

**Big Sky EDA/EDC
Executive Committee Agenda
April 5, 2023
7:00 AM to 9:00 AM
Venture Conference Room (Lower Level BSED Building)**

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members EDC –Kim Jakub, Andy Gott, Nick Pancheau, Ann Kosempa, Jen Kobza
EDA –Judi Powers, Riley Bennett, Debbie Desjarlais, Ken Lutton, George Warmer

7:00 A.M.— Call to Order – Judi Powers , EDA Chair

Public Comments/Board Member and Staff Announcements

Agenda Changes

REGULAR AGENDA

- A. Approval of EDA/EDC Minutes**
- March 1, 2023 Ex. Committee Meeting (Attachment A) (Action)
- B. Approval of EDA/EDC Financials—Tami**
- Approve EDA/EDC January 2023 Financials (Attachment B) (Action)
- Plans for Budget Workshop – May 3, 2023 (Info)
- Federal Funds Recipient Policy Handbook-Dianne/Tami (Attachment C) (Info)
- C. Executive Director Report--Steve**
- Re-Org/Staffing Update (Info)
- Board Planning Draft Agenda/Objectives (Handout) (Info)
- Strategic Priorities
 • Update Comprehensive Plan for Parks, Trails, and Rec. (Info)
- D. Program Action Items/Reports**
1. Legislative Update—Allison (Handout) (Info)
2. Community Development—Tree Equity Grant—Thom/Dianne (Attachment D) (Action)

Consideration of Executive Session (as needed)

Public Comment

Adjourn

Next Executive Committee Meeting – May 3 (7:00 A.M. to 9:00 A.M.) Location-Venture Conference Room, BSED Building). *Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 406-256-6871.*



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT A

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
March 1, 2023 – 7:00A.M. to 9:00 A.M.
Venture Conference Room (Lower Level BSED Building)

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members Present: **EDA** – George Warmer, Ken Lutton, Riley Bennett
 EDC – Ann Kosempa, Andy Gott, Kim Jakub, Nick Pancheau, Jen Kobza

Committee Members Absent: **EDA** – Debbie Desjarlais, Judi Powers
 EDC – None

Staff and Others Present: Allison Corbyn, Dianne Lehm, Lorene Hinz, Sarah Myhre, Steve Arveschoug,
 Tami Fleetwood

Call to Order:
Kim Jakub, EDC Chair, called the meeting to order at 7:00 A.M.

Public Comment/Introductions
None

Agenda Changes for Today's Meeting:
Allison's Program Report on Recruitment Projects and Legislative Update will be moved to the beginning of the agenda.

Lorene will be added to Program Action Items/Reports to present two Big Sky Trust Fund items to the Executive Committee for consideration and forward to the full Board.

REGULAR AGENDA

Approval of February 1, 2023 Executive Committee Meeting Minutes

Motion: Ken Lutton to approve the February 1, 2023, Executive Committee Meeting Minutes, as presented to the Executive Committee.
Second: Jen Kobza
Discussion: None
Motion: Carried

Approval of EDA/EDC Financials-Tami/Steve

Approval of November/December Financials

Tami presented the 2022 November/December EDA and EDC financials to the Executive Committee. On the EDA balance sheet, current assets decreased at the end of December. The fluctuation in assets is attributed in part to a decrease in total receivables and large expenses related to the BSTSP project. Accounts receivable consist of U.S. EDA, PTAC, and SBDC. Due to/Due from EDC totaled approximately \$189,600 at the end of December and consists of the October, November and December amounts due from EDC. Fixed assets continued to increase with the building project.

On the Statement of Revenue and Expenses, revenue is \$91,000 under budget for the first six months of the fiscal year. Most expenses remained under budget through the first six months of the fiscal year including salaries and wages and travel/training. Marketing expenses were slightly over budget and professional fees were under budget.

On the EDC Balance Sheet, current assets increased. Accounts receivable decreased and consist of Capital Campaign pledges and Member Investor pledges. The RLF portfolio totaled \$217,000, the SSBCI portfolio totaled \$819,000, the Stabilization Loan portfolio totaled \$29,000, and the Federal EDA RLF Portfolio totaled \$649,000.

On the EDC Statement of Revenue and Expenses, the 504-loan servicing revenue is slightly below budget. Most expenses were under budget for the first six months of the fiscal year.

Motion: Jen Kobza to approve the November/December financials as presented to the Executive Committee and forward to the Board.

Second: George Warmer

Discussion: None

Motion: Carried

Program Action Items/Reports

Recruitment Projects-Allison

Air Service Taskforce-Federal Grant Application/Matching Funds

Allison shared with the Executive Committee an Air Service Recruitment Update. Allison reviewed some challenges and opportunities in relation to Air Service in Billings. Allison shared a presentation on enplanement and air service trends. Allison answered the Executive Committee's questions regarding these topics. Allison shared that there is approximately 9% leakage from the Billings airport to the Bozeman airport. Traditionally leakage has been in the 2-3% range. Allison reviewed market trends and how this impacts the Billings market. Allison then reviewed the Small Community Air Service Development (SCASD) Grant Application. In 2017, the grant was used to attract American Airlines. With the SCASD, the community is responsible for raising a match for the funding. Within the next 30 days, the grant will open again, and we need to decide if we want to move forward. The process includes selecting a market, then businesses and airlines provide a letter of support, and a local match requirement is determined. With the match, a reasonable amount that can be attained must be determined and then contract negotiations begin. Currently the LA Basin is one of the top underserved destinations.

This is not an action item, but the Executive Committee agreed that it is reasonable to continue to move forward toward the SCASD grant application. The Executive Committee agreed that they are aligned in concept to support the SCASD Grant Application once better defined, specifically the dollar amount for the match.

Legislative Update-Allison

Allison shared a legislative update including desired outcomes, strategies, next steps, and legislation on the following 2023 Legislative Priorities: Workforce, Pro-Business Climate, Accelerate Entrepreneurship, Business Attraction, Housing, Education, and Health.

Big Sky Trust Fund-Lorene

Lorene is seeking approval from the Executive Committee for Big Sky Economic Development to apply for the Job Creation Grant on behalf of DSoft Technology Company in the amount of \$30,000 to create six jobs and forward to the Board. The application deadline is March 15th.

Motion: Riley Bennet to approve application for the \$30,000 Job Creation Grant for DSoft Technology Company as presented to the Executive Committee and forward to the Board.

Second: George Warmer

Discussion: None

Motion: Carried

Executive Director Report-Steve

Vacant Board Seats (2 on EDC)-Next Steps

Steve shared with the Executive Committee that there are two vacant EDC Board seats. Steve reviewed the process for filling these vacancies. Steve shared that Nicole Bengé has provided a referral to fill her upcoming vacancy. There is currently a vacancy to be filled by a Billings Clinic and the Clinic will provide a recommendation in the near future. Steve will utilize the Nominating Committee to provide confirmation on the open EDC positions and then forward to the Board. The Executive Committee shared that, Nicole Bengé's recommendation, Molly Schwend would be a good fit for the Board.

Board Planning Session-Mark your Calendars- April 13th, 7:30AM to 12:30PM

Steve shared with the Executive Committee that the Board Planning Session will be held on April 13th. The format would include a brief Board meeting from 7:30am to 8:30am followed by Board Planning from 8:30am to 12:30pm with a wrap-up lunch to conclude the planning session. Steve asked the Executive Committee to consider our objectives. Steve will electronically share what he believes to be BSED's objectives and then send to the Executive Committee for review which form the basis for the agenda.

Re-Org/Staffing Update

Steve updated the Executive Committee on re-organization/staffing. Today is Patrick's first day in his new role as Senior Director of Economic Development Programs. The Senior Director of Big Sky Finance position has been filled by Tami. The Senior Director of Engagement will be filled soon and Steve is currently working on a scope of work. We have received many applications for the Senior Director of Recruitment and Community Development. We will then look to fill the Project Support Specialist role for Community Development. Steve anticipates initiating the interview process next week. Interviews will also likely start next week for the VBOC Director. Patrick will lead the interview committee for the VBOC Director. A search is also underway for an Operations Support Specialist. A search for a Business Development Officer for Big Sky Finance will likely launch the week of the 13th of March. Finally, near the first part of April we will launch our Rock31 Program Director search.

Parks/Trails/Rec Comprehensive Funding/Development Plan-Update

The Parks, Rec, and Trails Funding Package Workgroup is still meeting approximately every other Friday to finish putting together a package for Council to decide what the mill levy and bond would look like to fund these initiatives. The City Council Planning Retreat March 31st-April 1st at the BSED office. Steve encouraged the Executive Committee to participate if able for portions of the retreat.

Executive Session:

None

Public Comment:

None

Adjourn:

Kim Jakub adjourned the meeting at 8:51 A.M.

Next Meeting –April 5, 2023



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT B

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2023

	Jan 23	Budget	\$ Over Budget	Jul '22 - Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
County Taxes Mill Levy Revenue	\$ (98)	\$ -	\$ (98)	\$ 1,336,608	\$ 1,365,620	\$ (29,012)	\$ 1,365,620
Entitlement	-	-	-	127,701	124,378	3,323	248,756
Health Ins Mill Levy Revenue	7,155	8,966	(1,811)	51,675	62,761	(11,086)	107,590
Recovery of Protested Taxes	-	-	-	1,223	-	-	-
Department of Defense	49,401	54,401	(5,000)	373,582	380,805	(7,223)	652,809
EDC Reimbursement	47,584	60,077	(12,493)	437,259	420,539	16,720	720,924
EPA - Brownfields	-	13,889	(13,889)	4,730	97,222	(92,492)	166,667
PTAC Advisor Agreement Support	3,000	-	-	18,000	-	-	-
SBA/MT Dept of Commerce	11,250	13,542	(2,292)	102,552	94,792	7,760	162,500
VBOC	23,855	25,000	(1,145)	170,452	175,000	(4,548)	300,000
Rock31 Membership Revenue	6,627	5,052	1,575	29,894	20,460	9,434	45,720
Rock31 Room Rental Revenue	403	-	-	2,048	-	-	-
Rock31 Barista Rent Revenue	-	765	(765)	-	3,825	(3,825)	7,650
Grant Administration	28,574	417	28,157	46,290	2,917	43,373	5,000
Miscellaneous Revenue	-	-	-	4,138	4,470	(332)	4,470
Total Income	177,751	182,109	(4,358)	2,706,152	2,752,789	(46,637)	3,787,706
Gross Profit	177,751	182,109	(4,358)	2,706,152	2,752,789	(46,637)	3,787,706
Expense							
Salaries/Wages	126,429	148,898	(22,469)	972,051	1,042,287	(70,236)	1,786,778
Employer Contributions	44,761	47,385	(2,624)	309,275	331,694	(22,419)	568,619
Advertising	-	80	(80)	1,414	315	1,099	473
Barista Supplies	-	-	-	2,961	-	-	-
Building Operations/Maintenance	5,896	8,554	(2,658)	36,057	59,879	(23,822)	102,650
Contingency	-	5,000	(5,000)	-	35,000	(35,000)	60,000
Community Development Projects	-	-	-	7,946	-	7,946	35,000
Dues and Subscriptions	8,670	3,368	5,302	41,684	49,525	(7,841)	72,038
Event Expense	549	833	(284)	3,221	5,833	(2,612)	10,000
Insurance	3,902	2,672	1,230	24,690	22,279	2,411	35,639
Marketing	2,106	7,520	(5,414)	54,701	52,643	2,058	90,245
Office Equipment	1,157	2,000	(843)	4,700	6,500	(1,800)	10,000
Office Expense	1,896	2,042	(146)	36,032	15,493	20,539	25,701
Professional Fees	1,000	17,321	(16,321)	69,790	172,845	(103,055)	271,267
Property Tax Protests	(155)	-	(155)	12,320	34,141	(21,821)	34,141
PTAC Subcenter	26,791	37,233	(10,442)	205,137	260,631	(55,494)	446,796
Rent	1,050	-	1,050	24,307	1,300	23,007	2,100
Repairs	2,230	833	1,397	2,706	5,833	(3,127)	10,000
Special Assessments BID	-	-	-	1,900	1,900	-	3,800
Sponsorships	-	417	(417)	-	2,917	(2,917)	5,000
Staff/Board Expenses	450	-	450	578	-	578	-
Strategic Priorities	-	1,250	(1,250)	-	8,750	(8,750)	15,000
Suspense	121	-	-	(57)	-	-	-
TEDD	-	-	-	18	1,000	(982)	2,000

Big Sky EDA
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2023

	Jan 23	Budget	\$ Over Budget	Jul '22 - Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Other Income/Expense							
Other Income							
Non-Operating Income							
Capital Campaign	-			100			
Contribution Revenue	-	-	-	60,300	-	60,300	-
Interest Income	2,109	1,022	1,087	5,843	7,157	(1,314)	12,269
Total Non-Operating Income	2,109	1,022	1,087	66,243	7,157	59,086	12,269
Total Other Income	2,109	1,022	1,087	66,243	7,157	59,086	12,269
Other Expense							
Non-Operating Expense							
Amortization Expense	110			751			
Depreciation Expense	20,602	18,820	1,782	113,609	131,737	(18,128)	225,835
Interest Expense	63			461			
Relocation/BSTSP Transformation	-	-	-	13,208	73,710	(60,502)	73,710
Total Non-Operating Expense	20,775	18,820	1,955	128,029	205,447	(77,418)	299,545
Total Other Expense	20,775	18,820	1,955	128,029	205,447	(77,418)	299,545
Net Other Income	(18,666)	(17,798)	(868)	(61,786)	(198,290)	136,504	(287,276)
Net Income	\$ (73,775)	\$ (137,327)	\$ 63,552	\$ 746,517	\$ 325,827	\$ 420,690	\$ (263,230)

Big Sky Economic Development Corporation
Financial Report for the Board of Directors
April 5, 2023

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of January 31, 2023. Also included are statements of revenue and expenses for the month of January 2023 and the fiscal year to date as compared to budget.

Balance Sheet

Current assets totaled approximately \$1,715,000 at the end of January, an increase from approximately \$1,638,000 at the end of December. Accounts receivable increased from approximately \$107,000 to \$169,000. Accounts receivable consists of Capital Campaign pledges for the new building that carried over from FY22 (\$62,000), Member Investor pledges for FY22 (\$15,500), and Member Investor pledges for FY23 (\$51,500).

Other assets consist of Big Sky Finance loan portfolios. The portfolios are reported in the balance sheet with the current portion included in other current assets and the balance extending beyond a the fiscal year reported as other assets. The total RLF portfolio was \$215,000, the total SSBCI portfolio was \$815,000, the total Stabilization Loan portfolio was \$26,000, and the total Federal EDA RLF portfolio was \$644,000.

Accounts payable totaled approximately \$113,000 at the end of January. Due to/Due from EDA totaled approximately \$138,000 and represents the amount owed to EDA from EDC for November, December, and January reimbursements.

Statement of Revenue and Expenses

Loan origination revenue totaled approximately \$64,000 through January and was below budget by about \$70,000. The 504 loan servicing revenue is slightly below budget by approximately \$1,200 for the fiscal year to date and totaled approximately \$231,000 through January. Member investor revenue totaled approximately \$177,000, which was below budget by about \$34,000. Grant administration revenue for Big Sky EDC has not been recognized yet in FY23. Grant administration revenue will be derived from the administration of the Federal EDA RLF grant.

The Federal EDA RLF draw resulted in approximately \$172,000 in income related to the grant for the loan funds received. These funds are presented in the non-operating income/expense section of the income statement. Donation income/pledges during FY23 for the Big Sky to Sky Point Project are also presented as non-operating income and total approximately \$41,000 through January.

Most expenses remained under budget for the fiscal year to date through January. EDA Reimbursement was about \$17,000 more than budget. Marketing expenses were about \$8,000 over budget. A primary reason for this is due to increased expenses incurred for the move into the new building and hosting meetings.

For the first 7 months of the fiscal year, Big Sky EDC recognized net revenue of approximately \$114,000 compared to budgeted net income of about \$24,000 for the same period. When excluding non-operating revenues/expenses (Big Sky to Sky Point Pledges and Federal EDA RLF Grant funds), Big Sky EDC recognized net operating loss of approximately \$100,000 compared to budgeted net operating revenue of \$14,000).

Big Sky Economic Development Corporation
Balance Sheet Prev Year Comparison
As of January 31, 2023

	Jan 31, 23	Jan 31, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
FIB x7262-EDC Main Operating	\$ 102,479	\$ 136,540	\$ (34,061)	(25%)
FIB - Long Term Reserve	250,000	250,000	-	0%
FIB x0222-OF/406 Impact	60,910	60,896	14	0%
FIB x0594-Coulson Park	76,546	76,528	18	0%
FIB x2242-Federal EDA RLF	213,094	193,960	19,134	10%
FIB - RLF	281,285	251,257	30,028	12%
FIB/Stockman - SSBCI Principal	473,177	978,676	(505,499)	(52%)
Total Checking/Savings	<u>1,457,491</u>	<u>1,947,857</u>	<u>(490,366)</u>	<u>(25%)</u>
Accounts Receivable				
Pledges Receivable	62,000	53,900	8,100	15%
Accounts Receivable	107,250	52,092	55,158	106%
Total Accounts Receivable	<u>169,250</u>	<u>105,992</u>	<u>63,258</u>	<u>60%</u>
Other Current Assets				
Prepaid Expenses	2,545	2,471	74	3%
Undeposited Funds	-	1,000	(1,000)	(100%)
Fed EDA RLF Portfolio - Current	33,422	99,796	(66,374)	(67%)
Stabilization Loans - Current	18,655	18,286	369	2%
RLF Portfolio - Current	13,953	15,493	(1,540)	(10%)
SSBCI Portfolio - Current	19,570	15,560	4,010	26%
Total Other Current Assets	<u>88,145</u>	<u>152,606</u>	<u>(64,461)</u>	<u>(42%)</u>
Total Current Assets	<u>1,714,886</u>	<u>2,206,455</u>	<u>(491,569)</u>	<u>(22%)</u>
Other Assets				
Fed EDA RLF - Non-Current	610,555	-	610,555	100%
Stabilization - Non-Current	7,506	52,018	(44,512)	(86%)
RLF Portfolio - Non-Current	200,949	225,131	(24,182)	(11%)
SSBCI Portfolio - Non-Current	795,368	588,055	207,313	35%
Allowance for Loan Losses	(23,856)	(21,626)	(2,230)	(10%)
Total Other Assets	<u>1,590,522</u>	<u>843,578</u>	<u>746,944</u>	<u>89%</u>
TOTAL ASSETS	<u><u>\$ 3,305,408</u></u>	<u><u>\$ 3,050,033</u></u>	<u><u>\$ 255,375</u></u>	<u><u>8%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	\$ 105,480	\$ 9,521	\$ 95,959	1,008%
Credit Cards	7,922	4,103	3,819	93%
Other Current Liabilities				
Accrued Expenses	44	13,109	(13,065)	(100%)
Deferred 504 Revenue	-	51,450	(51,450)	(100%)
Due to/Due From EDA	138,087	50,280	87,807	175%
Total Other Current Liabilities	<u>138,131</u>	<u>114,839</u>	<u>23,292</u>	<u>20%</u>
Total Current Liabilities	<u>251,533</u>	<u>128,463</u>	<u>123,070</u>	<u>96%</u>
Total Liabilities	251,533	128,463	123,070	96%
Equity				
Retained Earnings	2,939,820	2,870,030	69,790	2%
Net Income	114,055	51,540	62,515	121%
Total Equity	<u>3,053,875</u>	<u>2,921,570</u>	<u>132,305</u>	<u>5%</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 3,305,408</u></u>	<u><u>\$ 3,050,033</u></u>	<u><u>\$ 255,375</u></u>	<u><u>8%</u></u>

Big Sky Economic Development Corporation
Statements of Operations-Actual vs Budget
For the Month and YTD Ended January 31, 2023

	Jan 23	Budget	\$ Over Budget	Jul '22 - Jan 23	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
504 Loan Origination	\$ -	\$ 19,167	\$ (19,167)	\$ 63,517	\$ 134,167	\$ (70,650)	\$ 230,000
504 Loan Servicing	33,462	33,050	412	230,115	231,353	(1,238)	396,605
Float Income	-	-	-	23,889	5,000	18,889	10,000
Member Investment	65,250	70,500	(5,250)	177,171	211,500	(34,329)	282,000
RLF Business Loan Interest	1,037	1,300	(263)	7,992	9,100	(1,108)	15,600
Stabilization Loan Interest	50	50	-	478	478	-	634
SSBCI Revenue	2,333	1,500	833	15,847	10,500	5,347	18,000
Grant Administration	-	4,167	(4,167)	-	29,167	(29,167)	50,000
Donation Income	-	-	-	600	-	-	-
Miscellaneous Income	4,498	1,969	2,529	34,913	13,783	21,130	38,628
Total Income	106,630	131,703	(25,073)	554,522	645,048	(90,526)	1,041,467
Gross Profit	106,630	131,703	(25,073)	554,522	645,048	(90,526)	1,041,467
Expense							
Business Accelerator	-	833	(833)	-	5,833	(5,833)	10,000
Business Recruitment	-	1,250	(1,250)	2,563	8,750	(6,187)	15,000
Contingency	-	833	(833)	-	5,833	(5,833)	10,000
Contribution Expense	-	-	-	53,300	-	-	-
Dues and Subscriptions	2,040	480	1,560	12,845	15,777	(2,932)	21,667
EDA Reimbursement	47,584	60,077	(12,493)	437,259	420,539	16,720	720,924
Events/Meetings	2,406	4,767	(2,361)	15,679	18,767	(3,088)	37,500
Insurance	881	921	(40)	6,172	7,647	(1,475)	12,250
Investment in Economic Activity	-	-	-	-	-	-	2,500
Loan Expenses	1,488	1,000	488	13,168	7,000	6,168	12,000
Marketing	3,750	2,625	1,125	26,997	18,775	8,222	32,578
Membership Development	174	1,100	(926)	1,303	7,700	(6,397)	13,200
Office Supplies	752	200	552	6,938	1,600	5,338	2,600
Postage	35	70	(35)	1,156	490	666	840
Professional Fees	-	9,533	(9,533)	33,604	68,183	(34,579)	89,850
R31 Outreach	-	-	-	1,715	-	1,715	-
Rent	416	340	76	2,994	5,111	(2,117)	6,809
Sponsorships	700	2,000	(1,300)	3,580	2,000	1,580	7,000
Staff/Board Expenses	318	567	(249)	7,273	3,967	3,306	13,650
Telephone	395	695	(300)	2,765	4,813	(2,048)	8,286
Travel & Training	6,102	1,575	4,527	23,090	26,928	(3,838)	36,798
Miscellaneous	(28)	207	(235)	1,696	1,625	71	2,661
Total Expense	67,013	89,073	(22,060)	654,097	631,338	22,759	1,056,113
Net Ordinary Income	39,617	42,630	(3,013)	(99,575)	13,710	(113,285)	(14,646)
Other Income/Expense							
Other Income							
Non-Operating Income							
BSTSP	0	-	-	41,000	-	-	-
Federal EDA RLF	1,385	-	-	171,577	-	-	-
Interest Income	182	1,500	(1,318)	1,053	10,500	(9,447)	18,000
Total Non-Operating Income	1,567	1,500	67	213,630	10,500	203,130	18,000
Total Other Income	-	-	-	-	-	-	-
Net Other Income	1,567	1,500	67	213,630	10,500	203,130	18,000
Net Income	\$ 41,184	\$ 44,130	\$ (2,946)	\$ 114,055	\$ 24,210	\$ 89,845	\$ 3,354



BIG SKY
ECONOMIC DEVELOPMENT

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ATTACHMENT C

- Recording grant receivables, accrued income/expenditures and deferred income in BSED's financial system at year end.
- Providing technical assistance to departments in preparing grant applications, submitting reports and maintaining grant files, including the development of any custom accounting reports required to effectively administer the grant.
- Maintaining the general ledger, assigning account numbers, processing budgetary and financial entries, providing assistance to departments in reconciling subsidiary ledgers maintained outside the financial system to control accounts, and closing the general ledger at fiscal yearend.
- Facilitating the carryover of remaining budget balances into the new fiscal year when applicable.

Accounting Policy

BSED will comply with Federal grant accounting policies.

Including:

- Provide complete disclosure of financial results via SF 272 or SF 269
- Identify source and application of funds
- Compare actuals to budgeted amounts
- Procedures to determine reasonableness, allocability and allowability of costs (per FAR 31.201-Acquisition.gov)
- Records supported by source documents
- Maintain adequate bonding and insurance
- Payment of consultants for federal grants should not exceed SES Level-4
- Cash advances are limited to amount needed
- Must be able to account for the receipt, obligation, and expenditure of funds
- Maintain advances in interest bearing accounts, or as governed by BSED Deposit/Investment Policy
- Cost sharing shall be verifiable (2 CFR 200.306)
- Volunteer services can be used (at their regular rate or comparable rate in grantees organization) along with fringes, no indirect costs though
- Volunteer services shall be documented in same manner as grantee's employees
- Budgets should show all costs for Federal & non-Federal (2 CFR 200.308)
- Grantees required to report budget deviations
- Annual A-133 (Single Audits) are obtained when receiving more than \$750,000 of Federal funds in accordance with 2 CFR 200.501

Drawing Federal Funds

The Senior Financial Officer is authorized to request payment from the Federal government for grant awards. The Program Director verifies that the requests and payments are accurate and approves the drawdown. Supporting documents are required for the draw of funds and for issuing payments. Drawdown of funds occur on an as needed basis immediately following payment of invoices from consultants and the organization minimizes the time elapsing between the drawdown of funds and disbursement. Funds will be expended within 5 business days of the draw. The organization complies with federal provisions for minimizing the time elapsing between the drawdown of funds and disbursement by operating its federal grant awards on a reimbursement basis. The timing and amount of cash advances shall be as close as administratively feasible to the actual disbursements by the recipient for direct project costs and the proportionate share of allowed indirect costs. This practice ensures that no federal funds are drawn down in advance of actual expenditures.

BSED and subrecipients will ensure that agency funds are not commingled with funds from other Federal or private agencies. Therefore,

- BSED and subrecipients will account for each award separately.
- BSED and subrecipients are prohibited from commingling funds on either a program-by-program or project-by-project basis.
- Funds specifically budgeted and/or received for one project may not be used to support another

General Standards – Reasonable, Allocable, and Allowable

The Federal Office of Management and Budget (Federal OMB) has established standards that must be met to charge a cost to a federal grant award. These standards are presented below in the form of a checklist for reference by staff involved in the financial management of such awards. As a general rule, all of the items on the checklist must be met for a cost to be charged to a federal award.

Costs are:

- Consistent with the project budget approved by the awarding agency
- Not being counted as cost sharing or matching on another federal grant award
- Consistent with policies and procedures that apply uniformly to activities, whether federally sponsored or not
- Adequately documented with supporting source documents

Costs are **Reasonable** when:

- It does not exceed what a prudent person would pay under the circumstances
- It is generally recognized as an ordinary and necessary expense for the type of project being conducted
- Reflects market prices for comparable goods or services for the geographical area
- It is consistent with the organization's established practices, procedures, and/or policies for incurring such a cost

Costs are **Allowable** when they are:

- Not excluded by the Uniform Guidance
- Not excluded by the federal agency that funded the grant award
- Not excluded by the funding program or by the terms of the grant award

Cost are **Allocable** when:

- It is incurred specifically for the project to which it is being charged
- It clearly benefits the project and must be treated consistently in like circumstances
- It is divided across projects in a manner that reflects the proportional benefit in situations where the cost benefits two or more projects
- It is not being applied to use up surplus funds or to avoid a deficit on another sponsored project

Minimizing Time Between Receiving Federal Funds and Issuing Payments

Programmatic requests for payments are received in accounting and processed by the Senior Financial Officer via drawdown from the federal agency's payment system. After funds have been wired into the organization's bank account, accounts payable prepares the checks and submits them to the Executive Director or their

designee for review and approval. Within 3-5 business days of receipt of wire transfers, payments are disbursed to contractors and/or suppliers in accordance with federal regulations.

Section II. Personnel

Big Sky Economic Development's Personnel Policy Guide will be adhered to by all employees and apply to individuals working at BSED and those working with Federal funding. These administrative policies are subject to review and update to assure appropriate adherence to applicable state and federal laws and regulations.

WORKPLACE COMMITMENTS

Equal Employment Opportunity (EEO)

It is the policy of Big Sky Economic Development ("Big Sky Economic Development" or "the Organization" or "BSED") to provide equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, disability or genetics. In addition to federal law requirements, BSED complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including recruiting, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation and training.

Harassment/Nondiscrimination

Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based upon a person's protected status or any other characteristic protected by law. BSED will not tolerate harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment. Such harassment may include, for example, jokes about another person's protected status, kidding, teasing or practical jokes directed at a person based on his or her protected status. Such conduct is unacceptable and therefore prohibited, even if not unlawful in and of itself.

This policy applies to conduct occurring in the workplace and/or in other settings where BSED employees may be in connection with their work, such as business trips and business-related social events.

The prohibited conduct also includes:

- epithets, slurs, negative stereotyping, threatening, hostile, offensive or intimidating acts that are based on a person's protected status
- written or graphic material circulated within or posted within the workplace, on company time or using company equipment by email, phone (including voice messages), text messages, social networking sites, etc. that shows hostility toward a person or group because of their protected status.

Improper interference with the ability of BSED's employees to perform their job duties may result in discipline up to and including termination.

Sexual Harassment

Sexual harassment may include subtle and not so subtle behaviors, may be directed towards individuals of the same or different gender, and may include explicit sexual propositions, sexual innuendo, sexual banter, commentary about an individual's body, sexual prowess or sexual deficiencies, sexually oriented "kidding" or

"teasing;" "practical jokes," jokes about obscene printed or visual material; staring, leering or whistling; insulting or obscene comments or gestures and physical contact such as patting, pinching or brushing against another person's body.

Sexual harassment includes unwelcome verbal or physical conduct of a sexual nature when:

- Submission to the conduct is implicitly or explicitly made a term or condition of employment;
- Submission to or rejection of the conduct is used as the basis for an employment decision affecting the individual; or

The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Prohibited Sexual harassment also includes:

- Harassment directed toward a person because of gender
- Propositions or pressure to engage in sexual activity
- Sexual assault
- Display of magazines, books, or pictures with a sexual connotation
- Any harassing behavior, whether or not sexual in nature, directed toward a person because of the person's gender, including, but not limited to, hazing employees working in nontraditional work environments.

Reporting Procedure

All employees are responsible to help ensure that BSED avoids all forms of harassment, discrimination or retaliation in the workplace. Whenever possible, any person who is experiencing unwelcome conduct, of the type generally described above, should inform the person engaging in the conduct that it is unwelcome and request that it stop. Employees who believe they have been subjected to discrimination or harassment or have witnessed such behavior should *immediately* report this information to their Supervisor or the Executive Director.

Corrective Action

BSED will attempt to investigate all complaints of harassment, discrimination and retaliation thoroughly, to the fullest extent practicable. BSED will keep complaints and the terms of their resolution confidential; however, it cannot guarantee complete confidentiality to complete a thorough investigation. If an investigation confirms that a violation of this policy has occurred, BSED will take appropriate, corrective action including discipline up to and including discharge from employment.

Retaliation

Neither BSED, nor any of its employees, will retaliate against any applicant, witness, employee, or past employee for opposing unlawful discriminatory practices, reporting or assisting in making a harassment or discrimination complaint or cooperating in a harassment or discrimination investigation. Retaliation in any form is grounds for disciplinary action up to and including discharge.

Violence in the Workplace

Big Sky Economic Development strictly forbids acts or threats of violence (whether express or implied) in the workplace. Acts or threats of violence include conduct that is sufficiently severe, offensive, or intimidating to create a hostile, abusive, or intimidating work environment for one or several employees, either during or after working hours. Examples of workplace violence include, but are not limited to, the following:

- All threats or acts of violence occurring **on** Big Sky Economic Development's worksite regardless of the relationship between Big Sky Economic Development and the parties involved.
- All threats or acts of violence occurring **off** Big Sky Economic Development's worksite involving someone who is acting in the capacity of a representative of Big Sky Economic Development.

Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:

- Hitting or shoving an individual.
- Threatening an individual or his/her family, friends, associates, or property with harm.
- Intentional destruction or threats to destroy Big Sky Economic Development property.
- Harassing or threatening phone calls or electronic messages.
- Harassing surveillance or stalking (following or watching someone).
- Unauthorized possession or inappropriate use of firearms or weapons.
- Abusive or threatening language or gestures.
- Using angry and hostile tones, shouting, throwing things or slamming doors when displeased
- Berating staff and colleagues in front of others

Big Sky Economic Development's prohibition against harassment, threats and acts of violence applies to all persons involved in Big Sky Economic Development's operation, including but not limited to personnel, contract, and temporary workers and anyone else on BSED premises. Violations of this policy may lead to disciplinary action, up to and including termination and/or criminal prosecution action as appropriate. All BSED employees are responsible for notifying their Supervisor or Executive Director of any threats they have witnessed, received, or been told that another person has witnessed or received. Even without an actual threat, employees should also report any behavior they have witnessed which may be regarded as threatening or violent, when that behavior is job related or might be carried out on a company-controlled site or is connected to company employment.

Weapons

Possession of firearms, handguns, or any related items, weapons, or materials while on BSED business or while on BSED premises, or in a BSED owned or rented vehicle is prohibited. Any employee in violation of this policy will be subject to prompt disciplinary action, up to and including discharge.

Employee Safety

Big Sky Economic Development is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees. Any suspected unsafe conditions and all injuries that occur on the job must be reported immediately.

Reporting Accident or Injury

All employees are covered by Workers' Compensation Insurance that provides coverage and protection in accordance with the workers' compensation law. Any work-related accident or incident which occurs on the job, **no matter how minor**, must be reported immediately to your supervisor. Failure to report accidents is a serious matter as it may preclude an employee's coverage under Workers' Compensation Insurance.

The supervisor and employee will complete a First Report of Injury form as soon as possible, and ideally no later than 24 hours after the incident giving rise to the injury, even if there are no apparent injuries at the time. Employee Incident Report forms are available through designated Human Resources personnel and the Executive Director.

EMPLOYMENT RELATIONSHIP

Employee Classifications & Status

Each employee of Big Sky Economic Development is classified as either exempt or non-exempt from overtime pay requirements, depending on their job duties. An employee's exempt or non-exempt classification may be changed only upon written approval by the Executive Director.

Nonexempt

A nonexempt employee is subject to minimum wage and overtime pay requirements for hours worked over 40 in a workweek, in accordance with Federal and State Wage and Hour Laws.

Exempt

An exempt employee is classified as such if his/her job duties are exempt from overtime pay and/or minimum wage requirements as determined by Federal and State Wage and Hour Law definitions.

Full-Time

A Full-time employee is one who works an average of 40 or more hours per week on a regular basis.

Part-Time

A Part-time employee is one who works an average of less than 40 hours per week on a regular basis.

Temporary Employees

A temporary employee is one who is employed full-time or part-time for a specific job assignment or limited duration, or during certain periods of time depending upon the demand of work as determined by the Executive Director. A temporary employee is not eligible for any company provided benefits, regular employment status or requesting leaves of absence.

Employees should consult the Benefit Summary document for information regarding the classifications of employee's eligibility under the specific benefit program. Employees with questions about their employment classification or benefits eligibility should contact the Yellowstone County Human Resources, who functions in the capacity of an HR Director for the organization.

Probationary Employment Period

A probationary period is a "getting acquainted" time for both the employee and Big Sky Economic Development as an employer. During this probationary period, BSED will evaluate the employee's suitability for employment, and the employee can evaluate BSED as well. During the probationary period, either the employee or BSED may end the employment relationship at will at any time with or without cause or advanced notice. Probationary employees do not have access to the internal complaint process to appeal disciplinary action or discharge.

All employees will be on a probationary period for the first 180 days of their employment or re-employment during which time the Executive Director shall have the sole right to determine if the employee is to be

retained. Prior to the end of six months, the employee's direct Supervisor may conduct a review of the employee's performance and give a recommendation for continued employment to the Executive Director. The Executive Director makes the final determination as to whether the employee moves to Regular Employment status.

BSED reserves the right to extend the probationary period for up to 90 additional days by providing written notice of such extension to the affected employee prior to the completion of the affected employee's original six-month probationary period.

Regular Employment Status

Upon successful completion of the probationary period, and after a performance review with a recommendation that has the concurrence of the Executive Director, an employee enters regular employment status.

Section III. Payroll

Time Reporting

Nonexempt Employees

All non-exempt employees must record hours worked utilizing the company's recordkeeping system for the purposes of:

- collecting the data necessary to pay employees accurately and timely;
- tracking compliance with appropriate governmental regulations;
- maintaining the required supporting documentation; and
- Coding and documenting work to appropriate grant in TSheets.

Non-exempt employees should account for the use of sick and vacation leave by recording in 1-hour increments.

Exempt Employees

Employees are required to accurately record hours worked through TSheets, and code time spent on a grant funded purpose to the grant in the system. Electronic submittal of timekeeping records are required each pay period in order to maintain accurate leave records. Exempt employees should account for the use of sick and vacation leave by recording in 4-hour increments.

All Employees

Electronic submittal of your timesheet verifies that you have truthfully, and accurately recorded time worked. Time sheets/records are to be submitted the first business day following the end of the pay period. It is the responsibility of each employee to accurately report any leave taken for each pay period.

Pay Periods

Pay periods are semi-monthly. The close of the pay periods are the 15th and last working day of the month. It is the responsibility of each employee to prepare and turn in his/her time record in a timely manner that will assist in the preparation of paychecks.

Recording another employee's time or falsifying any time record may be cause for disciplinary action, up to and including discharge.

Work Schedule/Overtime

For purposes of overtime pay, employees are classified as exempt or nonexempt. Exempt employees are not eligible for overtime pay. Nonexempt employees receive overtime pay for all hours worked over 40 hours in a workweek.

The workweek begins at **12:01 a.m. on Sunday and ends at 12:00 midnight on the following Saturday.** Hours worked do not include vacation, sick, holiday, and other leave or time away from work. The overtime rate is one and one-half (1½) times the employee's regular rate of pay for every hour over 40 worked in a workweek. When business conditions require, employees may be needed to work overtime. When this occurs, the employee's Supervisor will make every effort to provide timely advance notice. Such a request for overtime is considered to be mandatory.

Due to budgetary limitations, Supervisors must request in advance approval for all overtime with the Senior Financial Officer. Supervisors granting overtime or employees working overtime without approval may be subject to disciplinary action, up to and including discharge.

BSED prohibits all non-exempt employees from "syncing" their work e-mail account to a personal smart phone, laptop computer or other telecommunication or electronic devices without the Executive Director's approval. Non-exempt employees whose work duties require a smart phone or laptop as a business necessity must have written permission from their Supervisor and consistently log time spent working outside of the scheduled business day. BSED will verify the work performed, business necessity and the access time required to document overtime to be paid.

From time to time, a request for Flexible Work Options may be pertinent to help an employee accomplish their work objectives while also needing flexibility for personal circumstances. Please see the Flexible Work Options guidelines found in the office procedures folder on the Team Site to learn more about the guidelines for making such a request.

Section IV. Travel

Travel Authorization

Big Sky Economic Development Directors approve all travel and training for employees within their budget authority. All travel costs must be allowable, allocable, and reasonable. Travel expenses are either paid using a corporate credit card or submitted for reimbursement when the employee returns; any undocumented expenses may be denied.

Meals and Lodging

Employees shall be reimbursed for meals and lodging when they are away from their designated work area and engaged in official business in accordance with the provisions outlined below.

- Reasonable & necessary lodging expenses will be reimbursed at cost. Claims for lodging expense reimbursement must be documented by an appropriate receipt.
- Meals are reimbursed with appropriate receipt.

a) Additional costs due to alcoholic beverages will not be reimbursed nor can they be charged to Big Sky Economic Development corporate credit cards.

Transportation

Transportation expenses shall be the most economical in terms of direct cost to the organization and the employee's time away from the office.

1. Common Carrier Fares

- a) Actual fares paid for air, bus, and train transportation will be reimbursed with appropriate receipts. First class is not allowed, only coach or similar fare.
- b) Commercial air travel will be purchased by the most appropriate and economical means possible.

2. Other Modes of Transportation

- a) Personal Vehicles – Use of personal vehicles will be reimbursed at the current IRS allowed mileage rate (publication 15, circular E). No gasoline, oil, or repairs shall be reimbursed or charged to the organization. No mileage reimbursement will be made in excess of an equivalent airfare to the same destination.
- b) Any employee using a personally owned vehicle for company business must carry the minimum liability / property damage insurance required by law.
- c) Rental vehicles are an allowable expenditure when deemed to be more economical than other modes of transportation. A receipt must be turned in when requesting reimbursement for rental vehicles.

Other Expenses

- Reasonable amounts paid for necessary other expenses such as taxi, Uber, or Lyft. These expenses must be verified by receipts.
- Fines of any type will not be paid or reimbursed by the organization.
- In the event an employee chooses to be accompanied by a spouse or family member while traveling on company business, the lodging invoice must reflect only the cost of a single room rate, including appropriate adjustment for tax, with any cost above the single room rate paid personally by the employee.

Reimbursement Procedures

- Travel requests must be submitted for all company travel other than routine monthly reimbursements.
- All travel claims must be signed by the appropriate authorized reviewer.
- Travel claims must be submitted to accounts payable in a timely manner. Failure to submit claims for reimbursement within 30 days following the date the cost was incurred may result in disciplinary action.
- Whenever outside agencies directly reimburse an employee for travel or related costs, and when such travel or related costs were borne by Big Sky Economic Development, the employee shall be required to reimburse the organization either personally or by signing the reimbursement check over to Big Sky Economic Development within five (5) working days after receipt of reimbursement. Failure to do so may result in disciplinary and/or legal action against the employee.
- Failure to provide appropriate receipt documentation may result in a forfeiture of travel reimbursement / payments.

- All requests for reimbursement must include an appropriate itemized receipt for the purchase.

Credit Cards

- All charges that are made to Big Sky Economic Development corporate credit cards need to be documented by an appropriate itemized receipt.

Other

- When more than one employee of the organization is traveling to the same destination on the same day, every effort should be made to coordinate the travel of the employees (i.e., car-pooling when possible).
- Travel paid from either federal or state grants and/or contracts may require prior approval by the grantor agency under the terms and conditions of the grant or contract. It is the responsibility of the grant project manager to ensure any required prior approval is obtained.
- In the event an employee's travel compensation is governed directly by State law, State law shall apply in the event there is ever any conflict with Big Sky Economic Development's policy.

Section V. Equipment

Capital Equipment as defined by the OMB is "tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit." All capital assets are recorded at historical cost as of the date acquired. The acquisition cost includes installation charges and freight. All costs associated with making the asset serviceable are capitalized. Invoices substantiating the acquisition cost of each unit of property shall be retained for a minimum of three years.

Equipment with an economic useful life of 12 months or less are expensed for financial statement purposes, regardless of the acquisition or production cost as supplies. Equipment acquired with external support becomes the property of the organization unless restricted by the funding organization. The organization will obtain prior approval from the awarding agency prior to purchasing capital equipment with Federal funding.

In order to ensure the proper receipt and tracking of equipment, BSED tags all equipment at the time of acquisition and performs a physical inventory of equipment purchased with grant funds at least every two years. BSED verifies the existence and condition of the equipment and the accuracy of records related to equipment. The organization establishes maintenance procedures and records of the operational condition of equipment. The Senior Financial Officer is notified of condition, location, loss or damage to equipment who then notifies the appropriate Federal agency. Records are submitted to the Executive Director for review and approval.

The BSED maintains records tracking equipment including description, serial number, source of funding (including the Federal Award Identification Number, or FAIN), percentage of federal participation in the cost of the equipment, title holder, acquisition date and cost, location, use and condition status, and disposition data. This information is maintained by the Senior Financial Officer.

Equipment Disposal

Request disposition if an item purchased with grant funds is determined to be obsolete, and the item's value exceeds \$5,000. If it meets these criteria, disposition rules are followed. This may include requesting disposition instructions from the awarding agency. Disposition practices may require compensating the federal awarding agency for its proportion of the original cost applied to the fair market value. The Executive Director

is notified prior to the disposal of an asset purchased with federal funds. Supplies less than \$5,000 are retained by grantee.

Section VI. Procurement

Purchasing with Federal Award Funds

Purchases made when procuring property or services through a federal award with federal funds follow the procurement standards under the Federal Uniform Guidance. BSED staff practice ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff adhere to in the completion of their designated responsibilities.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal, State and local statutes and executive orders.

General Procurement Procedures

All procurement transactions must be conducted in a manner to provide, to the maximum extent practical, open, and free competition. Buyers shall avoid purchasing unnecessary items. All contractor bids and quotations must be evaluated on the basis of product, quality, technical compliance with specifications, total cost and the contractor's acceptance of terms and conditions of the contract.

Purchases are evaluated to ensure they are reasonable, allocable, and allowable. Regardless of the cost of acquisition, the organization avoids purchasing unnecessary items. Where applicable, the organization evaluates lease vs. purchase options to determine which is more economical. Financial reports are issued as required.

Considerable authority has been entrusted to employees who make purchasing decisions. The convenience afforded by this decentralized environment is coupled with full responsibility for decisions and a complete understanding of the procurement and purchasing policies and procedures of the organization. All purchasing decisions are made in the best interests of the organization.

- Buyers must review the federal award to ensure that the goods or services to be purchased or contracted are allowable
- Positive efforts should be made to utilize small businesses, veteran-owned businesses, women-owned businesses, or minority-owned businesses
- Follow procurement processes outlined in this document (fixed price, cost reimbursement, purchase orders)
- Keeps procurement records that tell the basis for selection, justification, and basis for vendor/contractor selection
- Follow established dollar thresholds for types of purchases and approval levels
- All correspondence with contractors must be included in the federal award file and maintains a system for contract administration
- Before the contract is made, the buyer must verify the contractor's eligibility to receive federal funds and verify they are **not** vendors that are suspended and debarred via search of the SAM.gov website provisions for contract termination

- Conducts and documents a cost or price analysis **for every procurement** in excess of the Simplified Acquisition Threshold (30.45, 2 CFR 200.324)
- A cost and / or price analysis for every procurement, a history of the procurement, and explanation of how the cost was determined to be reasonable should be documented **before the award is made**
- All contracts, including small purchases shall include the following procurement provisions as applicable; EEO, anti-kickback & Davis Bacon (construction), contract work hours & safety standards, rights to inventions, clean air and water act compliance, anti-lobby requirement and non-award to debarred/suspended contractors
- For any sole source procurement, a written justification will be prepared and kept on file
- Monitor contactors for adherence to contracts
- All consultant agreements and subawards will be written agreements

Contracts are conducted under the provisions described above

Program Director or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Program Director shall inform the Office of the Senior Financial Officer of all individuals that may initiate purchases.

The Executive Director has approval authority over all purchases and contractual commitments and shall make the final determination on any proposed purchases beyond the approved budget or other conditions that may result in denial. The Executive Director may seek Executive Committee and Board approval when such proposed purchases are greater than \$5,000 and are outside the scope of the approved budget.

Code of Conduct in Purchasing (2 CFR 200.318)

- Ethical conduct in managing the Organization's purchasing activities is essential. Staff will be mindful that they represent the Board of Directors and share a professional trust with the public.
- Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No officer, board member, employee, or agent shall participate in the selection or administration of a vendor contract or arrangement if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.
- Officers, board members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
- Unsolicited gifts of a nominal value of \$50.00 may be accepted with the approval of the Executive Director.

- Organizational conflicts of interest may result because of a relationship with a parent company, affiliate, or subsidiary organization causing the inability or the appearance of the inability to be impartial in conducting a procurement action involving a related organization.
- BSED conflict of interest policy provides the framework that established the code of conduct.

In order to promote open and free competition, purchasers will:

- 1) Be alert to any internal potential conflicts of interest as defined by our conflict of interest policy.
- 2) Be alert to any noncompetitive practices among contractors that may restrict, eliminate or restrain trade.
- 3) Award contracts to bidders whose product/service is most advantageous in terms of price, quality and other factors.
- 4) Issue solicitations that clearly set forth all requirements to be evaluated.
- 5) Reserve the right to reject any and all bids when it is in the Organization's best interest.

Cost and Price Analysis

For all procurements of \$25,000 or \$50,000 and above, BSED retains documentation verifying that the purchase price is fair and reasonable as required by the funder. Price analysis and cost analysis are the two techniques used to accomplish this purpose. The cost and price analysis must be documented through one of the following practices.

- Price Analysis: Comparison of prices of multiple bids or information from other sources, such as established catalog or market prices, or prices for similar past purchases.
- Cost Analysis: Evaluation of the separate elements that make up a contractor's total cost proposal or price to determine if they are allowable, directly related to the requirement, and reasonable for the value received.

Procurement Approvals and Roles

1. Project Staff: Submit purchase requisitions to the Program Director
2. Prog. Director: Reviews and forwards approved requisitions to Office of the Senior Financial Officer. During this review, duplicate and/or unnecessary items are eliminated from the requisition.
3. Finance: Performs a second review and if approved, processes the requisition.
4. Finance: Submits order and payment to the vendor.
5. Project Staff: Receives orders, checks to ensure all items purchased were delivered
6. Executive Asst: Tags inventory as appropriate.
7. Executive Asst: Registers warranties.
8. Executive Asst: Forwards packing slips and inventory information to Project Manager.
9. Executive Asst: Submits copies of documentation to Finance.

Section VII. Disadvantaged Business Enterprises (DBE)

Positive, good faith efforts will be made to utilize and solicit small businesses, veteran-owned businesses, women-owned businesses, minority-owned businesses, or labor surplus areas when procuring construction, equipment, services, and supplies.

In accordance with Federal Funding Programs for utilization of Small, Minority and Women's Business Enterprises (each, a "BE"), BSED required consultants to ensure that each bidder or proposer it uses or engages in relation to the Services will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible as sources of supplies, construction, equipment and service and that each bidder or proposer be able to demonstrate that it complied with the following affirmative steps: (a) include qualified BE's on solicitation lists; (b) assure that BE's are solicited whenever they are potential sources; (c) divide total requirements, when economically feasible, into small tasks or quantities to permit maximum participation of BE's; (d) establish delivery schedules, where the requirements of the work permit, which will encourage participation by BE's; (e) use the services and assistance of the Small Business Administration and the Minority Business Development Agency, U.S. Department of Commerce, as appropriate.

Section VIII. Recipient Match

BSED records matching and cost sharing programs with other in kind or public costs on occasion.

Procedures

Project Managers are responsible for identification, valuation, documenting and reporting cost-sharing and matching and in-kind contributions for federally funded projects.

BSED staff time may be dedicated to a project as match and is recorded at the employees' rate per hour including benefits and is documented, if an indirect rate is not established for a specific project.

BSED documents all cost sharing and in-kind match. The Project Manager will record all in-kind match and reviews the recorded values for reasonable cost comparison. BSED utilizes the Independent Sector for current in-kind volunteer rates per hour when other documentation is not available.

Non-cash items provided as match valued under \$5,000 will be researched for an accurate valuation. Items over \$5,000 will have a separate appraisal completed prior to accepting the item.

Before recording the determined match, the Program Director and Senior Financial Officer review the records for accuracy.

Section IX. Program Income

If program income is being generated, it should be added to project funds, used to finance the non-Fed share, or deducted from the total project cost (2 CFR 200.307).