with the cost that supports grant objectives.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses program goals and objectives based on program data.

Allocable to the federal award

All costs must be 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 CFR §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 their time on the grant program.

Consistent with policies and procedures

All costs must be consistent with policies and procedures that apply uniformly to both federally- financed and other activities of ORGANIZATION. Costs must:

- Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200 or 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 costs must be adequately and properly documented. All costs must be determined by generally accepted accounting principles (GAAP) unless provided otherwise in Part 200.

Not included as a match or cost-share

Costs cannot be 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. Costs cannot be included as a match or cost-share for more than one federal program unless authorized by the grantor agencies.

Be the net of all applicable credits

The term “applicable credits” refers to those receipts or reductions 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 grantee 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 CFR §200.406).

ORGANIZATION vs. Federal and Other Cost Guidelines: Stricter Standard Applies

Federal rules require ORGANIZATION policies and procedures regarding expenditures to be followed as well. For example, ORGANIZATION policies relating to travel or equipment may be narrower than the federal rules. ORGANIZATION can put additional requirements on a specific item of cost. Under such

circumstances, stricter standards must be met for a cost to be allowable.

Selected Items of Cost

2 CFR 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost, see Attachment C) at 2 CFR §§ 200.420-200.475. These cost items are listed in Attachment C, along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation. It may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for several 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. For example, the item applies to the grant, but the price is too high, which would make the purchase unreasonable, automatically making it unallowable. If an item is unallowable for these reasons, federal funds cannot be used to purchase it.

ORGANIZATION personnel responsible for spending federal grant funds and determining allowability must be familiar with the 2 CFR 200 Selected Items of Cost section. ORGANIZATION must follow these rules when charging these specific expenditures to a federal grant. ORGANIZATION staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, ORGANIZATION, and program-specific rules may deem a cost unallowable, and ORGANIZATION personnel must follow those non-federal rules.

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.

As a practical matter, ORGANIZATION staff should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate program objectives for which they are allocated.

Travel Costs

Travel: Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on the official business of a grant recipient. The costs must be consistent with ORGANIZATION's established policy (2 C.F.R §200.474(b))

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, ORGANIZATION staff can refer to this section for a useful framework when performing an allowability analysis. To determine the allowability of the purchase, 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?
- Is the proposed cost consistent with 2 CFR 200 cost principles?
- Is the proposed cost consistent with specific conditions imposed on the grant?

As a practical matter, ORGANIZATION should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population or project for which they are allocated.

FEDERAL CASH MANAGEMENT PROCEDURES

ORGANIZATION will comply with all applicable payment methods and procedures that minimize the time elapsing between the transfer of funds and disbursement by ORGANIZATION in following the Cash Management Improvement Act at 31 CFR Part 205. It is ORGANIZATION's preference and practice to work on a reimbursement basis. However, if ORGANIZATION receives an advance in federal grant funds, ORGANIZATION will remit interest earned on the advanced payment quarterly to the federal agency.

ORGANIZATION may retain interest amounts up to \$500 per year for administrative expenses. 2 CFR § 200.305(b)(9).

Payment Methods

ORGANIZATION posts direct expenditures to the grant and pays from ORGANIZATION's operating account until reimbursed for the federal share of expenditures.

ORGANIZATION will request reimbursement for actual expenditures incurred under the federal grants quarterly but no more than monthly.

Accountant will generate a transaction detail report in QuickBooks for the federal grant listing all the transactions for the period covered under the reimbursement. The report is compared with the project's Excel spreadsheet. This spreadsheet captures all costs (direct and contributed) for the project by budget category and by subcontract. The QuickBooks report is compared with the project spreadsheet, and any discrepancies are reconciled. Indirect costs, if applicable, are calculated and added to the total allowable costs for reimbursement. An invoice is created in QuickBooks for the federal reimbursement.

ORGANIZATION staff accesses the appropriate federal grant reporting platform and confirms the balance available for drawdown by running a report on the federal platform. The balance available for drawdown shown on the report is compared with the project spreadsheet to ensure proper checks and balances. A copy of this report is created for the file.

ORGANIZATION staff will then follow the instructions provided in the Federal grant and federal grant reporting platform to request reimbursement. Any attachments required by the Federal grant and federal grant reporting platform are uploaded according to instructions. A copy of the completed reimbursement request generated by the federal grant reporting platform is developed

Accountant will create an invoicing package (Invoice Package 1) which includes a copy of the: 1) completed reimbursement request, 2) project spreadsheet, 3) QuickBooks transaction detail, 4) a copy of the drawdown report, and 5) any required attachments. A copy of 1-4 is made, and the ORGANIZATION invoice is attached, creating Invoice Package 2. Invoice Package 1 is placed in the project folder. Invoice Package 2 is placed in ORGANIZATION's Accounts Receivable file. The invoice is attached to the payment documentation and filed with cash receipts/deposits when payment is received.

Federal subawards/allocations

ORGANIZATION follows the same procedures for reimbursement regardless of status as a recipient of a direct award or subrecipient of a subaward provided by a pass-through entity.

TIMELY OBLIGATION OF FUNDS

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period. 34 CFR § 200.71

The following table illustrates when funds are determined to be obligated under federal regulations:

If the obligation is for:	The obligation is made:
Acquisition of property	On the date which ORGANIZATION makes a binding written commitment to acquire the property
Personal services by an employee of ORGANIZATION	When the services are performed
Personal services by a contractor who is not an employee of ORGANIZATION	On the date which ORGANIZATION makes a binding written commitment to obtain the services
Public utility services	When ORGANIZATION receives the services

Travel	When the travel is taken
Rental of property	When ORGANIZATION uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E- Cost Principles.	On the first day of the project period

34 CFR § 75.707; 34 CFR § 76.707.

Period of Performance of Federal Funds

All obligations must occur on or between the beginning and end dates of the grant project, as shown on the LOA. 2CFR § 200.309. This period of time is known as the period of performance. 2 CFR §200.77. The period of performance is dictated by statute and will be indicated in the LOA. Further, certain grants have specific requirements for carryover funds that must be adhered to.

ORGANIZATION must liquidate all obligations incurred under the award no later than 90 days after the end of the funding period (or as required in the LOA or other agreement) unless an extension is authorized. 2 CFR § 200.343(b) states that any funds not obligated within the period of availability or liquidated within the appropriate time frame are said to lapse and must be returned to the awarding agency. 2 CFR § 200.343(d). Consequently, ORGANIZATION closely monitors grant spending throughout the grant cycle to ensure funds are expended on time and within budget.

Grant/Program Extensions

If it is determined, by input from the project partners, that grant requirements cannot be completed within the grant period, the Executive Director will make a written request to the appropriate funder according to their guidelines. ORGANIZATION will seek prior approval from the federal agency when the extension is not 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 CFR § 200.308(d)(2).

Program Income

Program income means gross income earned by a grant recipient directly generated by a supported activity or earned because of the federal award during the grant's performance period. 2 CFR § 200.80.

Program 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. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. 2 CFR § 200.80. Additionally, taxes, special assessments, levies, fines, and other revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from selling real property, equipment, or supplies are not program income. 2 CFR § 200.307.

The default method for using program income for ORGANIZATION is the deduction method. 2 CFR § 200.307(e). Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless ORGANIZATION is otherwise directed by the federal awarding agency or pass-through entity. 2 CFR § 200.307(e)(1). ORGANIZATION may also request 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 non-Federal entity. The program income must then be used for the purposes and

under the conditions of the Federal award. 2 CFR § 200.307(e)(2).

While the deduction method is the default method, ORGANIZATION always refers to the LOA before determining the appropriate use of program income.

PROCUREMENT GUIDELINES

ORGANIZATION is responsible for all aspects of the procurement process without recourse to federal sponsors. Goods and services purchased with federal funds should be acquired according to the procurement procedures outlined in the uniform requirements listed below. Procurement requirements are based on competitive purchasing procedures. All procurement actions must be conducted to maximize full and open competition. It must either informally procure by contacting several suppliers and obtaining the best price for the product or services being purchased or formally advertise and obtain bids.

Competitive procurement does not mean that ORGANIZATION must accept whatever price the vendor or supplier provides. ORGANIZATION must specify in the solicitation documents exactly what product is needed from the supplier. However, ORGANIZATION must also keep in mind the prohibited practices that would prevent a potential supplier from being able to provide the product or service.

The purchasing process begins with planning and ends with the contract award, administration, and closeout.

ORGANIZATION's Executive Director reviews and approves all purchases. Purchases above \$5,000 not included in the budget must be approved by the Treasurer of the Board Directors.

INFORMAL PROCUREMENT METHODS:

Purchases up to \$10,000 (Micro-Purchases)

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, where the aggregate amount of which does not exceed \$10,000. The micro-purchase method expedites the completion of its lowest-dollar small purchase transactions and minimizes the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount that does not exceed the micro-purchase threshold.

Purchases between \$10,001 and \$250,000 (Small Purchase Procedures)

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$250,000. If small purchase procedures are used, price or rate quotations are obtained from an adequate number of qualified sources.

1. ORGANIZATION uses the "Small Purchase Item Documentation" form (Attachment D) to document the suppliers contacted and the selection made for small purchase procurements of \$10,000 to \$250,000. Any required documentation or explanations are attached to this form for recordkeeping purposes.
2. Price or rate quotations must be obtained from at least two qualified sources, but three or more quotes are suggested. Qualified means the supplier can meet required licensing or certification requirements, is not prohibited from participating in the procurement action, and can fulfill the organization's reasonable needs. Seeking price quotes from only one source when more than one source is available is prohibited. The competition requirements are not met if at least two suppliers cannot provide the goods and services at the organization's terms and conditions. ORGANIZATION must seek more quotations or bids, revise terms and conditions to enable competition, or provide a sole source justification.
3. Documents used to solicit quotes from suppliers must be maintained and must provide sufficient information to permit an eligible supplier to respond. At a minimum, the documents must include:
 - a. A description/specification of the goods or services needed, including quantity, required certification, licensing, etc.
 - b. Descriptions/specifications must be communicated equally among vendors and include

- sufficient detail so that a reasonable person could understand the request. (Example: case/package size, measurement unit, brand name equivalent)
- c. The date by which the goods or services must be provided; and
 - d. Any other pertinent terms or conditions required by the organization.
4. The organization should ensure it is not overly restrictive in its terms and conditions, thereby limiting competition. The suppliers being compared should be able to deliver the product at the reasonable terms and conditions requested by the organization.
 5. Price or rate quotations must be obtained from the supplier, with the price or quote valid for a specified time period. Price and rate quotes should be documented in writing, identifying the pertinent details of the transaction. This information must be received from the supplier, and the following details of the transaction must include:
 - a. The name of the individual soliciting the information;
 - b. The name of the company solicited and the individual providing the price or rate quotation;
 - c. The date the information was provided;
 - d. The goods or services to be purchased, including the quantities upon which the price or rate quote was provided;
 - e. All pertinent terms or conditions imposed by either party; and
 - f. The duration of the price or rate quotation. A new solicitation must be conducted for purchases that will be made after the current quotation expires.
 6. Negotiation of price and terms can be done; however, all potential suppliers must be treated fairly and given the same opportunity to match or provide a better price and terms.
 7. Selection is made by choosing the supplier to deliver the goods and services at the lowest price based on the terms or conditions listed in the solicitation documents.

Small Purchase Procurement Records

All information used to solicit and select a supplier must be maintained, in addition to information documenting the purchases made by the successful supplier. This information includes:

- o Copies of solicitation documents;
- o Names and dates of suppliers contacted by phone;
- o Copies of letters, advertisements, e-mails, and faxes soliciting price or rate quotations;
- o Trip reports identifying suppliers contacted in person;
- o Copies of price or rate quotations received;
- o Small Purchase Item Documentation form;
- o Notification to the successful supplier;
- o Purchase documents, such as invoices, bills of lading, and canceled checks; and
- o Agreements to furnish procured goods and services to ORGANIZATION (including purchase orders and formal contracts)

Purchases Over \$250,000

When securing supplies, services, or other property when individual or aggregate cost exceeds the Simplified Acquisition Threshold (\$250,000), ORGANIZATION will use a formal solicitation and selection process. The competitive procurement methods available for use in fulfilling the requirement for full and open competition in the acquisition process are Invitation for Bids (IFB) and Negotiated Procurement (Request for Proposals (RFP)).

Invitation for Bids (IFB)

An Invitation for Bid (IFB) is a competitive procurement method used when the best value is expected to result from a selection of the lowest evaluated priced offer and lowest offer based on a representative sample of solicited items. This process involves the following steps:

1. Preparation of Invitation for Bids
2. Publicizing of Invitation for Bids
 - a. Publicly announcing all IFBs not less than 14 days before bids are opened
 - b. Publicly opening all bids
 - c. Evaluation of bids
 - d. Contract award.

IFBs are normally solicited if:

- Time permits the solicitation, submission, and evaluation of sealed bids;
- The award will be made based on price, "Market Basket" Analysis, and other price-related factors;
- It is not necessary to conduct discussions with the responding providers about their bids; and
- There is a reasonable expectation of receiving more than one sealed bid.

Request for Proposals

Request for Proposals (RFP) is a procurement method used when the best value is expected to result from the selection of technically acceptable proposals, where the lowest evaluated price or lowest price based on a representative sample of requested goods is not the most important factor of evaluation and when technical aspects are not clearly defined.

ORGANIZATION may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to fair and reasonable compensation negotiation. The method, where the price is not used as a selection factor, can only be used to procure A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

The RFP process involves the following steps:

1. Preparation of Request for Proposals documents (such as Terms and Conditions document)
2. Developing Scope of Work
3. Release of a public notice of solicitation
4. Receipt of letters of intent and no-bid letters (optional for ORGANIZATION and may be mandatory or optional for proposers)
5. Pre-proposal meeting (optional for ORGANIZATION and may be mandatory or optional for proposers)
6. Receipt of proposals and proposal cover letters, kept closed in a secure place until the due date
7. Addenda or amendments to the RFP and, if needed, an extension of the proposal receipt due date
8. Proposal opening at proposal receipt due date
9. Disqualification of proposals, proposals returned unopened
10. Rating, scoring, and sorting proposals in a decision matrix
11. Selection of the best matching proposals
12. Reject non-responsive proposals or non-responsible providers
13. Providers contacted and requested their best and final offer (BAFO)
14. Selection of the best proposal
15. Decline unsuccessful proposal
16. Handling of protest letters
17. Award notice.

Request for Proposals are normally solicited when:

- The use of sealed bids is not deemed appropriate; or
- It is necessary to conduct discussions with providers because differences in areas such as law, regulations, and business practices; or technical criteria are not explicitly defined.

Request for Proposal Evaluation Methods

One-Step Sealed Bid

The One-Step Sealed Bid is a competitive procurement method that negotiates price and technical components while the price is the primary factor. After evaluation, bidders are entered into a round of negotiations. After negotiations, the RFPs are rescored and awarded to the bidder presenting the most advantageous proposal while the price is used as the primary factor.

Two-Step Sealed Bid

Two-step Sealed Bid is a competitive procurement method that is a combination of bidding and negotiating and is designed to obtain:

- The benefits of negotiation for helping the requesting organization complete or define specifications without any pricing consideration; and
- The benefits of sealed bidding for obtaining the best price for the technically acceptable solution agreed upon.

Two-step sealed bids can be used in preference to negotiate procurement when all the following conditions are present:

- Specifications are not definite or complete or may be, without further technical evaluation or discussion, too restrictive to ensure mutual understanding between each source and the requesting organization;
- Definite criteria exist for evaluating technical proposals;
- More than one technically qualified source is expected to be available;
- Sufficient time will be available for the use of the two-step sealed-bidding method;
- A firm-fixed-price contract or a fixed-price contract with economic price adjustment will be used.

During the two-step sealed bid, price is evaluated separately and is the awarding factor after negotiating technical evaluations. Step 1- Negotiations are only held between bidders who receive scores over the average (determined by ORGANIZATION) after evaluating technical components. Step 2- Bidders scoring over the average are asked to submit their best and final offer (BAFO), and an award is made based on the bidder who submits the lowest price.

Non-Competitive Procurements

Non-competitive procurement methods are the exception and thus should be used only under certain, well-defined conditions and should be carefully and thoroughly justified and documented. Non-competitive procurements cannot be justified because of a failure to plan in advance or concerns about the availability of related funds or budget.

Sole (single) source is an example of non-competitive procurement or purchase process accomplished after soliciting and negotiating with only one source, thus limiting full and open competition.

These circumstances can be invoked as sole source justification:

- Acquisitions that do not exceed the micro-purchase threshold as described above
- The item or service is only available from one source, and the specifications are not narrowly constructed to limit competition
- A public emergency requirement will not permit a delay resulting from competition
- Competition is determined inadequate after solicitation from several sources
- When expressly authorized by the awarding agency

Emergency Purchases

Emergency purchases are when the welfare of life, property, or the continuation of vital programs are in jeopardy and require immediate, on-the-spot purchases of equipment, materials, supplies, or services. Emergency purchases can be issued when there is limited time to purchase regularly since the item or service is needed immediately due to a sudden condition or circumstance. For an emergency purchase, telephone quotes are acceptable, but the institution must have a process to document written quotes.

When utilizing Emergency Purchase procedures, keep emergency purchase records and documentation separate from normal procurement documentation. Packing slips, invoices, delivery tickets, etc., should be retained in a separate file.

Sponsors and institutions must continue to follow federal procurement regulations when using Emergency Purchased procedures unless flexibility allows these practices to be waived.

STANDARD CODES OF CONDUCT

As a recipient of federal funds, ORGANIZATION's code of standards of conduct is designed to govern the performance of employees engaged in the procurement, award, and administration of contracts. This code prohibits employees from soliciting gifts, travel packages, and other incentives from prospective contractors. In addition, the code of conduct prohibits an employee from participating in the selection, award, and administration of any contract to which an entity or certain persons connected to them have a financial interest. The code of conduct provides standards when financial interest is not substantial, or the gift is an unsolicited item of nominal value and may be acceptable.

Conflict of Interest

By 2 CFR §200.18(c)(1), ORGANIZATION has established and maintains a Conflict of Interest Policy that covers conflicts of interest and governs the actions of its employees engaged in the selection, award, and administration of contracts. No employee, office, or agent of the organization can participate in the selection, award, or administration of a contract supported with Federal funds if a conflict of interest, real or apparent, would be involved. Professional, social, and personal activities and actions that compromise the program's integrity must be avoided at all times.

Small and Minority Owned Businesses

ORGANIZATION will take affirmative steps to ensure that minority firms and women's business enterprises are used when possible. Affirmative steps may include placing such businesses on solicitation lists and ensuring such businesses are solicited whenever they are deemed potential sources. The following steps can be used:

1. Including these firms on solicitation lists
2. Notifying these firms of proposed procurements
3. Dividing total requirements into smaller tasks or quantities to permit maximum participation by minority business enterprises
4. Establishing delivery schedules that will assist minority business enterprises
5. Cost and Price Analysis (Required for Formal Procurements)
6. Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may include:
7. Comparison of price quotations submitted;
8. Establish the market price by obtaining a quote for a similar product or service from another vendor or by using catalog pricing from a manufacturer;
9. Determine the price previously paid for a prior purchase of the same item; and/or
10. Awarding contracts based on a representative sample of goods requested.

Documentation

ORGANIZATION will maintain records sufficient to detail the significant history of procurement. These records will include but are not necessarily limited to the following:

- Rationale for the method of procurement;
- Selection of contract type;
- Contractor selection or rejection; and
- Basis for the contract price.

Protest Procedures

Protests against an award in negotiated acquisitions shall be handled by Federal Acquisition Regulations Part 33.

1. Before submitting an agency protest, all parties shall use their best efforts to resolve concerns raised by an interested party at the contracting officer level through open and frank discussions.
2. ORGANIZATION should provide inexpensive, informal, procedurally simple, and expeditious resolution of protests. Where appropriate, the alternative dispute resolution techniques, third-party neutrals, and another agency's personnel are acceptable protest resolution methods.
3. The following procedures are established to resolve ORGANIZATION protests effectively, build confidence in ORGANIZATION's acquisition system, and reduce protests outside of the agency:
 - a. Protests shall be concise and logically presented to facilitate review by ORGANIZATION.

Failure to substantially comply with any of the requirements of paragraph (3)(b) of this section may be grounds for dismissal of the protest.

- b. Protests shall include the following information:
 - i. Name, address, fax, and telephone numbers of the protester.
 - ii. Solicitation or contract number.
 - iii. Detailed statement of the legal and factual grounds for the protest, including a description of resulting prejudice against the protester.
 - iv. Copies of relevant documents.
 - v. Request for a ruling by ORGANIZATION.
 - vi. Statement as to the form of relief requested.
 - vii. All information establishing that the protester is an interested party for the purpose of filing a protest.
 - viii. All information establishing the timeliness of the protest.
 - c. All protests filed directly with ORGANIZATION will be addressed to the contracting officer or other official designated to receive protests.
 - d. By ORGANIZATION procedures, interested parties may request an independent review of their protest at a level above the contracting officer; solicitations should advise potential bidders and offerors that this review is available. ORGANIZATION procedures and/or solicitations shall notify potential bidders and offerors whether this independent review is available as an alternative to consideration by the contracting officer of a protest or is available as an appeal of a contracting officer's decision on a protest. ORGANIZATION shall designate the official(s) who are to conduct this independent review, but the official(s) need not be within the contracting officer's supervisory chain. When practicable, officials designated to conduct the independent review should not have had previous personal involvement in the procurement.
4. Protests based on alleged apparent improprieties in a solicitation shall be filed before bid opening or the closing date for receipt of proposals. In all other cases, protests shall be filed no later than 10 days after the basis of protest is known or should have been known, whichever is earlier. ORGANIZATION, for good cause shown, or where it determines that a protest raises issues significant to ORGANIZATION's acquisition system, may consider the merits of any protest which is not timely filed.
5. Action upon receipt of protest.
- a. Upon receipt of a protest before award, a contract may not be awarded, pending ORGANIZATION's resolution of the protest, unless contract award is justified, in writing, for urgent and compelling reasons or is determined, in writing, to be in the best interest of the federal sponsor. Such justification or determination shall be approved at a level above the contracting officer or by another official under ORGANIZATION procedures.
 - b. If an award is withheld pending ORGANIZATION resolution of the protest, the contracting officer will inform the offerors whose offers might become eligible for award of the contract. If appropriate, the offerors should be requested to extend the time for acceptance of their offers before the expiration of the time for acceptance to avoid the need for resolicitation. In the event of failure to obtain such extension of offers, consideration should be given to proceeding with the award pursuant to paragraph (5)(a) of this section.
 - c. Upon receipt of a protest within 10 days after contract award, the contracting officer shall immediately suspend performance, pending ORGANIZATION's resolution of the protest, unless the continued performance is justified, in writing, for urgent and compelling reasons or is determined, in writing, to be in the best interest of the federal sponsor. Such justification or determination shall be approved at a level above the contracting officer or by another official under ORGANIZATION procedures.
6. ORGANIZATION shall do its best to resolve protests within 35 days after the protest is filed. The parties may exchange relevant information to the extent permitted by law and regulation.
7. ORGANIZATION's protest decisions shall be well-reasoned and explain ORGANIZATION's position. The protest decision shall be provided to the protester using a method that provides evidence of receipt.

Contract Terms and Conditions

A contract is an exclusive document requiring specific performance by both parties. Contracts resulting from sealed bidding shall be firm-fixed-price contracts or fixed-price contracts with economic price adjustment. "Cost-plus-a-percentage-of-cost" and "cost-plus-a-percentage-of-income" type contracts are strictly prohibited.

A contract contains the following information:

- General Information/Instructions for Bidders (Bid opening dates, contract start/end dates, applicable renewals, bid/payment bond information, and description of goods and/or services requested.
- Delivery and performance schedules, contract evaluation requirements, terms and conditions, documents for bidders to sign and submit, and signed certification statements.
- Contract Clauses, special contract requirements, and definitions.
- Evaluation factors for award.

Record Retention

Contract terms must establish the contractor's responsibility to retain required records. Records must be retained for at least the Federal record retention period of three years plus the current year; however, records must be kept longer when:

- The State or the organization's record retention requirements is greater than the Federal requirement;
- Contracts that are renewed exceed the three-year timeframe; or
- Until all pending matters are resolved. Pending matters include contract disputes, audits, and investigative and review findings.
- The Federal record retention period begins with the later of the date:
 - The final payment is made under the contract;
 - The contract concludes; or
 - The final claim for reimbursement for the fiscal year in which the contract concludes is submitted.

For renewable contracts, records of the initial procurement action through the conclusion of the final renewal must be maintained. For example, a contract is executed on August 1, 2023, and renewed individually for four more years, concluding on July 31, 2028.

Prohibited Practices

Prohibited Practices are actions that limit, restrain, or restrict competition. Prohibited practices include:

- Non-competitively awarded contracts, regardless of amount. Awarding a contract without competition is prohibited in all cases. This prohibition applies regardless of the method of award used, i.e., small purchase or formal procurement procedures, including noncompetitive negotiation. Costs resulting from noncompetitive awards are unallowable nonprofit food service account expenses;
- Awarding a contract to a potential contractor that drafted bid or proposal specifications, contract terms or conditions, or other procurement or contract documents or procurement process procedures;
- Unreasonable requirements placed on firms for them to qualify to do business; this includes:
 - Imposing excessive bonding requirements;
 - Requiring excessive or inappropriate liability insurance; and
 - Requiring specific skills, education, or experience beyond what is needed to perform successfully.
- Geographical preferences or procedures that provide a competitive advantage based on geographic location in the evaluation or award of bids or proposals. This prohibition does not conflict with the statutory requirements for "Buy American;."
- Limiting, without cause, the time to respond to a solicitation to the extent that competition is irreparably impaired;

- Seeking price quotes from only one source under small purchase procedures when more than one source is available;
- Contacting suppliers who are related or affiliated with one another;
- Drafting specifications, other procurement terms, award criteria, or contract terms so that only one source can respond successfully;
- Failing to draft procurement documents that accurately describe all the goods and services to be obtained or performed;
- Awarding a contract without conducting noncompetitive negotiations when inadequate competition exists;
- Failing to negotiate in good faith with potential suppliers so that the award is given to a preferred supplier;
- Collusion and non-competitive pricing among firms and affiliated companies;
- Allowing a potential contractor to draft bid or proposal specifications, contract terms or conditions, or other procurement or contract documents or procurement process procedures;
- Using descriptions of goods or services that unreasonably restrict competition, such as using a specific brand name instead of issuing product specifications;
- Negotiating with a firm before evaluating proposals;
- Negotiating with any bidder, at any time, when competitive sealed bid procurement is used;
- Providing only certain firms with the results of pre-bid meetings or answers to bid or proposal questions;
- Releasing the contents of a bid or proposal to other bidders or proposal offerors before public bid opening or proposal evaluation;
- Organizational conflicts of interest;
- Less-than-arms-length transactions;
- Intentionally subdividing a purchase to avoid formal competitive procurement;
- Failing to comply with applicable State or local rules, including substituting a less restrictive State or Federal procurement small purchase threshold, unless expressly permitted;
- Failing to advertise formal procurements publicly.

PROPERTY MANAGEMENT SYSTEMS

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 ORGANIZATION for financial statement purposes, or \$5,000. 2 CFR §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 ORGANIZATION for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 CFR §200.94.

Computing devices are machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting, receiving, or storing electronic information. 2 CFR §200.20.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year, 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 CFR §200.12.

Inventory Procedure

Executive Director or assigned staff receive purchased supplies and equipment, inspect them for damages, and take appropriate steps to ensure the damaged property is replaced or returned for reimbursement. Equipment is tagged with a property label identifying ORGANIZATION as the owner, and the item's serial number or other descriptor is entered into an Excel spreadsheet that includes the information (if known) listed in C. Inventory Records below. A formal inventory is performed annually after the end of the fiscal year. Executive Director or assigned staff inspect inventoried equipment to determine condition and need for replacement.

Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained in an Excel spreadsheet:

- Serial number or another 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 property's date of disposal and sale price.

If an item on the inventory record is deemed to be damaged beyond repair or obsolete, a memo to the Finance Committee is drafted by the Executive Director. The memo will include the information in the inventory spreadsheet, a commentary on the item's condition, and a recommendation for disposal. The memo is presented to the Finance Committee at the next meeting.

Physical Inventory

A physical inventory of the property must be taken, and the results must be reconciled with the property records before the yearly annual audit. Accountant will provide the list of equipment from the inventory record. A staff person will be assigned to conduct the inventory who will locate the equipment, assess the condition of the equipment, and provide a report back to Accountant. Accountant or Executive Director will confirm any equipment recommended for replacement or disposal. (See C. Inventory Records above.)

Maintenance

In accordance with 2 CFR313(d)(4), ORGANIZATION maintains adequate maintenance procedures to ensure that property is kept in good condition. Equipment is inspected periodically before use and between uses to ensure it is in good condition. Routine maintenance is performed on equipment at intervals recommended by the manufacturer or when routine inspections indicate a need for maintenance.

Lost or Stolen Items

ORGANIZATION maintains a control system that ensures adequate safeguards are in place to prevent property loss, damage, or theft. Property locations and the name of those possessing ORGANIZATION property are kept in inventory logs to ensure knowledge of the current location. The Executive Director may request any employee to produce any item of ORGANIZATION property for inspection at any time. Lost or stolen equipment is reported immediately to the Executive Director. Loss or theft may also be detected in regular physical inventory.

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 ORGANIZATION 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.

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 other activities currently or previously supported by a federal awarding agency, ORGANIZATION staff will contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, equipment disposition depends 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.

If acquiring replacement equipment, ORGANIZATION 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.

WRITTEN COMPENSATION POLICIES

All employees paid in whole or 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 state or local funds but is used to meet a required "match" in a federal program. These documents, known as time and effort records, are maintained to charge personnel compensation costs 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 that 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 paid activities;
- Encompass both federally assisted and all other activities compensated by ORGANIZATION on an integrated basis;
- Comply with the established accounting policies and practices of ORGANIZATION and support the distribution of the employee's salary or wages among specific activities or cost objectives.

Time and Effort Procedures

ORGANIZATION employees maintain a timesheet and log time spent on projects. As each grant or contract is executed, it is assigned a project number, which represents the year the contract is executed and the numerical number of the project as it is received sequentially throughout the year. The Executive Director reviews the timesheet before Accountant enters the data into the accounting system. As

identified by the project number, the hours per project are entered into the accounting system. This allows ORGANIZATION to track expenses (payroll or otherwise) by project, whereby the project can generate a profit and loss statement or report of detailed transactions.

Reconciliation and Closeout Procedures

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed 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.

ORGANIZATION tracks timesheet charges each pay period and compares charges to employee performance when payroll is processed. Errors are corrected immediately. Payroll is not processed for individual employees until mistakes are corrected. This allows for timely reconciliation of time and effort against records prepared by employees.

The Executive Director is responsible for reviewing and reconciling actual expenditures against the approved budget. Payroll expenditures are processed against approved budgets monthly. Inaccuracies are corrected at least quarterly before presenting reimbursement requests and cumulatively before closeout.

Employee Exits

For an employee separating their services with ORGANIZATION, the employee will complete the required paperwork and submit their final timesheet, which is checked for accuracy before issuing the last paycheck.

RECORD KEEPING

ORGANIZATION maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee 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. 34 CFR §§ 76.730-.731 and §§ 75.730-.731. ORGANIZATION also maintains records of significant project experiences and results. 34 CFR § 75.732. These records and accounts must be retained and made available for programmatic or financial audits.

Per ORGANIZATION's Document Destruction and Retention Policy, ORGANIZATION maintains contract files for seven (7) years or as the contract requires, whichever is greater.

Collection and Transmission of Records

Records are kept electronically when possible. Although electronic documentation has become standard, some physical records may also be kept. Physical records are kept on-site, and electronic records are stored off-site in ORGANIZATION's cloud server. Records are provided to auditors and monitors in electronic and hard copy formats.

Access to Records

ORGANIZATION 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 ORGANIZATION which are pertinent to the Federal award, to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to ORGANIZATION's personnel for interviews and discussions related to such documents.

Privacy

ORGANIZATION maintains the privacy and confidentiality of records by securing confidential and private information in password-protected electronic systems.



Fiscal Policies and Procedures for Federal Grants

ATTACHMENT A: ORGANIZATION ADMINISTRATIVE PROCEDURES

Documented by O'Brien Shortle Reynolds & Sabotka, CPAs as a part of the 2020 ORGANIZATION year-end audit

Rutland Economic Development Corporation
Understanding of Internal Controls
Cash
September 30, 2020
*Memo in place of PPC's : CX-4.1 : CX-4.2.1

Internal Control Understanding:

Rutland Economic Development Corporation (REDC) maintains a number of cash accounts. One account is for operating expenses and the others are specific accounts for loan proceeds and expenses, development funds, and an investment account.

Checks during the audited year can be signed by the Operations, Executive Director, Treasurer, and the Board President. The Rutland Business Account checks are signed by the Operations Director, Executive Director, Treasurer, and the Board President.

Current REDC Staff:

Lyle Jepson – Executive Director
Tyler Richardson – Operations Director
Kim Rupe – Business Development & Community Engagement Manager
Penny Inglee – Membership Services/Events/Office Manager
Elicia Pinsonault – Communications Specialist

Processing Cash Receipts:

REDC's Cash receipts are mainly from note receivable payments, member contributions, rent, grant funds, misc. for sponsors.

When mail is received, it is opened by the Membership Services/Events/Office Manager. The Membership Services/Events/Office Manager makes copies of the checks and makes up the deposit slip. The detailed deposit slip is reviewed by the Operations Director and emailed to Seward & Associates PLC so they can record the deposits in QuickBooks. This includes; rent receipts from the checks, total membership receipts (from the copies of the checks made) and total loan receipts.

Processing Cash Disbursements:

The Membership Services/Events/Office Manager opens, sorts, and disburses mail every day.

Bills are given to the Operations Director for approval and to check using the appropriate account #.

Most bills are routine, but if a bill is unusual or unexpected, Seward & Associates PLC will discuss it with the Operations Director and/or Executive Director. Once bills have been approved for payment by the Operations director (by initialing and dating each bill), the bills are emailed to Seward & Associates PLC. Seward & Associates PLC enters the bills in QuickBooks and schedules the payment via People's online bill pay. The Operations Director has physical

custody of all paper checks. The checks are kept in a locked file. Checks over \$5,000 require a second signature (a Board member, see above).

IRP loan payments (the amount is emailed from the USDA) and VEDA loan payments are automatically withdrawn from cash accounts.

REDC is notified of the amount and the pay date prior to the automatic withdrawal.

The Operations Director makes sure there is enough money in these accounts and makes the appropriate transfer of funds if necessary.

Seward & Associates PLC records the payments in QuickBooks.

These amounts are verified when the bank statement is reconciled.

Month End Processing and Reconciliations:

The financial statements include comparison numbers of the previous fiscal year in the income statement accounts between the current and prior year's numbers as well as comparison numbers between the current year and budgeted numbers.

Any large discrepancies in the comparisons or any unusual or unexpected changes will be investigated.

The financials are then submitted to the Finance Committee for their review and signoff.

Rutland Economic Development Corporation
Understanding of Internal Controls
Computer Controls
September 30, 2020

*Memo in place of PPC's :CX-4.1 : CX-4.2.2

COMPUTER SYSTEMS USED:

Financial – QuickBooks 2015; Password protected. Valente & Seward monitors and has the password.

Spreadsheet - Excel spreadsheets are used for budgeting and IRP reporting – no password.

Word – Word documents are used for correspondence.

Passwords are used to log onto each of the computers in the office (5).

The computers within the office are networked (using one server).

Computer Control Objectives:

1. The entity has an IT strategic planning and risk management process in place to support its financial reporting requirements.

REDC uses a local computer firm for their hardware/software as needed. Management is responsible for reviewing and approving IT plans and priorities.
2. The entity maintains reliable systems that include appropriate data backup and recovery processes.

Appropriate environmental controls exist to ensure the security and reliability of equipment. The office has fire/smoke detection devices; however, there is not an uninterruptible power supply and/or backup generator.
3. Physical security and access to programs and data are appropriately controlled to prevent unauthorized use, disclosure, modification, damage, or loss of data.

Management is aware of the importance of timely action relating to requesting, establishing, issuing, suspending, modifying, and closing user accounts. New user accounts in the network, application, and database environments are set up in response to properly authorized requests from management.

Rutland Economic Development Corporation
Understanding of Internal Controls
Debt and Other Liabilities
September 30, 2020

Internal Control Understanding:

Managing Borrowings

1. Expenses are compared to budget and prior periods at an appropriate level of detail.

The debt expenses to budget figures are reviewed by Tyler Richardson (Operations Director), Seward & Associates, PLC (contracted accounting firm), Lyle Jepson (Executive Director) and the Finance Committee on a monthly basis, and the Board of Directors on a quarterly basis.

2. Debt agreement is reviewed for appropriate classification of outstanding debt.

Agreements (copies and some originals) are kept and maintained for reference by Tyler Richardson (Operations Director).

3. Debt compliance calculations are prepared and reviewed in a timely fashion.

The status of debt compliance is reviewed by the Finance Committee at their meetings.

4. Financial commitments require approval by management and/or those charged with governance.

All financial commitments involving debt compliance agreements require approval by the Board of Directors.

5. Leases are reviewed for capitalization

The Finance Committee reviews leases for proper classification (operating or capitalization). It is noted that there is only 1 operating lease (for the office copier).

6. A reconciliation of outstanding debt instruments to the general ledger is prepared and reviewed in a timely fashion. Supporting debt calculations and analyses are reviewed regularly.

Seward & Associates, PLC (contracted accounting firm) reconciles the outstanding debt instruments to the general ledger on a monthly basis and also reviews for end of fiscal year entries.

Rutland Economic Development Corporation
Internal Control Understanding
Financial Close and Reporting Process
September 30, 2020

Financial Close and Reporting Process

Rutland Economic Development Corporation utilizes a committee process to oversee the financial activity of the organization. Finance Committee members are drawn from banking, accounting and management positions and bring with them a wealth of information and financial planning strategies. The Finance Committee approves a budget for each ensuing year and reviews and approves monthly P&L and Balance Sheet reports which are provided to the Operations Director of REDC by the contracted accounting firm, Valente & Seward. The Finance Committee provides quarterly reports to the REDC Board for their review and approval. The Finance Committee also approves a year-end report that is provided to the entire REDC Board for acceptance and for distribution at the REDC Annual meeting via the REDC website, which is a public portal (rultandeconomy.com).

In addition, the following control activities exist over the close and reporting process:

- Management received appropriate reporting packages, sign-offs, and representations from appropriate areas of the organization to ensure (1) all relevant information has been recorded or disclosed on a timely basis and (2) all inter-organization balances and transactions have been identified.
- Financial statements are reviewed by management. Significant variances from budget and/or prior periods are reviewed.
- All related party events and transactions are identified.
- All journal entries have adequate supporting documentation and are reviewed and approved prior to posting.
- Management has a process in place to ensure that the final trial balance used for the financial statement process is final, contains all valid journal entries made, and is in balance.

Rutland Economic Development Corporation
Understanding of Internal Controls
Net Assets
September 30, 2020

Internal Control Understanding:

Employees involved:
Tyler Richardson (Operations Director)

Contracted professionals involved:
Seward & Associates, PLC

Computer software used: QuickBooks Pro 2015

Net Asset: Objectives

1. Net asset information is accurately recorded with proper approval.
REDC utilizes classes within QuickBooks to provide a breakdown by fund for net asset allocation.
2. Net asset information and support is documented and maintained.
Allocations are kept current per the Board of Directors concerning income and expenses to various funds.
3. Accounting records are structured to support restricted contributions.
The accounting records support accounts for permanently restricted, temporarily restricted, board designated and unrestricted funds.
4. Restricted funds are reviewed for compliance by a designated individual.
Restricted funds (only temporarily restricted) are maintained in separate bank accounts. Tyler Richardson (Operations Director) also reviews and accounts for restrictions that have been met during the period and releases those funds to be spent.

Rutland Economic Development Corporation
Understanding of Internal Controls
Payroll
September 30, 2020

Internal Control Understanding:

Rutland Economic Development Corporation (REDC) is a nonprofit organization whose mission is to encourage and enhance business success in Rutland County. The organization's major expense is payroll.

Payroll period is Monday – Sunday with pay date the following Thursday.

Current REDC Staff:

Lyle Jepson – Executive Director
Tyler Richardson – Operations Director
Kim Rupe – Business Development & Community Engagement Manager
Penny Inglee – Membership Services/Events/Office Manager
Elicia Pinsonault – Communications Specialist

Payroll:

There are only five employees paid by the organization, all of which are salaried positions. The Operations Director approves any time sheets.

Payroll is processed by the Sage payroll service every two weeks.

The contracted accounting firm, Seward & Associates, PLC fills out the Sage forms from the timesheets.

The forms are sent to the bank for processing. The Bank processes the payroll checks and sends them along with a payroll report back to REDC.

The checks are drawn on REDC's People's Bank operating account. Seward & Associates, PLC completes an Excel spreadsheet, breaking down the payroll expenses for each fund.

Seward & Associates, PLC will then update QuickBooks for the payroll and payroll tax expenses, using the allocated amounts from the spreadsheet.

The checks are distributed every other Wednesday, and dated Thursday.

Payroll taxes are handled by Sage payroll service (#941, #940, and SUTA). Sage payroll service also does the organization's W-2s.

Month End:

The financial statements are reviewed by the Operations Director, Executive Director and the Treasurer.

Rutland Economic Development Corporation
Understanding of Internal Controls
Support, Receivables, and Receipts
Program service fees, Receipts & Receivables
Grants and similar programs
September 30, 2020

Internal Control Understanding:

Rutland Economic Development Corporation (REDC) is a nonprofit organization whose mission is to encourage and enhance business success in Rutland County. The organization's main revenue sources are interest earned on loans made to area businesses, membership dues from various sources interested in the continuance of economic growth, rental income from space leased in its 112 Quality Lane Building, and grant money.

Current REDC Staff:

Lyle Jepson – Executive Director
Tyler Richardson – Operations Director
Kim Rupe – Business Development & Community Engagement Manager
Penny Inglee – Membership Services/Events/Office Manager
Elicia Pinsonault – Communications Specialist

Notes Receivable:

Rates for IRP (Revolving Loan Fund) loans are dictated by Rural Development. Currently IRP rates are set at prime +1% with a floor of 5.5%. This floor was implemented in FY 2009 with a new IRP work plan approved by the US Rural Development. Rates for Development Fund loans are set by the Finance Committee made up of members of the Board of Directors and other non-members of the board. These rates are part of REDC's work plan created by the Operations Director and the Finance Committee. The work plan is presented and approved by REDC's Board of Directors.

Individuals interested in a loan from REDC first speak with the Operations Director. If the Operations Director feels the business plan is reasonable, he will have the prospective borrower fill out a loan application. The loan analysis write-up is then presented to the Finance Committee and a decision will be made whether to extend the loan or not. If the loan is approved, the loan paperwork is prepared by REDC's lawyer and is signed at the loan closing. Once the closing has occurred, the information regarding the loan will be entered into Quickbooks system by the contracted accounting firm, Valente & Seward. The check will be cut in QuickBooks, by the Seward & Associates PLC. Seward & Associates PLC will calculate the interest and principal payments and produce an invoice monthly.

When invoices are printed monthly (but processed in batches every two weeks), they are sent by Seward & Associates PLC. Invoices are generated out of Quickbooks.

A report is generated with the invoices, and the notes receivable and revenue accounts are updated in the General Ledger in QuickBooks. The entry is done by Seward & Associates PLC.

When payments are received, QuickBooks are updated (on the cash basis).

Seward & Associates PLC again produces a report separating the payment into interest and principle. This report is used to update the General Ledger in QuickBooks for the accrual basis of accounting.

Interest and Notes Receivable accounts will be credited and cash is debited.

Both systems are then updated by Seward & Associates PLC.

Monthly, an aging report is produced from Quickbooks and a delinquency ad hoc report is reviewed by the Operations Director and the Finance Committee.

Any past due note receivable accounts are followed up on by the Operations Director.

If a loan customer is in jeopardy of defaulting, legal action will be taken.

This is a joint decision made by the Operations Director and Executive Director in conjunction with the Finance Committee.

If the note is to be written off, Quickbooks will be updated by Seward & Associates PLC.

As part of the budget plan for the fiscal year, Loan Loss Reserve accounts are set up for both the Development Fund loans and the Revolving Fund loans.

The USDA states that the % applied to total notes receivable outstanding has to be 7% of IRP loans and 2% for the development loans. There has been no change in these percentages for the loan loss reserve for FY 2019.

The Operations Director determine a percent to apply to the total notes receivable outstanding for an amount to set up as a reserve. Additional amounts will be added to the reserve for those loans appearing to be close to defaulting or are to be written off.

The reserve account is reviewed monthly by the Operations Director and the Finance Committee as part of their review of the financial statements.

If there are any changes in the status of the notes outstanding, the reserve balance may be adjusted.

Any changes to the reserve account will be updated in QuickBooks by Seward & Associates PLC.

At month end, a report is generated from Quickbooks showing the current portion and the long term portion of the notes receivable. A second report is run showing the interest receivable through the end of the month. These reports are used to adjust the General Ledger.

All adjustments are reviewed by the Treasurer and the Operations Director as part of the review of the monthly financial statements.

Memberships:

In August 2007, an extensive mailing was done to promote new members. A new way of determining the appropriate level of contribution was developed and was included in the letter. The Finance Committee and the Executive Director determined levels of membership should be based on the number of employees and level of revenue, similar to the way the Chamber of Commerce determines membership levels. Those businesses interested in joining REDC, filled in the information and included the amount they were willing to contribute and sent them back to REDC with their payment.

The letters returned in 2009 were used to invoice members in 2010. This was continued for through the present. A database is used to keep track of the members and their contributions. The database is maintained by the Executive Director. A report is run from the database, and the information is used to create invoices in QuickBooks. As invoices are produced, Membership Contributions are credited and Accounts Receivable is debited. When the amounts are received for Membership Contributions then are broken down by allocation %'s to the various funds.

The total balances in the accounts are verified against the database report.

The deposit slip for membership checks and other revenue is prepared by the Membership Services/Events/Office Manager updating the membership database and printing the invoices from QuickBooks.

The totals from the database are verified against the deposit slip.

If membership payments are not received, a follow up call is made either by the Executive Director, from other staff, or from Board members. If the membership is for a subsequent period, it is also posted as deferred membership revenue.

Rent:

Rent revenue is generated from rental space leased in the 112 Quality Lane Building.

The intent of the building is to provide incubator space for new business.

The rental rates were determined by the Executive Director, the Finance Committee, and the Real Estate Committee at the time the leases were signed.

Tenants also pay a prorated amount for taxes and utilities depending on how the lease reads.

The tax and utility fees can change periodically, as costs increase.

Reimbursements for utilities are charged monthly (using budgeted figures), but are updated yearly (after actual figures are known) to reflect the cost changes to REDC.

Monthly, updates to an Excel spreadsheet are done by the Seward & Associates PLC. The spreadsheet breaks down all the various portions of the invoice and includes prior payments.

Seward & Associates PLC produces the rent invoices in QuickBooks. When the invoice is produced, Rents Receivable is debited and Rent Revenue is credited. The invoices are then distributed to the renters by Valente & Seward.

As payments for rent are received, they are included in the deposit slip and entered into QuickBooks.

Again the deposit slip is verified against the General Ledger.

The 112 Quality Lane Building is now fully occupied. The 1 large rental/lease was written to include monthly charges to cover occupancy expenses including taxes & utilities & normal repairs and maintenance expenses projected from the last 3 years actual expenses as a base figure and then billed as part of their monthly lease payment. After the yearly expense is known, any adjustments will be made to be paid/refunded in one lump in the Spring of the next year.

Grant Money:

Grant money is received from the State of Vermont quarterly.

The grant is from ACCD Department of Economic Development and is used for economic development.

Every year the grant agreement is signed by a state official and REDC's Executive Director.

The grant year runs from July 1st to June 30th.

Seward & Associates PLC initially books the funds to QuickBooks and also calculates and books the adjustment for the deferral.

Month End:

The financial statements are reviewed by the Operations Director, Executive Director, the Treasurer and the Finance Committee.

Rutland Economic Development Corporation
Understanding of Internal Controls
Accounts Payable & Expenses
September 30, 2020

Internal Control Understanding:

Rutland Economic Development Corporation (REDC) is a nonprofit organization whose mission is to encourage and enhance business success in Rutland County. The organization's major expenses are payroll, debt (interest), depreciation, professional fees and utilities.

Current REDC Staff:

Lyle Jepson – Executive Director
Tyler Richardson – Operations Director
Kim Rupe – Business Development & Community Engagement Manager
Penny Inglee – Membership Services/Events/Office Manager
Elicia Pinsonault – Communications Specialist

Accounts Payable:

The Membership Services/Events/Office Manager receives and sorts the mail.

All the invoices to be paid are given to the Operations Director.

The invoices are reviewed for accuracy, and given an account code.

The input to QuickBooks and the generation of the checks is done by the contracted accounting firm, Seward & Associates, PLC.

The bills are generally paid weekly.

When the invoices are entered into QuickBooks, they are entered with the invoice date. The checks are generated at that time, but because the invoice date may be earlier than the day the check is generated, the invoices may appear in the Accounts Payable Account until the date of the check.

Once the checks have been generated, they are attached to the invoices and given to the Operations Director for approval and signature.

If the amount of the check is over \$5,000 a second signature is required (see Cash internal control memo).

Most invoices are for normal, regular expenses or transfers of monies between funds.

If there is an unusual invoice, it will be discussed with the Executive Director prior to the check being generated.

Due to the small staff, purchase orders are not used.

If a good or service is required that is not planned or budgeted for, it will be discussed with the Executive Director before the purchase is made or the service is provided. As expenses are entered into QuickBooks, they are allocated to various funds, the largest expense being payroll.

The allocation percentages have been predetermined by the Operations Director and Executive Director in conjunction with Seward & Associates, PLC and the Finance Committee.

Most capital items purchased during the year have been budgeted for. Most, if not all, are approved by the Finance Committee as well. Occasionally, a capital item is purchased during the year – in which case, the Executive Director would be consulted prior to the purchase being made.

When a capital item is purchased, the Seward & Associates, PLC gives the information to an outside accounting firm to add the item to Lacerte – a program that calculates depreciation.

Depreciation is calculated monthly and the amount is entered into QuickBooks via an adjusting entry by Seward & Associates, PLC.

There is no specific written policy on when to classify a purchase as “capital” vs “repair/maintenance.” That decision is made on an ad-hoc basis.

Month End:

The financial statements are reviewed by the Operations Director, Executive Director, the Treasurer, and the Finance Committee.



Fiscal Policies and Procedures for Federal Grants

ATTACHMENT B: ORGANIZATION CHART OF ACCOUNTS

December 31, 2022

HFCU (Checking) IRP 5
HFCU (Savings) IRP 5
HFCU (Checking) IRP 4
HFCU (Savings) IRP 4
Berkshire IRP
Berkshire MM OP
Community Checking HUB
Community Checking EVENTS
Community OP
People's Checking OP
People's Checking IRP
TD Checking RMI
TD Short-Term Inv OP



Fiscal Policies and Procedures for Federal Grants

ATTACHMENT C: ITEMS OF COST AND ALLOWABILITY

The selected item of cost addressed in 2 CFR 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439

Exchange rates	2 CFR § 200.440
Fines, penalties, damages, and other settlements	2 CFR § 200.441
Fundraising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475



Fiscal Policies and Procedures for Federal Grants

ATTACHMENT D: SMALL PURCHASE FORM

SMALL PURCHASE DOCUMENTATION FORM

Name of Individual Soliciting Information: _____

Instructions: Use this form to document small purchases. Individual or grouped transactions that exceed \$10,000 for similar items must be documented below. Ensure at least two (2) quotes are used between qualified sources. Three (3) quotes are preferred. Attach additional supporting documentation to this form. Circle or note the vendor selected. The lowest responsive bidder should be chosen. Complete the bottom section if the lowest bidder was not selected and include an explanation (e.g., deemed nonresponsive).

Vendor Name, Address, Telephone	Name of Person Providing Price Quote	Item name/description including quantity and other pertinent conditions information	Date of Contact	Method of Contact	Discussion with vendor	Price quote and duration	Final negotiated price

If a low bidder was not selected, please explain why. Attach documentation for why the vendor could not meet the specific contract terms sought.



Conflict of Interest Policy

Purpose of Policy

This conflict of interest policy is designed to help directors, officers, and employees of Rutland Economic Development Corporation (dba Chamber and Economic Development of the Rutland Region) ("CEDRR") identify situations that present potential conflicts of interest and to provide CEDRR with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall control. All capitalized terms are defined in Part 2 of this policy.

1. Conflict of Interest Defined.

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

- a. Outside Interests.
 - i. An Agreement or Transaction between CEDRR and a Responsible Person or Family Member.
 - ii. An Agreement or Transaction between CEDRR and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such a person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- b. Outside Activities.
 - i. A Responsible Person competing with CEDRR in the rendering of services or in any other Agreement or Transaction with a third party.
 - ii. A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with CEDRR in the provision of services or in any other Agreement or Transaction with a third party.
- c. Gifts, Gratuities, and Entertainment. A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:
 - i. does or is seeking to do business with, or is a competitor of CEDRR; or
 - ii. has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from CEDRR;
 - iii. is a charitable organization;
 - iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any transaction or activity of CEDRR.



2. Definitions.

- a. A “Conflict of Interest” is any circumstance described in Part 1 of this Policy.
- b. A “Responsible Person” is any person serving as an officer, employee, or member of the board of directors of CEDRR.
- c. A “Family Member” is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A “Material Financial Interest” in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgement with respect to transactions to which the entity is a party. This includes all forms of compensation. (The board may wish to establish an amount that it would consider to be a “material financial interest.”)
- e. An “Agreement or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by CEDRR. The making of a gift to CEDRR is not an Agreement or Transaction within the meaning of this document.

3. Procedures.

- a. Before board or committee action on an Agreement or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board’s or committee’s discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to an Agreement or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a Conflict of Interest may not vote on the Agreement or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of directors of CEDRR has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the board of directors.
- e. Responsible Persons who are not members of the board of directors of CEDRR, or who have a Conflict of Interest with respect to an Agreement or Transaction that is not the subject of board or committee



action, shall disclose to the chair or the chair's designee any Conflict of Interest that such Responsible Person has with respect to an Agreement or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect CEDRR's participation in such Agreement or Transaction.

- f. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the chair or the chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
4. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status, or information the disclosure of which might be adverse to the interests of CEDRR. Furthermore, a Responsible Person shall not disclose or use information relating to the business of CEDRR for the personal profit or advantage of the Responsible Person or a Family member of the Responsible Person's company.
5. Review of Policy.
 - a. Each new Responsible Person shall be required to review a copy of this policy.
 - b. Each Responsible Person shall identify to the board of directors any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include services as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to CEDRR. Each Responsible Person should also disclose to the board of directors any potential Conflict of Interest that may arise thereafter. Any such information regarding a business interest of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
 - c. This policy shall be reviewed annually by each member of the board of directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

Rutland Economic Development Corporation (dba Chamber and Economic Development of the Rutland Region)
Conflict of Interest Information Form

Policy adopted by the board of directors on _____.

Secretary (print)

Secretary (Signature)

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Info@rutlandeconomy.com | Chamber@rutlandvermont.com



Documentation Retention and Destruction Policy

General

The Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

The organization's staff, volunteers, members of the board of directors, committee members, and outsiders (independent contractors via agreements with them) are required to honor the following rules:

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by organization staff;
- b. All other paper documents can be destroyed after one year, if not saved electronically;
- c. All other electronic documents can be deleted from all individual computers, databases, networks, and back-up storage after one year;
- d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding via private litigation; and
- e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards.

Record Retention

The following table, adapted from the National Council of Nonprofits, indicates the minimum requirements and is provided as guidance in determining the organization's document retention policy. Federal awards and other government grants may provide for a longer period than is required by other statutory requirements.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect)	Contract period
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Determination letter for income tax exemption	Permanently



Depreciation schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year-end financial statements	Permanently
Insurance records, current accident reports, claims, policies, and so on (active and expired)	Permanently
Internal audit reports	3 years
Inventory records for products, materials, and supplies	3 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws, and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

Rutland Economic Development Corporation (dba Chamber and Economic Development of the Rutland Region)
Documentation Retention and Destruction Policy

Policy adopted by the board of directors on _____.

Secretary (print)

Secretary (Signature)



Whistle-Blower Policy

General

The Organization Code of Conduct (“the code”) requires directors, key volunteers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

The objectives of the Whistle-Blower Policy are to establish policies and procedures for the following:

- The submission of concerns regarding questionable accounting or audit matters by employees, directors, officers, volunteers, and other stakeholders of the organization, on a confidential and anonymous basis.
- The receipt, retention, and treatment of complaints received by the organization regarding accounting, internal controls, or auditing matters.
- The protection of directors, volunteers, and employees reporting concerns from retaliatory actions.

Reporting Responsibility

Each director, volunteer, and employee of the organization has an obligation to report in accordance with this whistle-blower policy (a) questionable or improper accounting or auditing matters, and (b) violations and suspected violations of the organization’s code (concerns).

Acting in Good Faith

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of the code. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense. It may also result in discipline, up to and including dismissal from the volunteer position or termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

Confidentiality

Reports of concerns, and investigation pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.



Authority of Audit or Executive Committee

All reported concerns will be forwarded to the audit or executive committee in accordance with the procedures set forth herein. The audit or executive committee shall be responsible for investigating and making appropriate recommendations to the board of directors, with respect to all reported concerns.

No Retaliation

This whistle-blower policy is intended to encourage and enable directors, volunteers, and employees to raise concerns within the organization for investigation and appropriate action. With this goal in mind, no director, volunteer, or employee who, in good faith, reports a concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, a volunteer or employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

Reporting Concerns

Encouragement of Reporting

The organization encourages complaints, reports, or inquiries about illegal practices or serious violations of the code, including illegal or improper conduct by the organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the organization has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment through the organization's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

Employees

Employees should first discuss their concern with their immediate supervisor. If, after speaking with his or her supervisor, the individual continues to have reasonable grounds to believe the concern is valid, the individual should report the concern to the level above the supervisor. However, if the individual is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of concern, the individual should report his or her concern directly to the level above the supervisor. In addition, suspected fraud should be reported directly to the chair of the audit or executive committee.

If the concern was reported verbally to the level above the supervisor, the reporting individual, with assistance from the level above the supervisor, shall reduce the concern to writing. The level above the supervisor is required to promptly report the concern to the chair of the audit or executive committee, which has specific and exclusive responsibility to investigate all concerns. If the level above the supervisor, for any reason, does not promptly forward the concern to the audit or executive committee, the reporting individual should directly report the concern to the chair of the audit or



executive committee. Concerns may also be submitted anonymously. Such anonymous concerns should be in writing and sent directly to the chair of the audit or executive committee.

Directors and Other Volunteers

Directors and other volunteers should submit concerns in writing director to the chair of the audit or executive committee.

Handling of Reported Violations

The audit or executive committee shall address all reported concerns. The chair of the audit or executive committee shall immediately notify the audit or executive committee, the president, and the Executive Director of any such report. The chair of the audit or executive committee will notify the sender and acknowledge receipt of the concern within five business days, if possible. It will not be possible to acknowledge receipt of anonymously submitted concerns.

All reports will be promptly investigated by the audit or executive committee, and appropriate corrective action will be recommended to the board of directors, if warranted by the investigation. In addition, action taken must include a conclusion or follow-up, or both, with the complainant for complete closure of concern.

The audit or executive committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations.

Rutland Economic Development Corporation (dba Chamber and Economic Development of the Rutland Region)
Whistle-Blower Policy

Policy adopted by the board of directors on _____.

Secretary (print)

Secretary (Signature)

CSJ CAMPUS 2025

- THE VISION:

- 60+ RESIDENTIAL MULTI FAMILY UNITS
 - MIXED INCOME
 - STUDIOS, 1, 2, AND 3 BEDROOM UNITS
 - MULTIPLE BUILDINGS
 - ACCESS FROM CAMBELL ROAD AND CLEMENT ROAD
- CHILDCARE FACILITY
 - REPURPOSE OF CARRIAGE HOUSE
- EVENT VENUE/COMMUNITY SPACE
- POTENTIAL HOMEOWNERSHIP OPPORTUNITIES

OVERARCHING GOAL

- SUPPORT LOCAL EMPLOYERS AND GROW THE ECONOMY OF THE RUTLAND REGION
- CREATE A MODEL FOR COLLABORATION BETWEEN CEDRR, HTRC, LOCAL EMPLOYERS

WHY DO WE NEED A HOLDING ENTITY ?

Choice Limiting Activities: Engaging in these activities prior to the approval of the ER compromises the unbiased consideration of alternatives and is therefore disallowed.

Choice Limiting Activities (as defined by HUD)

- ***Acquisition or Leasing of property (Allows an Option Agreement but NOT a Purchase and Sales Agreement)***
- Commitment or expenditure of CDBG funds or non-CDBG funds (for choice-limiting activities)
- Entering into commitment for repair, rehabilitation, construction or demolition
- Commitment=legally binding contract or agreement •
- Going out to bid for construction activities • Initiating project activities (on the ground work)

90 Day Option Period - Outcomes

- HOLDING ENTITY CREATED

- JANUARY MEET WITH CEDRR COMMITTEES AND BOARD TO REQUEST
- INVESTIGATE HTRC/M&S DEVELOPMENT OPPORTUNITY TO CREATE ENTITY

- VENTURE EQUITY RAISED

- \$1-2 MILLION IN INITIAL EQUITY
- LOCAL EMPLOYER PARTICIPATION
- PRIVATE INDIVIDUAL INVESTMENT POTENTIAL

- WHY \$1-2 MILLION?

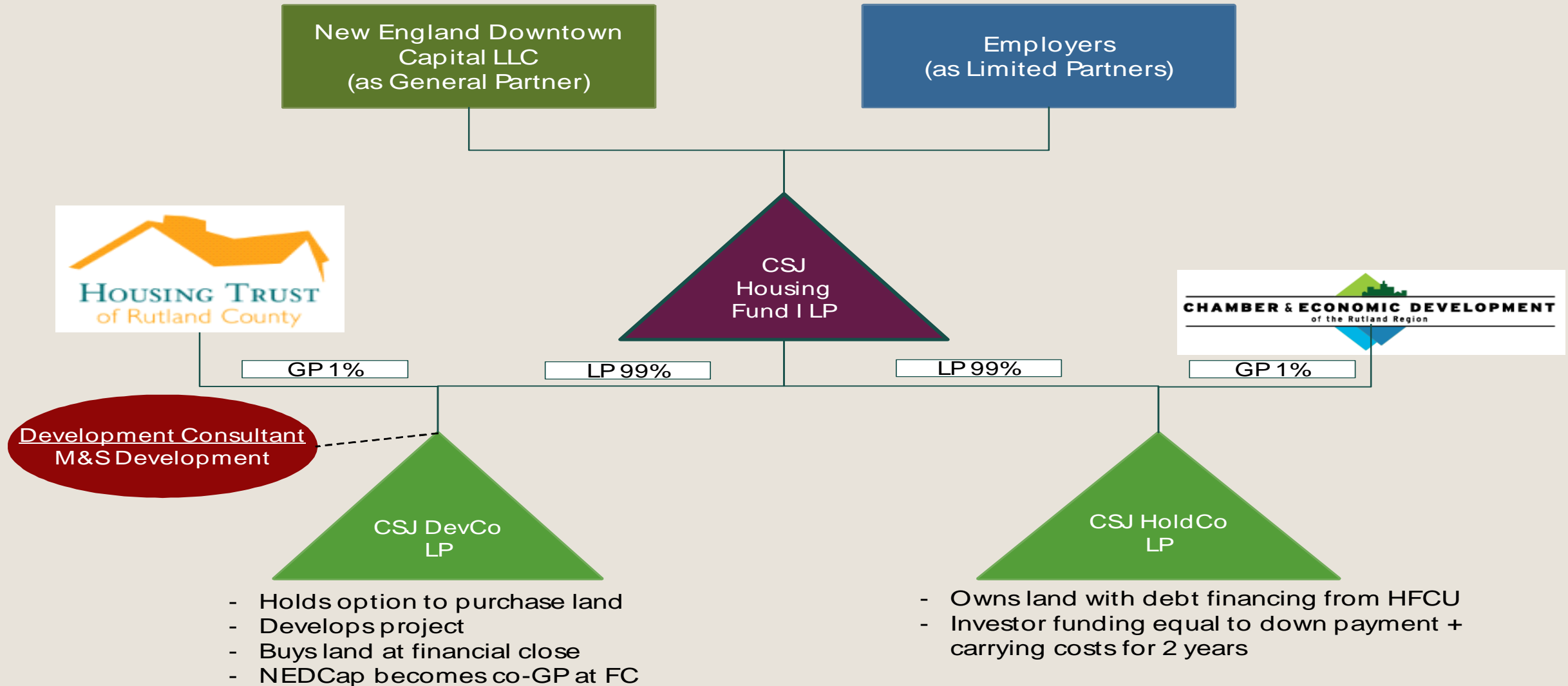
- DOWNPAYMENT ON PURCHASE
- PROPERTY CARRYING COSTS
- ARCHITECTURAL/ENGINEERING SERVICES
- DEVELOPMENT CONSULTANT
- HISTORIC PRESERVATION CONSULTANT
- ARCHEOLOGICAL CONSULTANT
- TRAFFIC STUDY
- ETC.....

What are we asking of CEDRR?

- Accept Assignment of Option from HTRC 3/14/2023
- Enter into Purchase and Sale Agreement with HFCU 3/15/2023
- Purchase CSJ West Campus by 9/15/2023
- Enter into Option Agreement with HTRC during predevelopment (Approximately 9/15/23-5/15/2025 – 27 months)
- Transfer Ownership May 2025



CSJ Housing Proposed Org Chart



WHAT WILL WE DO TO MITIGATE RISK FOR CEDRR?

HOW MUCH WILL IT COST CEDRR?

At the time of HTRC assigning the option agreement, we will also enter into an Assignment and Assumption agreement that will ensure the CSJ Development LP is responsible for all financial obligations during the purchase and sale as well as ownership until property transfers to the CSJ Development LP.

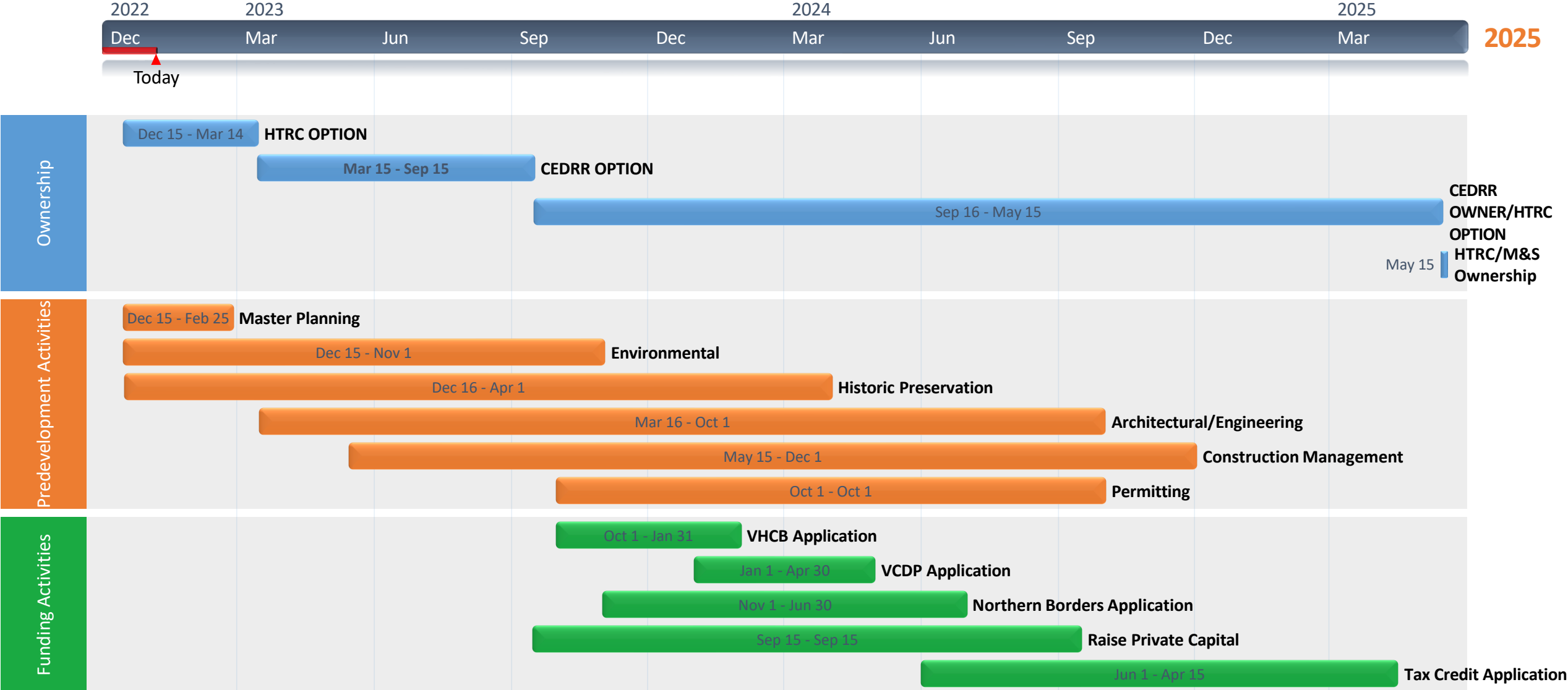
THERE SHOULD BE NO FINANCIAL COST

WHAT HAPPENS IF THE DEAL DOESN'T GO THROUGH?

If the decision is made to abandon the project after CEDRR has ownership, CEDRR and the CSJ Dev LP will decide together if and when to sell the property.

If there is a gap in sell price and remaining mortgage balance, the Assignment and Assumption agreement will outline the responsibility to be on the CSJ Dev LP

CSJ Predevelopment TIMELINE



WHAT DOES A FUNDING STACK LOOK LIKE?

(THIS IS ONE EXAMPLE – ALL STACKS ARE UNIQUE)

CAPITAL STACK		
SOURCE	AMOUNT	STATUS
Low Income Housing Tax Credits	\$3,370,000	Confirmed
Senior Debt (VHFA)	\$1,823,000	Confirmed
Federal Historic Tax Credits	\$1,322,000	Confirmed
VHCB ARPA	\$1,100,000	Pending
Local Investors	\$650,000	
Community Development Block Grant	\$492,920	Confirmed
Northern Borders Grant	\$350,000	Confirmed
Deferred Developer Fee	\$250,000	Confirmed
Vermont Housing Investment Fund Debt	\$250,000	Confirmed
Brownfield Grant	\$175,000	Pending
CDBG Enhancement	\$150,000	Pending
Town Revolving Loan Fund	\$150,000	Confirmed
Seller Financing of Acquisition	\$50,000	Confirmed
WRC Phase I Enviro Funding	\$28,590	Confirmed
Efficiency VT	\$15,000	Pending
GMP Rebate	\$15,000	Pending
TOTAL	\$10,191,510	

Real Estate Committee Meeting Minutes | Wednesday, November 2nd, 2022 | Via Zoom

Present: Nicole Kesselring, Mark Werle, Andy Paluch, Lyle Jepson

The meeting was called to order at 8:17 a.m.

Updates:

Bodycote Lease – Bodycote has signed an agreement that will allow them to sublease unused space, guaranteeing CEDRR a continue revenue stream at the continued expected rate until April 30, 2024. CEDRR will support Bodycote by forwarding any potential leads.

112 Quality Lane – Nicole updated the group on the need to divert water from the parking lot. A plan has been developed to tie into a Pepsi Cola drainage system to the west of their parking lot. A drawing has been provided to Pepsi staff and forwarded up the chain of command for comment.

Regional Housing Meeting – Lyle and Andy updated the group on the group that is meeting to create an action plan for a short-term and long-term solution to the housing shortage in the Rutland Region. The group is focusing on Rutland City, for the moment, collecting data and information that will be helpful in creating targeted actions.

Interesting data taken from the recent Housing Meeting: *There are 5,800 total parcels in the city, including commercial. As many as 250 parcels have been identified as vacant in the City. Vacancies will be investigated regarding ownership. Follow up may include reaching out to determine the owner needs. The standard of care for each dwelling unit varies.*

Dwelling units:

Dwelling Units	Number of properties	Total Number of Dwelling units
2	716	1,432
3	179	537
4	173	692
5	48	240
6+	<u>99</u>	<u>1,779</u>
Total	1,215	4,680

Act 250 District Coordinator – Follow up on the concern over Rutland District response time and consistency in delivery of service. Lyle and Tyler spoke with Sabina Haskell, Chair of the Vermont Natural Resources Board and Peter Gill, new Executive Director of NRB. Lyle and Tyler now have a follow up meeting scheduled for Friday, January 6th to learn more about the Act 250 process and to help create an information dissemination outreach plan for businesses in the Rutland County Region. The meeting for businesses is tentatively scheduled for Friday, February 17th at 12:00noon. The goal is to put a face to a name and to allow businesses to air concerns and learn more about how to engage with the regulatory process effectively and efficiently.

Killington TIF – The Killington TIF is approaching the VEPC Board on December 15th for the first phase approval. Lyle and Tyler will be in attendance at the meeting.



Rutland City TIF – Lyle is a member of the Rutland City TIF committee, chaired by Alderman Michael Talbott. The process is beginning to move along more quickly. Andy suggested that the Brixmore property, except for the Walmart location, is currently listed for sale by Atlantic Capital Partners. This could have implications for the Rutland TIF. He will work to get more information.

Old Business - none

New Business - Although not in Rutland City, it would appear that the Friendly's Restaurant location may be redeveloped in the spring.

Adjournment at 9:15 a.m.

The next meeting of the committee will take place on Wednesday, January 4th from 8:15-9:15am.

Agenda:

1. Act 250 planning meeting discussion
2. 112 Quality Lane - update
3. Housing Committee - update
4. Killington Valley concept – potential connection with the KPAA
5. Old Business
6. New Business

Real Estate Committee Meeting Minutes | Wednesday, January 4th, 2023 | Via Zoom

Present: Nicole Kesselring, Sue Bishop, Andy Paluch, Lyle Jepson, Tyler Richardson

The meeting was called to order at 8:15 a.m.

112 Quality Lane Update

Casella Construction is working this week to add insulation to the water line under the parking lot to alleviate issues caused by earth removal during the repaving. Coca-Cola is reluctant to agree to let us on their property to mitigate the water flow issues from their parking lot, but Nicole and Tyler are working on it and hope to come to a favorable conclusion once they realize the significant issue of overflow they cause from their lot.

Act 250 Planning Meeting

Lyle and Tyler are meeting with the Natural Resources Board Executive Director and Chair to learn more about the Act 250 permitting process, particularly how it's administered in our area. On February 17th we are hosting a public outreach session with NRB for the benefit of area businesses to learn more and get to know the NRB staff.

TIF Updates

The Rutland Board of Alderman approved \$165,000 from ARPA funds to continue the planning process for the TIF, while CEDRR and the RRPC continue to lead the process while the RRA Executive Director hiring process gets underway. The City must be properly staffed up to support the creation and administration of the TIF process.

CSJ Update

Nicole recused herself from the discussion and asked Andy to chair this portion of the meeting. Mary Cohen of the Housing Trust presented a proposal and a request for CEDRR regarding an ownership structure for the western portion of the CSJ campus (presentation attached as a part of the agenda packet). The Housing Trust has put a 90-day option down on the property with the hopes of developing at least sixty units of mixed-rate housing on the campus, but they cannot enter into a purchase and sale agreement upon the conclusion of the option period without jeopardizing crucial federal funding sources. In partnership with M&S Development, they are proposing CEDRR take ownership of the option, enter into a purchase and sale, and hold the property until the conclusion of the development, transferring back ownership at that time. The total timeframe for development is expected to take 18-36 months. Before the conclusion of the option period, \$1-2 million needs to be raised to cover pre-development costs, \$500,000 of which is already secured through congressionally directed spending. Overall, this is expected to be a \$30+ million project. REDC has done similar ownership assignments in the past to alleviate brownfields mitigation issues for a commercial property owner, and similar ownership structures have been done in Vermont before with other RDCs and M&S Development, so this isn't an entirely unprecedented activity. While many details still need to be determined, regardless of the specific structure, it would be the intention to protect CEDRR from all associated costs and liabilities through an Assignment and Assumption agreement. We have further details we will need to make a decision, and Mary is presenting this request to multiple committees in preparation for a presentation to the full CEDRR Board at their meeting on January 17th.

Old/New Business

None.

Adjournment at 9:18 a.m.

Marketing Committee Meeting Minutes | Thursday, November 3, 2022 | Via Zoom

Present: Lyle Jepson, Olivia Lyons, Michael Talbott, Polly Mikula, Jordan Spear, Karly Haven, Sarah Pelkey

The meeting was called to order at 11:32 a.m.

Quick CEDRR Updates

Lyle Jepson told the group this would be a short meeting this month. CEDRR staff was in the middle of moving into their new office space. He also said the December meeting is canceled as usual.

Visiting Towns

Lyle told the committee he and Olivia Lyons had been visiting with town managers and attending select board meetings to ask for funding again in the fiscal year 2023. They have been to Brandon, Danby, Pittsford, Rutland City, Proctor, Fair Haven, and Middletown Springs. Killington and Rutland Town are coming up and Lyle asked Sarah to talk about visiting Poultney. Lyle and Olivia were welcomed for the most part. Next, they will begin visiting businesses.

Analytics for Real Rutland Campaign Google and Microsoft Ads

Olivia and Greg Youkov have been working on the Real Rutland landing page. Instead of people being brought straight to the concierge form, there are videos highlighting our area and events. Our Google campaign has created about 117,000 impressions, 1,400 clicks, and two people have entered through the concierge program. Olivia explained the number may seem small, but these are people who want to relocate here, not just signing up for a vacation.

Winter Social Media Campaign

Olivia will create a social media campaign for the winter beginning once Killington is open. One ad is "You can't get to 100 days unless you live here," with a photo of a skier, the other ad is of two women snowshoeing and it says, "It's {snow} easy to have the backyard of your dreams."

Annual Meeting and The Hub CoWorks Grand Opening

Lyle and Olivia reminded the committee about CEDRR's Annual Meeting and the Grand Opening for The Hub CoWorks on November 14 from 5-7 PM. Olivia asked everyone to share the social media posts about the event to make more people aware.

Meeting adjourned at 11:40 a.m.

Potential Topics for Next Meeting Thursday, January 5, 2023:

Real Rutland Campaign Updates

Regional Marketing Town Visits

Goals for 2023



Marketing Committee Meeting Minutes | Tuesday, January 5th, 2023 | Via Zoom

Present: : Lyle Jepson, Olivia Lyons, Michael Talbott, Karly Haven, Sarah Pelkey, Greg Youkov, Mary Ann Goulette, Kelley Robinson, Tiffany Saltis, Steve Costello

The meeting was called to order at 11:33 a.m.

Visiting Towns/Making Fundraising Attractive

Lyle Jepson updated the committee on how much money each town has committed to the Real Rutland Marketing Initiative (RRMI) and asked if anyone has contacts from other towns we have not yet reached out to. Michael Talbott asked why Fair Haven is not giving money this year. Lyle explained the town has had changes on the select board and they tend to feel disconnected to Rutland, the town manager said they have been struggling to cut things out of the budget. Greg Youkov suggested highlighting towns participating in the RRMI on our website, including businesses and areas each town wants to promote. We need more photos of towns, specifically those that are members. Photo contests are a great way to keep getting free photos from community members. Steve Costello suggested reaching out to people who have moved here to send photos.

Using The Hub CoWorks for Real Rutland Campaign

Lyle said The Hub can be a draw for those moving here. Karly Haven said a lot of people moving through Real Rutland have heard about the coworking space or are interested when they learn about it. Lyle would like to post more photos showing people working. Olivia Lyons said our Castleton University (CU) intern is creating videos of The Hub and those working there. Greg suggested a profile of Virtual Reality. Will is working on a video with Jeff/Tacitly.

Businesses Funding Real Rutland Initiative

Lyle showed the committee the businesses currently contributing and asked if anyone can think of other businesses to ask. Mary Ann Goulette asked if we can give statistics to businesses, “(RRMI) helped fill this many jobs for this business.” Kelley Robinson said he can look into it, but they are intensely recruiting and using interns from CU as well. Mary Ann said we should find out if CU students are staying. Steve asked if leads are still coming in. Karly said the leads in 2022 decreased from 2021, there have been 25 leads since August matched with a concierge. Kelley suggested an orientation because he pushes his new employees to be part of it. Lyle said he, Karly, and Olivia should meet with larger companies to create more concierge program awareness.

Campaign for 2023

Olivia discussed the Mini Weekend Mountain Biking Getaway CEDRR would like to host, RRMI has current snow/Winter ads running, Spring, Fall, and Summer ads will be prepared. CEDRR would like to host another larger weekend getaway. Steve asked where in the process those families were. Olivia and Karly said we have not had recent contact and we need to reach out.

Outdoor Retailer



Olivia said she is going to the Outdoor Retailer Snow Show in Salt Lake City, Utah. Tiffany Saltis said she went to one like this and it was great cross-pollination. Mary Ann suggested a giveaway. Greg said Olivia should bring a tablet and collect names and addresses. Mary Ann wondered if Killington would give a free weekend pass to give away. Lyle said people love Baird Farm, CEDRR/RRMI could give out a basket. Darn Tough, Skida, Turtle Fur will most likely be there, which can help with Vermont representation. Olivia will create a QR code and have people interested in Real Rutland sign up for both CEDRR newsletters and Real Rutland newsletters by potentially winning a gift from Baird Farm.

Upcoming Events

Lyle reminded the committee of the January Mixer next Tuesday, the Legislative Breakfast on January 30, the Real Rutland Feud on February 25, and so on throughout the rest of the year.

Meeting adjourned at 12:13 p.m.

Potential Topics for Next Meeting Thursday, February 2, 2023:

Outdoor Retailer Show update

RRMI Business visits update

Winter Campaign Updates

Real Rutland Feud Marketing



Business Development Committee Meeting Minutes **Wednesday, January 11th, 2023 | Via Zoom**

Present: Russ Marsan, Mark Foley, Jr., Rick Gile, Jerry Hansen, Alex Hilliard, Alan Hochberg, Jenney Izzo, Bernie Krasnoff, Liz Weinmann, Trevor Weltman, Mark Werle, Scott Graves, Lyle Jepson, Tyler Richardson

The meeting was called to order at 8:17 a.m. Jerry made a motion to approve the minutes from October 12th. The motion was seconded by Rick and passed unanimously. Committee and Staff introduced each other.

HUB Update and Introduction of Program Director Scott Graves

Scott presented some of his work, planning, and thoughts so far, highlighting intended partnerships, staffing, and other milestones to hit in the coming year. Scott has put together a series of forecasting documents that he will be finalizing in the coming weeks. Presentation is attached as a part of these minutes.

CSJ Update

Nicole recused herself from the discussion and asked Andy to chair this portion of the meeting. Mary Cohen of the Housing Trust presented a proposal and a request for CEDRR regarding an ownership structure for the western portion of the CSJ campus (presentation attached as a part of the agenda packet). The Housing Trust has put a 90-day option down on the property with the hopes of developing at least sixty units of mixed-rate housing on the campus, but they cannot enter into a purchase and sale agreement upon the conclusion of the option period without jeopardizing crucial federal funding sources. In partnership with M&S Development, they are proposing CEDRR take ownership of the option, enter into a purchase and sale, and hold the property until the conclusion of the development, transferring back ownership at that time. The total timeframe for development is expected to take 18-36 months. Before the conclusion of the option period, \$1-2 million needs to be raised to cover pre-development costs, \$500,000 of which is already secured through congressionally directed spending. Overall, this is expected to be a \$30+ million project. REDC has done similar ownership assignments in the past to alleviate brownfields mitigation issues for a commercial property owner, and similar ownership structures have been done in Vermont before with other RDCs and M&S Development, so this isn't an entirely unprecedented activity. While many details still need to be determined, regardless of the specific structure, it would be the intention to protect CEDRR from all associated costs and liabilities through an Assignment and Assumption agreement. We have further details we will need to make a decision, and Mary is presenting this request to multiple committees in preparation for a presentation to the full CEDRR Board at their meeting on January 17th.

NRB Act 250 Public Information Session

We are hosting the Natural Resources Board on February 17th for an informational session for area businesses on the Act 250 permitting process as a way to create positive relationships between businesses and the Act 250 administrators.

Old Business

None.

New Business

Alan met with Tacitly and was impressed with their progress, and talked with them about ways to grow their business.

Adjournment at 9:26 a.m.

StartUp Rutland

Why?

To invigorate the Rutland County economy through a focus on innovative business design that brings a blend of technology and Vermont ethos to the world.

Priorities

To serve existing and new business through core programming and programming partners all with a focus on innovation-based business development.

To ensure the creation and maximization of wealth-building opportunity for all of the citizens of Rutland county.

Networking Event #1

Launch
Collaborative w/
MINT Mar 15 2023

Begin finalizing
Core Programming
Apr 2023

Event Launching
First Cohort

January 2023

Sept 10 2023

Complete Hiring
Process: Mar 1, 2023

Begin Planning
First Cohort Event
April 15, 2023

Pro Forma: Important Considerations

Achieve or exceed conversion of
accelerator funding
to 60% unencumbered revenue.

Candidates Receive

- Tenancy
- Rigorous Education
- IP Cultivation
- Project-Specific Funding
- Housing Subsidy*

Funds Convert

Unencumbered Revenue

- Hub Rent
- Gross Margin on Services
- Net Margin on Services
- Housing Tenancy*

Achieved

Sustainability

Organization that
operates on revenue
for 60% or better
total funding

Funds invested back into program



Staff Line-Up 2023

Program Director
Team Management
Fiduciary Responsibility
Funds Development

Entrepreneurship and Enterprise

Design/Build Core Accelerator
Assist in hiring mentors
Resource Acquisition

Business Development/Membership

Manage CRM and all sales operations
Co-Ordinate Events schedule
Oversee Outbound content marketing

Pro Forma Important Considerations

Develop Donor Base

- Event and space sponsorship.
- Grant-based opportunities.
- Other donor opportunities deemed relevant through selective process.

Pro Forma

Important Considerations

Develop Corporate Program

Identify corporate remote worker opportunities with local or out of state companies.

Companies that have clusters of employees in and around Rutland County will be engaged to pay monthly fees in exchange for The Hub providing space and a TBD premium set of services.

High on the potential service list is child-care, technology repair or service providers, competitive rates on server space, auto maintenance, haircare services, etc.

Pro Forma Important Considerations

Develop Fee for Service Education Program

Develop additional revenue streams principally through content development/research sharing and providing educational materials.

Staffing 2023

Immediate Need

Two key staffers in 60 days or less

- Entrepreneur and Enterprise Specialist
- Business Development Specialist

Marketing & Messaging 2023

Immediate engagement of interim marketing efforts are underway.

Longer-Term plan for consistent national messaging TBD collaboratively with new staff and CEDRR team input.



How Bus. Dev. Committee Can Help

Capacity-Building:

The connections to

- Corporate members
- Funding Opportunities
- Accelerator Candidates

Strategy

The know-how that delivers the goods.



Scott M. Graves

(he/him/his)

Program Director
StartUp Rutland
The Hub

scott@rutlandeconomy.com
Phone: 802-770-7064

67 Merchants Row
Rutland, VT 05701
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Events Committee Meeting, November 10, 2022, 4pm, CEDRR Offices

Present: Amy Laramie, Penny Inglee, Olivia Lyons, Chrispin White, Lori Pinkowski, Jess Anderson via phone

Grand prizes were reviewed for the December 13th mixer and all agreed it was a great line up of prizes.

- 4 round trip Cape Air tickets to Boston
- Best Western – Gift Certificate
- Scotch Hill Brewery – Gift Certificate
- Hop’N Moose – Gift Certificate
- Cluckin’ Café – Gift Certificate
- Marble Valley Kitchen/Deli – Meal package for 4
- Sugar & Spice - \$50 gift certificate
- (2) 2 vouchers for the Paramount Theatre
- WMUD Radio Marketing Package (\$650 value)
- One-night stay – Hampton Inn
- 1 month membership – The Gymnasium
- 2 Season Passes – Castleton University Hockey
- Adam & Eve Salon \$50 gift certificate
- Wonderfeet Family Pass

Real Rutland Feud is taking place February 25, 2023. Teams are confirmed and the Team Meeting has been scheduled for January 5th at Southside Steakhouse.

- RRMC – 2 teams
- NewStory Center (sponsored by Cape Air)
- Killington
- Comcast
- Town of Brandon
- Fabian (Casella has been challenged)
- GMP (tentatively agreed to have one team)
- Community Health

Mixers: 5 mixers have been scheduled so far for 2023.

- February – Stafford Technical Center – Career Tech Month
- July – Four Seasons Sotheby’s
- August – Community Health
- October – Allen Pools & Spa
- December – HFCU

Annual Meeting/Open House – Scheduled for Monday, November 14th from 5-7 pm. There will be music, food and drinks by Roots.

New Business: Business Show 2023. This will take place sometime in April at the Rutland Recreation Community Center. We are looking to provide some type of professional development for the vendors 1

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hour prior to show. Ideas include “Self-Care during the pandemic”. Other ideas are welcome. Penny said she’d meet with Chrispin and Lori to give them institutional knowledge.

There will be no meeting in December.

Next meeting January 12, 2023.



Events Committee Meeting Minutes Thursday, January 12th, 2020 – 4pm

Attendees: Sarah Furman, Eric Mallette, Penny Inglee, Amy Laramie, Jessica Anderson, Lyle Jepson, Chrispin White

- 1) **Legislative Breakfast** – Monday, Jan. 30th – 7:30am – Southside Steakhouse – Tickets - \$20
Sponsored by Omya.
- 2) **Real Rutland Feud** – February 25th, 2023

Xfinity vs Town of Brandon
Community Health vs NewStory Center
Killington vs Green Mountain Power
RRMC vs RRMC
Fabian Earth Moving vs Casella Construction

- **Team Meeting** – Held on January 5th, 2023 – Southside Steakhouse – Went very well!
- **Ticket Sales** – **154 tickets sold as of 1/12**
- **Playbill** – All ads are in. Once team pictures are finalized, file will be sent to Springfield Printing for printing. Due to a QR code (attendees can access playbill via their phone) being used at the Paramount Theatre, we will order 300 instead of the usual 500.
- **Eric inquired about 2 silver bells** - in the event that the makey-makey malfunctions.
- **Next RRF Meeting** – **Thursday, January 19th – 4pm**

3) **2023 Mixer Calendar:**

January – Castleton University Bank Art Gallery – **Very nice event with 65 – 7- attendees.**

February – Stafford Technical Center

March – Frank Webb Home

April – Business Show – Rutland Rec. – **April 11th**

May – Green Mountain Research Institute

June – Cluckin' Café

July – Four Seasons Sotheby's

August – Community Health

September – Whoopie Pie Festival – **Sat., Sept. 16th – no mixer**

October – Allen Pools & Spa

November - CEDRR Annual Meeting – **The Hub CoWorks – no mixer**

December – HFCU

4) Business Show – Tuesday, April 11th – Rutland Rec Center

- **Tables/chairs/linen** – ordered and contracts signed.
- **Pre-Show Program ideas** – RYP Panel, Castleton University Internship Info Session, Social Media/Digital Marketing, Wellness in the Workplace. Possible choose two.
Identify a sponsor for these programs.
- **Wellness ideas for Show** – Chair massages, Health Care Checks (Community Health)
- **Catering** – Suggestions included: West St. Grille, Cluckin' Café, East St. Catering, Marble Valley Kitchen & Deli. We also mentioned Roots, but discussed switching it up a little, if possible.
- **Cash Bar** – YES – Also discussed water stations for vendors
- **Member vs non-Member rate** - \$100 more for non-members
- **Admission Fee** - \$5
- **Food/Bar for attendees and vendors or just vendors** – Both
- **Door Prizes for vendors and attendees** – 50/50 Raffle – Add request for door prizes to vendor registration form.

5) Whoopie Pie Festival – Sat., Sept. 16th

- **Street Closures** – revisit Merchant Row closure – Red Trouser Group
- **Red Trousers Group** – Reach out and confirm date
- **Length of the event** – Discussed a shorter event: 11am – 4pm or 12pm – 5pm
- **Whoopie Pie Vendors** – They have been contacted with date
- **Green Street** – Russ has confirmed
- **Band/Stage/Fireworks** – Maybe not this year. Discussed local musicians throughout the afternoon.
- **Whoopie Pie Distribution** – who gets leftovers and how? – Contact rep in Maine to get suggestions.

6) Old Business

7) New business –

8) Next meeting – Thursday, February 9th, 2023



Finance Committee Meeting Minutes | Tuesday, November 15th, 2022 | Via Zoom

Present: Karen Garrow, Jess Anderson, Scott Gregg, Rolf Hirschmann, Chris Keyser, Norm Ladabouche, Russ Marsan, Deb Quirk, Lyle Jepson, Tyler Richardson

The meeting was called to order at 8:17 a.m. Chris moved to accept the minutes from October 11th, 2022. The motion was seconded by Rolf and passed unanimously.

CEDRR Internal Financials

The committee reviewed the financial reports including the CEDRR P&L, balance sheet, and regional marketing activity. We have been spending money on equipment for The HUB and it has resulted in a loss for the month, although we are expecting grant revenue to be coming in. We will be working with Seward to reorganize our financials, particularly as it relates to RMI and The HUB.

Revolving Loan Fund

All loan clients are current on payments except for loan #108-01-01. Tyler has presented the committee's recommendation from last month regarding the restructuring of this loan. The lenders will not allow a cross-default agreement with us, and the borrower has asked for the interest to be included in the new loan balance and for the late fees, closing fees, and legal fees to be waived. The committee recommended maintaining our position but removing the cross-default requirement and re-emphasizing the requirement to have regular financial reports given to us, including information on debt service. Overall, the committee recommended the following:

- Refinance the loan at an 8% rate on a 12-year amortization with a five-year balloon
- Require the payment of interest accumulated to date
- Require the payment of legal fees, late fees, and closing fees
- Require the payments to be set up as ACH
- Require regular updates in coordination with the other lenders, including quarterly financial reports with information on existing debt service and collateral evaluation
- Require other lenders to provide their restructuring plan in writing

Tyler will reach out to the borrower and other lenders to update them on this decision.

Old/New Business

Lyle thanked members of the committee for attending the CEDRR Annual Meeting last night.

Adjournment at 8:50 a.m.



Finance Committee Meeting Minutes | Tuesday, January 10th, 2023 | Via Zoom

Present: Karen Garrow, Jess Anderson, Scott Dikeman, Rolf Hirschmann, Chris Keyser, Norm Ladabouche, Russ Marsan, Deb Quirk, Andrew Simonds, Lyle Jepson, Tyler Richardson

The meeting was called to order at 8:16 a.m. Jess moved to accept the minutes from November 15th, 2022. The motion was seconded by Rolf and passed unanimously.

CEDRR Internal Financials

The committee reviewed the financial reports including the CEDRR P&L, balance sheet, and regional marketing activity. We are seeing grant revenue come in and we've been spending money on equipment for The Hub. We continue to refine the financials to ensure accurate reporting and forecasting.

Revolving Loan Fund

All loan clients are current on payments except for loan #108-01-01. Tyler has presented the committee's recommendation from last month regarding the restructuring of this loan. We continue to wait for a closing date.

CSJ Update

Nicole recused herself from the discussion and asked Andy to chair this portion of the meeting. Mary Cohen of the Housing Trust presented a proposal and a request for CEDRR regarding an ownership structure for the western portion of the CSJ campus (presentation attached as a part of the agenda packet). The Housing Trust has put a 90-day option down on the property with the hopes of developing at least sixty units of mixed-rate housing on the campus, but they cannot enter into a purchase and sale agreement upon the conclusion of the option period without jeopardizing crucial federal funding sources. In partnership with M&S Development, they are proposing CEDRR take ownership of the option, enter into a purchase and sale, and hold the property until the conclusion of the development, transferring back ownership at that time. The total timeframe for development is expected to take 18-36 months. Before the conclusion of the option period, \$1-2 million needs to be raised to cover pre-development costs, \$500,000 of which is already secured through congressionally directed spending. Overall, this is expected to be a \$30+ million project. REDC has done similar ownership assignments in the past to alleviate brownfields mitigation issues for a commercial property owner, and similar ownership structures have been done in Vermont before with other RDCs and M&S Development, so this isn't an entirely unprecedented activity. While many details still need to be determined, regardless of the specific structure, it would be the intention to protect CEDRR from all associated costs and liabilities through an Assignment and Assumption agreement. We have further details we will need to make a decision, and Mary is presenting this request to multiple committees in preparation for a presentation to the full CEDRR Board at their meeting on January 17th.

Old/New Business

None.

Adjournment at 9:09 a.m.



Policy Committee Meeting Minutes | Friday, November 11th, 2022 | Via Zoom

Present: Ray Ault, Doug Babbitt, Dennis Carroll, Jennifer Scott, Lyle Jepson, Tyler Richardson, Andrew Brewer

The meeting was called to order at 12:01 p.m. Introductions were made and the group welcomed Andrew Brewer from Downs Rachlin Martin.

Downs Rachlin Martin Legislative Review

Andrew gave an update on the priorities and legislative lens of DRM in their work with the statewide RDCs. Andrew gave a presentation on the 2022 election results and legislative outlook on issues such as housing, workforce development, childcare, VEGI, and jurisdictional inconsistencies with Act 250. There are a large majority of new legislators coming to the Statehouse this year which will require significant education on issues both old and new. Economic development incentives, particularly VEGI, will be a target this session, and proposals around project-based TIFs might be a hard sell. The Governor and the legislature are aligned in the goal of ensuring affordability for all Vermonters, and this lens spans a broad spectrum of issues. At our Legislative Breakfast in January, we will want to hear from the Governor about his priorities and ways we can support them. (Andrew's presentation is attached as a part of these minutes).

Old Business

We will plan to meet on December 9th to finalize the Policy Statement in preparation for the Legislative Breakfast in January.

New Business

None.

Adjournment at 1:02 p.m.



Vermont 2022 Election Results and Legislative Outlook

DRM Government Relations Team

Chamber & Economic Development of the Rutland Region
November 11, 2022

Congressional Elections

U.S.
Senate

- Peter Welch, D – 66.8%
- Gerald Malloy, R – 27.4%

U.S. House

- Becca Balint, D – 60.1%
- Liam Madden, R – 26.7%

Statewide Elections

Governor

- Phil Scott, R – 68.8% - *4th term*
- Brenda Siegel, D – 23.2%

Lieutenant
Governor

- David Zuckerman, P/D – 51.2% - *3rd term**
- Joe Benning, R – 40.5%

Treasurer

- Mike Pieciak, D – 62.8 %,

Secretary of
State

- Sarah Copeland - Hanzas, D – 61.0%

State Auditor

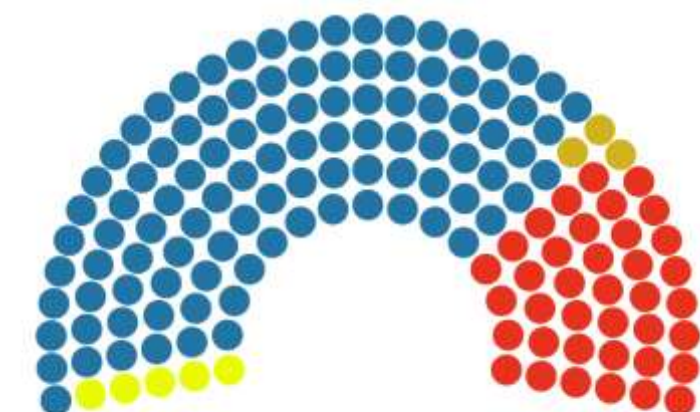
- Doug Hoffer, D – 60.7%, *6th term*

Attorney
General

- Charity Clark, D – 61.1%

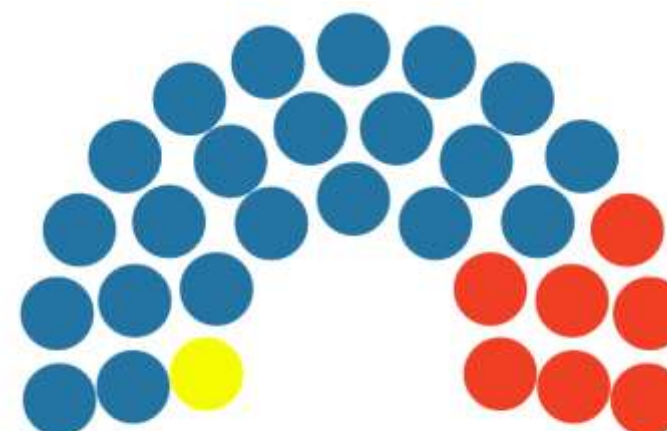
Legislature Elections

House	2019	2021	2023
Dem	95	92	104
Prog/Dem	7	7	5
Ind	5	5	3
Rep	43	46	38



Party	2023-2024	Seat change
Progressive/Dem	5	0
Democrat	104	0
Independent	3	0
Republican	38	0

Senate	2019	2021	2023
Dem	22	21	22
Prog/Dem	2	2	1
Rep	6	7	7



Party	2023-2024	Seat change
Progressive/Dem	1	0
Democrat	22	0
Republican	7	0

Senate Changes

- 10 new Senators
- 1 new Pro-Tem
- 3 new Chairs (minimum): Commerce; Gov Ops; Institutions
- Notable winners:
 - Republicans sweep Rutland – Brian Collamore, Terri Williams, Dave Weeks
 - Mark MacDonald, D-Orange
 - Irene Wrenner, D-Chit.North
- Notable defeats:
 - Leland Morgan, R-Chit.North –



House Changes

- 49 new House members
- 9 new Chairs (minimum)
- Notable winners:
 - Rutland area –
Robin Chesnut-Tangerman, D-Middletown Springs,
Jarrod Sammis, R-Castleton,
Paul Clifford, R-Rutland City,
Eric Maguire, R-Rutland City.
 - Mike McCarthy, D-St Albans
 - Rebecca Holcombe, D-Thetford
- Notable defeats:
Vicki Strong, R-Albany to Katherine Sims, D-Craftsbury



Committees needing new Chair:

- Appropriations
- Ways and Means
- Agriculture and Forestry
- Judiciary
- Health Care
- Human Services
- Gov Ops
- Education
- Energy & Technology

Impact of elections

- The House Dems have a veto-proof majority
Big win for redistricting
- How productive will legislature be?
(with so many new members)
- Influence of Progressives?
“Resistance is futile”

Gov. Scott is the only GOP game in town...

- Out of 8 Statewide Races..
..Democrats won 7.
- For down-ticket races-Treasurer, SOS, Auditor and AG-losing GOP candidates were at ~32%.
- R's have no statewide candidates in the wings.



... whereas Democrats have a deep bench.

- Mike Pieciak
- Jill Krowinski
- Keshia Ram
- Molly Gray
- Kitty Toll
- Alison Clarkson
- Sarah Copeland-Hanzas
- David Zuckerman



2023 Legislative Issues

- **Housing**
Local zoning/permitting bill
- **Workforce Development**
 - Programs from 2022 need to come online and start delivering.
 - Need Housing
- **Early Childcare**
Awaiting details of RAND Corp. study that will look at economic impacts and potential funding mechanisms. Report due Jan 15, 2023.

2023 Legislative Issues (continued)

- Paid Family Leave
- Universal School Lunch
- Clean Heat Standard
- Income Based Education Tax
- Act 250 / Local Zoning & Permitting
- Potential changes to VEGI
Vermont Employment Growth Incentive program.

Scott Administration Priorities

On Message..

Affordability - Control spending and taxes

Grow the economy

Protect the most vulnerable

Housing

Workforce Development





Policy Committee Meeting Minutes | Friday, December 9th, 2022 | Via Zoom

Present: Ray Ault, Doug Babbitt, Jennifer Scott, Lyle Jepson, Tyler Richardson

The meeting was called to order at 12:02 p.m.

Policy Committee Statement

The committee reviewed, discussed, and revised the 2023 Policy Committee Statement (attached as a part of these minutes).

2023 Legislative Breakfast – January 30th, 2023

We are scheduled to hold our first Legislative Breakfast at Southside Steakhouse at 7:30am on Monday, January 30th. We hope to have the Governor in attendance. We have the delegation in place to attend and we will begin advertising the event next week.

Old Business

None.

New Business

None.

Adjournment at 12:58 p.m.



2023 Policy Committee Statement

Our Mission

The mission of the Chamber & Economic Development of the Rutland Region is to use collaboration, creativity, and ingenuity to create a regional economic climate conducive to business growth by recruiting talent and businesses of all kinds, growing and retaining employers, while creating a bridge to community and cultural organizations which promote healthy and vibrant neighborhoods and enhance the quality of life in Rutland County.

Goal – To grow the Rutland County Population

The Public Policy Committee of the Chamber & Economic Development of the Rutland Region supports the following initiatives with the belief that our Vermont families and citizens will benefit from the growth and broadening of the tax base. We believe that population growth and business growth are co-dependent. We must attract new neighbors and we must create an environment that retains those who are already our neighbors. This can occur because of specific actions that include supporting business growth and development, as well as actions that support families and the members of those families who bring with them the skill and energy powering our businesses.

We will be a community where similarities and differences are respected and celebrated with the goal of equal advancement of opportunity within the regional economy. The CEDRR Board recognizes that cultural diversity plays a key role in economic growth, as people from diverse backgrounds bring language skills, unique experiences, new ways of thinking, innovative ideas, and creative solutions to difficult problems. The CEDRR Board condemns racism and welcomes all persons, regardless of race, color, religion, national origin, sex, gender identity or expression, age, or disability, and supports the protection of these classes. As an organization, we condemn discrimination in all its forms and commit to fair and equal treatment of everyone in the communities we serve.

We support prioritizing the following quality of life and economic development incentives and actions:

Livable Communities

1. Livable wages and benefits for essential workers, including teachers and childcare workers
2. Support to regional entities for marketing and revitalizing their communities

Economic & Population Growth

3. Retain current and attract new population/s by reducing the overall tax burden on residents, including eliminating taxation on social security and retirement benefits for military, emergency services, and other public safety personnel
4. Grow our downtowns, village centers, and rural communities with Project-based economic development (Project-based TIFs)
5. Eliminate obstacles to timely, efficient, and transparent zoning and permitting processes



6. Adjust and modernize regulatory and financial policies allowing Vermont businesses to maintain a competitive edge with other states

Protecting Vulnerable Populations

7. Help businesses adapt and adjust to the realities of the new economy by increasing RDC resources to fund capacity building in each region for activities and programs that address the needs of the most vulnerable among us, such as BIPOC, LGBTQ+, those living in poverty, the unhoused, those with SUD/OD, immigrants, refugees, and new Americans, and the aging

Affordable Quality Housing

8. Incentivize private-public partnerships to increase affordable quality housing options
9. Waive ACT 250 requirements for workforce housing planning for state-designated areas through changes such as municipal pre-approval provisions

Workforce Development

10. Provide financial resources to promote Career & Technical Education as a viable career pathway, encouraging alternative delivery models to improve student access
11. Encourage student enrollment in Vermont public higher education in high-need careers such as medical/nursing, dental, behavioral health, home- and community-based service, and substance use disorder/opioid use disorder treatment and recovery
12. Invest in faculty and supervisors to increase capacity in new and existing academic programs, internships, apprenticeships, and other training programs
13. Enhance funding for the Vermont Training Program to support employers with options for growing their employment base and training employees
14. Increase workforce participation from non-working, working-age populations by finding mutual benefits between receiving state support and workforce participation



DEI Committee
Minutes from Friday, November 18th 12:00-1:00pm
In Person at the Hub CoWorks 67 Merchants Row, Rutland

Present: Heather Starzynski, Jeanette Langston, Daniel Mora, Olivia Lyons, Lyle Jepson

The group introduced themselves, their interest in the committee and any current work that they are undertaking in the DEI realm. In particular, it will be good to involve Jeanette's Social Tinkering JEDI work [found at this link](#).

Lyle reviewed how the DEI committee came about and how the committee's work has evolved to include a strategy and goals, copies of which were distributed. In particular, the committee's work to survey the CEDRR Board and create a skills and demographic needs assessment was discussed. The committee's work led to a comprehensive strategy for choosing new members of the Board, three of whom were recently added at the Annual Meeting, including Daniel.

Following discussion, it was agreed that members will review the Strategy and Strategic Plan documents (attached) with the goal of picking the next action step. This may include inviting Mia Schultz from the NAACP to a meeting to discuss collaborative activities.

The next meeting of the DEI committee will take place on Friday, December 16th from 11:00am-12:00noon and will take place at the Hub CoWorks at 67 Merchants Row, Rutland.

Agenda for Friday, December 16th 11:00am-12:00noon

Pick top three next steps/actions that the DEI committee will undertake

1. Examples
 - Content generation for the bi-monthly newsletter
 - Create a plan for artwork in the Hub CoWorks
 - Review upcoming CEDRR events list with an eye to DEI
 - Engage with the NAACP to support their upcoming events
 - Etc.
2. Other
3. Set next meeting time

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DEI Committee
Minutes from Friday, December 16th 11:00am-12:00pm
Via Zoom

Present: Shana Louiselle, Jeanette Langston, Olivia Lyons, Lyle Jepson, Chrispin White, Daniel Mora, Raven Crispino, Thomas Franco, Bill Moore, Heather Starzynski

The meeting was called to order at 11:04am

A CEDRR Mixer is planned for January 10th, 2023 at the CU Bank Museum. CEDRR will hold a Mixer with Castleton University to support the LGBTQ+ historical perspective exhibit that is on display. Oliver Shemm, CU Art Director, will help to organize it. The new VT State College President may be present, as well. CU will provide the food, drink and program.

Raising awareness is necessary. Jeanette is interested in speaking about current and upcoming activities. Chrispin will connect with William Mills at the Pride Center to see if there can be joint messaging.

Olivia will use the CEDRR first Thursday monthly Rutland Herald column to highlight the efforts of the DEI committee and upcoming Mixer. Olivia will write the blog and send it to the group and ask for edits. The article will serve as an invitation to join CEDRR at the Mixer. Olivia would like the committee to say something in the column. Jeanette suggested getting a quote from the LGBTQ community. She will connect with Olivia and William Mills. Daniel suggested his interest in supporting the process with a Spanish language translation.

Jeanette – will push it out to the LGBTQ+ community. Olivia will follow the process that CEDRR uses to encourage participation.

Thomas asked about the “end goal” and who we want to have attend. What is the purpose, which will help focus the marketing?

Shana – Mission is to have CEDRR “walk the walk”. CEDRR wants to make a statement that Mixers are a welcoming space for all.

Jeanette will ensure that Rutland County Pride and the Spectrum group CU are invited. She will also reach out to teacher advisors in the public school system.

Heather explained her perception of the difference between “allyship” and being an “accomplice”. Allyship is the intent and accomplice is taking the step to “action”; to walk side by side.

It was agreed that the group will meet from 11:00am-12:00noon on the third Friday of each month by Zoom. Lyle will send out a recurring Zoom link for the next six-months.

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Next Meeting: Friday, January 20th 11:00am-12:00noon.

Agenda

1. Focus on being an “accomplice”. What does action look like? Examples may include:
 - Review upcoming CEDRR events list with an eye to DEI
 - Content generation for the bi-monthly newsletter
 - Create a plan for artwork in the Hub CoWorks
 - Engage with the NAACP to support their upcoming events
2. Other