

**NIAGARA TOBACCO
ASSET SECURITIZATION
CORPORATION**

**CODES, POLICIES AND
GUIDELINES
FOR COMPLIANCE OF
PUBLIC AUTHORITY
ACCOUNTABILITY ACT
OF 2005
&
BY-LAWS WITH
AMENDMENTS**

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CHAPTER ONE

Committees

CHAPTER TWO

Compensation, Reimbursement and Attendance Policy

COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY

Pursuant to and in accordance with Election 8566 and 895-k of the General Municipal Law of the State of New York, all Directors, other than the Independent Director, of the board of the Niagara Tobacco Asset Securitization Corporation (the "Board") shall serve without salary but may be reimbursed for reasonable expenses incurred in the performance of Corporation duties with the approval of the Board.

The officers, employees, and agents of the Corporation shall serve at such compensation levels as may be approved by the Board from time to time and may be reimbursed for reasonable expenses incurred in the performance of Corporation duties with the approval of the Board.

The Independent Director may be compensated for his or her services as Independent Director in an amount fixed from time to time by majority vote of the entire Board of Directors other than the Independent Director.

Attendance at each meeting of the Board shall be recorded by the Secretary in the minutes thereof. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at meetings of the Board unless the vote to be taken by the Board of Directors for any particular action to be authorized is required by the Certificate of Incorporation or those by the By-laws to be greater than a unanimous affirmative vote of a majority of the entire Board of Directors, in which case a quorum for the transaction of any such business shall be all of the members of the entire Board of Directors.

CHAPTER THREE

Code of Ethics and Board Training (Amended 3/2018)

CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees in the Niagara Tobacco Asset Securitization Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interest.
3. Directors and employees shall not accept or receive any gifts or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance or official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.
4. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors and employees must not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
7. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall

strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's missions to the fullest.

8. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.
9. Directors and employees are prohibited from appearing or practicing before the Authority for two (2) years following employment with the Authority, consistent with the provisions of Public Officers Law.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Consult in confidence Authority directors and employees who seek advice and about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Executive Director or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Penalties

In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics complains anonymously and are protected from retaliation by the policies adopted by the Authority.

Board Member Training

Provision: Section 2824(2) of the Public Authorities Law, as amended by Section 18 of the Public Authorities Accountability Act, requires directors to “participate in State approved training regarding their legal, fiduciary, financial and ethical responsibilities as board members of an authority within one year of appointment to a board”. It also requires board members to “participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance”.

The purpose of this training is to prepare individual to understand and properly execute their role as board members and to be well-versed in the principals of corporate governance and the requirements of the law. Training provides the foundation for directors to exercise appropriate oversight and to recognize the responsibility they have to the mission of their organization, its management and staff, and to the public.

Authorities Budget Office Policy Guidance: The Authorities Budget Office (ABO) is overseeing the implementation of Section 2824(2) and has developed this Guidance to assist public authorities meet the requirements of the Act.

This Guidance outlines the training requirements and best practices for state and local public authority boards, including the timeframes for board members training, the board members who are required to receive training, board members training that meets the requirement, and the need for refresher training.

Training Requirements: Board members have 12 months from the date of their appointment to participate in training. As a best practice, the ABO recommends public authorities also conduct an internal orientation session for new board members upon their appointment to provide an overview of the authority’s operations.

Participation in training extends to all members, including voting and non-voting members, ex officio members or designees. Board members may only have a designee if it is stipulated in law (enabling statute) or articles of incorporation. As a best practice the ABO encourages management staff, including Counsel, to attend training when appropriate.

The Act requires directors to participate in continuing training to “remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance” (Section 2824(2)). As a best practice, the ABO recommends that directors participate in refresher training upon re-appointment to the Board or at least every three year.

The ABO has developed a comprehensive corporate governance curriculum and conducts training for directors and executives management of al state and local public authorities at no cost. Interactive webinar training, conducted by ABO staff is available on a regular basis during regular business hours. Authorities may sign up for training at:
<http://www/abo/ny/gov/training/onlinetraining.html>

It is the responsibility of the public authority to maintain documentation of board member participation in required training and to assure that board members are compliant with this requirement. Board members will provide proof of participation (email confirmation, etc.) to the Secretary of this authority upon completion of the training or soon thereafter possible.

CHAPTER FOUR

Defense and Indemnification Policy

DEFENSE AND INDEMNIFICATION POLICY

Pursuant to the Bylaws of the Niagara Tobacco Asset Securitization Corporation (the "Corporation"), the Corporation shall indemnify all members of the Board of the Corporation and each officer and employee thereof, in the performance of their duties, and to the extent authorized by the Board, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Laws of the State of New York or the County of Niagara, New York.

CHAPTER FIVE

Disposition of Real Property Guidelines

DISPOSITION OF REAL PROPERTY GUIDELINES

SECTION 1. DEFINITIONS

A. "Contracting officer" shall mean the officer or employee of the Niagara Tobacco Asset Securitization Corporation (hereinafter, the "Corporation") who shall be appointed by resolution to be responsible for the disposition of property.

B. "Dispose" or "disposal" shall mean transfer of title of any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

A. The Corporation shall:

- (1) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
- (2) periodically inventory such property to determine which property shall be disposed of;
- (3) produce a written report of such property in accordance with subsection B herewith; and
- (4) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 2 below.

B. The Corporation shall

- (1) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and.

- (2) shall deliver copies of such report to the Comptroller of the State of New York, the Director of the budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly)

SECTIONS 3. TRANSFER OR DISPOSITION OF PROPERTY

A. Supervision and Direction - Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control - The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section.

C. Method of Disposition - Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property, and interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.

D. Sales by the Commissioner of General Services (the "Commissioner") - When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner of ????????? pursuant to which Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument - A deed, bill of sale, lease, or other instrument executed by or on behalf of the

Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation;
Explanatory Statement –

- (1) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (3) of this Section F.
- (2) Whenever public advertising for bids is required under subsections (1) of this Section F:
 - a. the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;
 - b. all bids shall be publicly disclosed at the time and place state in the advertisement; and
 - c. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.
- (3) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (1) and (2) of this Section F but subject to obtaining such competition as is feasible under the circumstances, it:
 - a. the personal property involved is of a nature and quantity which, if disposed of under subsection (1) and (2) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other

satisfactory terms of disposal can be obtained by negotiation;

- b. the fair market value of the property does not exceed fifteen thousand dollars;
- c. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
- d. the disposal will be to the state or any other political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
- e. the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety, or welfare or an economic development interest of the Corporation, the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the authority's enabling legislation permits or other economic development initiatives), the purpose and the terms of such disposal are documented in writing and approved by resolution of the board of the Corporation; or
- f. such action is otherwise authorized by law.

(4) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

- a. any personal property which has an estimated fair market value in excess of fifteen thousand dollars;
- b. any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses "a" through "e" of this subparagraph;

- c. any real property disposed of by lease for a term of five years or less, if the estimated fair annual rent is in excess of one hundred thousand dollars for any of such years;
 - d. any real property disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease is in excess of one hundred thousand dollars; or
 - f. any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
- (5) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under all applicable law not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation making such disposal.

The Guidelines are subject to modification and amendment at the discretion of the Corporation board and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contraction Officer for the Corporation is the President.

CHAPTER SIX

Investment Policy

INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objective – The primary objectives of the local Corporation's investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Corporation's funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the corporation to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances that prevailing, which person of prudence, discretion and intelligence exercise in the management of their own affairs, nor for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the corporation's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation's funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

5. Internal Controls

- a. All money's collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
- b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
- c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but no absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

6. Designation of Depositories

The Corporation shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to said law.

B. Investment Policy

1. Permitted Investments

Pursuant to GML Section 11, the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposits;*
- c. Obligations of the United State of America;**
- d. Obligations guaranteed by agencies of the United State of America where payment of principal and interest are guaranteed by the United State of America.
- e. Obligation of the State of New York;*

** Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in Section (C) below for deposits of public funds.*

*** all investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two (2) years of the date of purchase.*

2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Conditions (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The President is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated as least annually.

3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, form an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the GML where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in GML Section 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of the custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreement must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United State of America and obligations guaranteed by agencies of the United State of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

In accordance with the provisions of GML, 10, all deposits of the Corporation, including certificates of deposit and special time

deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of "eligible securities" with an aggregate "market value" as provided by GML Section 10, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the governing board.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. In the event that the securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposits or liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution, or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligation issued, or fully insured or guaranteed as to the payment of principal and interest by the United State of America, as agency thereof or a United State government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by an agency of the United State of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued of fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statue may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other that the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one fo the three highest categories by at least on nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least on nationally recognized statistical rating organization.
- (9) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by ban regularity agencies.
- (10) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (11) Zero Coupon obligations of the United State government marketed an "treasury strips".

CHAPTER SEVEN

Procurement Policies and Procedures

PROCUREMENT POLICIES AND PROCEDURES

A. Introduction

1. Scope – In accordance with Article 18-A of the General Municipal Law (the "IDA Act"), Section 104-b of the General Municipal Law, and the Public Authorities Accountability Act of 2005, the Niagara Tobacco Asset Securitization Corporation is required to adopt procurement policies which will apply to the procurement of goods and services not subject to the competitive bidding requirements of Sections 103 of the GML and paid for by Niagara Tobacco Asset Securitization Corporation for its own use and account.

2. Purpose – Pursuant to Section 104-b of the GML, the primary objectives of this policy are to assure the prudent and economical use of public monies which will apply in the best interest of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

1. Determination Required – Prior to commencing any procurement of goods and services, the President or an authorized designee shall prepare a written statement setting forth the basis for (1) the determination that competitive bidding is not required for such procurement, and if applicable (2) the determination that such procurement is not subject to any requirements set forth in this policy. Such written statements shall be maintained by the President or such authorized designee in a specially designated procurement file.

2. Procurement for determining whether Procurements are subject to Competitive Bidding – The procedure for determining whether a procurement of goods and services is subject to competitive bidding shall be as follows:

- a. The President or an authorized designee shall make the initial determination as to whether competitive bidding is required. This determination will be based on Section 103 of the GML which requires competitive bidding for expenditures of (1) more than \$20,000 for the performance of any public works contract (services, labor or construction), and (2) more than \$10,000 for any purchase contract (acquisition of commodities, materials, supplies or equipment).
- b. The President or such authorized designee shall review the purchase request against prior years'

expenditures and a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate purchase of a similar nature will exceed the above competitive bidding procedures shall be followed for said expenditures.

- c. The President or such authorized designee shall present any legal issues regarding the applicability of the competitive bidding requirements stated herein to the Corporation's Counsel.

3. Methods of Competition to be used for Non-Bid Procurements and Procurements Exempt by Statute – Alternative proposals or quotations for goods and services shall be secured by use of written requests for proposals or written quotations, verbal quotations or any other method of procurement which furthers the purposes of this Section except for items excepted herein (see 7 below) or procurements made pursuant to:

- a. GML, Section 103(3) (through county contracts), or
- b. GML, Section 104 (through state contracts), or
- c. State Finance Law, Section 175-b (from agencies for the blind or severely handicapped), or
- d. Correction Law, Section 186 (articles manufactured in correctional institutions).

4. Procedures for the Purchase of Commodities, Equipment or Goods under \$10,000.

- a. Up to \$500 The discretion of the President or authorized designee.
- b. \$501 - \$3,000 Documented verbal quotations from at least three (3) vendors.
- c. \$3,001 - \$10,000 Written/fax quotations from at least three (3) vendors.

5. Procedures for the Purchase of Public Works or Services under \$20,000.

- a. Up to \$1,000 The discretion of the President or authorized designee.

- b. \$1,001 - \$5,000 Documented verbal quotations from at least three (3) vendors.
- c. \$5,001 - \$20,000 Written/fax quotations from at least three (3) vendors.

6. Basis for the Award of Contracts – Contracts will be awarded to the lowest responsible vendor who meets the specifications.

7. Circumstances justifying an Award to other than the Lowers Cost quoted.

- a. Delivery requirements
- b. Quality requirements
- c. Quality
- d. Past vendor performance
- e. The unavailability of three or more vendors who are able to quote on a procurement.
- f. It may be in the best interests of the Corporation to consider only one vendor who has previous expertise with regard to a particular procurement.

8. Documentation

- a. For each purchase made the President or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
- b. The basis for any determination that competitive bidding is not required shall be documented, in writing, by the President or such authorized designee, and filed with the purchase order or contract therefore.
- c. For those items not subject to competitive bidding such as professional services, emergencies, purchased under city contracts or procurements from sole sources, documentation should include a memo to the files which details why the procurement is not subject to competitive bidding and include, as applicable:
 - (1) a description of the facts giving rise to the emergency and that they meet the statutory criteria; or
 - (2) a description of the professional services; or
 - (3) written verification of city contracts; or
 - (4) opinions of Counsel, if any; or

- (5) a description of sole source items and how such determinations were made.
- d. Whenever an award is made to other than the lowest quote the reasons for doing so shall be set forth in writing and maintained in the procurement file.
- e. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

9. Exceptions to Bidding

- a. Emergency Situation – An emergency exists if the delay caused by soliciting quotes would endanger the health, welfare or property of the municipality or of the citizens. With approval by the President such emergency shall not be subject to competitive bidding or the procedures stated above.
- b. Resolution Waiving Bidding Requirements – The Corporation may adopt a resolution waiving the competitive bidding requirements whenever it is determined to be impracticable.
- c. Sole Source – Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product offered and there is no competition available. In this situation, a request for a resolution waving bidding requirements, as described above, is required.
- d. True Lease – Prices will be obtained through quotations whenever possible. The award shall be made on the basis of goods and/or services to be provided, ability to meet the specifications desired and price.
- e. Insurance – All insurance policies shall be procured in accordance with the following procedure:
 - (1) Premium less than \$10,000 – documented telephone quotations from at least three agents (if available).
 - (2) Premium over \$10,001 – written quotations/fax or proposals from at least three agents (if possible).

- f. Professional Services – This category includes services which require special education and/or training, license to practice or are creative in nature. Examples of professional services are: lawyers, doctors, accountants, engineers, artists, etc. For the procurement of professional services, the procedure set forth in Exhibit B shall apply.

10. Minority and Women Business Enterprises – The Corporation shall comply with all applicable legal requirements relating to the hiring of such businesses.

11. Input from members of the Corporation – Comments concerning the procurement policy shall be solicited from the members of the Corporation from time to time.

12. Annual Review – the Corporation shall annually review its policies and procedures.

13. Unintentional Failure to Comply – the unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Corporation or any officer thereof.

CHAPTER EIGHT

Travel Policy

TRAVEL AND OTHER EXPENSES REIMBURSEMENT POLICY

1. Purpose

The Board of Directors of the Niagara Tobacco Asset Securitization Corporation recognizes that board members, officers, and employees ("Personnel") of Niagara Tobacco Asset Securitization Corporation may be required to travel or incur other expenses from time to time to conduct Corporation business and to further the mission of this organization. The purpose of this Policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Personnel. It is the policy of Niagara Tobacco Asset Securitization Corporation to reimburse only reasonable and necessary expenses actually incurred by Personnel.

When incurring business expenses, Niagara Tobacco Asset Securitization Corporation expects Personnel to:

- A. Exercise discretion and good business judgment with respect to those expenses;
- B. Be cost conscious and spend Niagara Tobacco Asset Securitization Corporation's money as carefully and judiciously as the individual would spend his or her own funds; and
- C. Report expenses, supported by required documentation, as they were actually spent.

2. Expenses Report

Expenses will not be reimbursed unless the individual requesting reimbursement submits a written Expense Report. The Expense Report, which shall be submitted at least monthly or within two weeks of the completion of travel expense reimbursement is requested, must include:

- A. The individual's name;
- B. If reimbursement for travel is requested, the date, origin, destination and purpose of the trip, including a description of each Corporation related activity during the trip;
- C. The name and affiliation of all people for whom expenses are claimed (i.e., people on whom money is spent in order to conduct Niagara Tobacco Asset Securitization Corporation's business); and

- D. An itemized list of all expenses for which reimbursement is requested.

3. Receipts

Receipts are required for all expenditures billed directly to Niagara Tobacco Asset Securitization Corporation, such as airfare and hotel charges. No expense in excess of \$25.00 will be reimbursed to Board Members or employees unless the individual requesting reimbursement submits with the Expense Report written receipts from each vendor (not a credit card receipt or statement) showing the vendor's name, a description of the services provided (if not otherwise obvious), the date, and the total expenses, including tips (if applicable).

4. General Travel Requirements

A. Advance Approval

All trips involving air travel or at least one overnight stay must be approved in advance by the individual's supervisor; however, any out-of state travel must be approved by Niagara Tobacco Asset Securitization Corporation's President or his/her designee.

B. Necessity of Travel

In determining the reasonableness and necessity of travel expenses, Personnel and the person authorizing the travel shall consider the ways in which Niagara Tobacco Asset Securitization Corporation will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations shall be taken into account in deciding whether a particular individual's presence on a trip is necessary. In determining whether the benefits to Niagara Tobacco Asset Securitization Corporation outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, shall be considered.

C. Personal and Spousal Travel Expenses

Individuals traveling on behalf of Niagara Tobacco Asset Securitization Corporation may incorporate personal travel or business with their Corporation-related trips; however, Board Members and/or employees shall not arrange Corporation travel at a time that is less advantageous to Niagara Tobacco Asset Securitization Corporation or involving greater expense to incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by Niagara Tobacco Asset Securitization Corporation. Expenses associated with travel of an individual's spouse, family, or friends will not be reimbursed by Niagara Tobacco Asset Securitization Corporation.

5. Air Travel

A. General

Air travel reservations should be made as far in advance as possible in order to take advantage of reducing fares. Niagara Tobacco Asset Securitization Corporation will reimburse or pay only the cost of the lowest coach class fare actually available for direct, non-stop flights from the airport nearest the individual's home or office to the airport nearest the destination.

B. Saturday Stays

Board Members and/or employees traveling on behalf of Niagara Tobacco Asset Securitization Corporation are not required to stay over Saturday nights in order to reduce the price of an airline ticket. An individual who chooses to stay over a Saturday night shall be reimbursed for reasonable lodging and meal expenses incurred over the weekend to the extent the expenses incurred do not exceed the difference between the price of the Saturday night stay ticket and the price of the lowest price available ticket that would not include a Saturday night stay. To receive reimbursement for such lodging and meal expenses, the individual must supply, along with the Expenses Report, documentation of the amount of the difference between the price of the Saturday stay and non-Saturday stay airline tickets.

C. Frequent Flyer Miles and Compensation for Denied Boarding

Board Members and/or employees traveling on behalf of Niagara Tobacco Asset Securitization Corporation may accept and retain frequent flyer miles and compensation for denied boarding for their personal use. Individuals may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

6. Lodging

Personal traveling on behalf of Niagara Tobacco Asset Securitization Corporation may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual's itinerary shall be considered in determining reasonableness. Board Members and/or employees shall make use of available corporate and discount rates for hotels. "Deluxe" or "luxury" hotel rates will not be reimbursed.

7. Out-of-Town Meals

Board Members and/or employees traveling on behalf of Niagara Tobacco Asset Securitization Corporation are reimbursed for the reasonable and actual

cost of meals (including tips) subject to a maximum per diem meal allowance of \$_____ (\$38.00) per day and the terms and conditions established by Niagara Tobacco Asset Securitization Corporation relating to the per diem meal allowance.

8. Ground Transportation

Board Members and/or employees are expected to use the most economical ground transportation appropriate under the circumstances and should generally use the following, in this order of desirability:

A. Courtesy Cars

Many hotels have courtesy cars, which will take you to and from the airport at no charge. The hotel will generally have a well-marked courtesy phone at the airport if this service is available. Board Members and/or employees should take advantage of this free service whenever possible.

B. Airport Shuttle or Bus

Airport shuttles or busses generally travel to and from all major hotels for a small fee. At major airports such services are as quick as a taxi and considerably less expensive. Airport shuttle or bus services are generally located near the airport's baggage claim area.

C. Taxis

When courtesy cars and airport shuttles are not available, a taxi is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved. A taxi may also be the most economical mode of transportation between an individual's home and the airport.

D. Rental Cars

Car rentals are expensive so other forms of transportation should be considered when practical. Board Members and/or employees will be allowed to rent a car while out of town provided that advance approval has been given by the President and that the cost is less than alternative methods of transportation.

9. Personal Cars

Board Members and/or employees are compensated for use of their personal cars when used for Corporation business. When individuals use their personal car for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS rate per mile.

In the case of individuals using personal cars to take a trip that would normally be made by air, e.g., Buffalo to New York City, mileage will be allowed at the currently approved rate; however, the total mileage reimbursement will not exceed the sum of the lowest available round trip coach airfare.

10. Parking/Tolls

Parking and toll expenses, including charges for hotel parking, incurred by Board Members and/or employees traveling on Corporation business will be reimbursed. The cost of parking tickets, fines, car washes, valet service, etc., are the responsibility of the board member or employee and will not be reimbursed.

On-airport parking is permitted for short business trips. For extended trips, Board Members and/or employees should use off-airport facilities.

11. Entertainment and Business Meetings

Reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved in advance by the President and qualify as a tax deductible expenses. Detailed documentation for any such expenses must be provided, including:

- A. date and place of entertainment;
- B. nature of expenses;
- C. names, titles and corporate affiliation of those entertained;
- D. a complete description of the business purpose for the activity including the specific business matter discussed;
- E. vendor receipts (not credit card receipts or statements) showing the vendor's name, a description of the services provided, the date, and the total expenses, including tips (if applicable)

12. Other Expenses

Reasonable operational expenses (if applicable) – related telephone and fax charges due to the absence of Personnel from the individual's place of business are reimbursable. In addition, reasonable and necessary gratuities that are not covered under meals may be reimbursed. Finally, emergency secretarial work and/or postal charges incurred are reimbursed for the purpose of work on behalf of Niagara Tobacco Asset Securitization Corporation.

13. Non-Reimbursable Expenditures

Niagara Tobacco Asset Securitization Corporation maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by a nonprofit, charitable organization. Expenses that are not reimbursable* include, but are not limited to:

- A. Travel insurance;
- B. First class tickets or upgrades;
- C. When lodging accommodations have been arranged by Niagara Tobacco Asset Securitization Corporation and the individual elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated by Niagara Tobacco Asset Securitization Corporation. Reimbursement shall not be made for transportation between the alternate lodging and the meeting site;
- D. Limousine travel;
- E. Movies, liquor or bar costs;
- F. Membership dues at any county club, private club, athletic club, golf club, tennis club or similar recreational organization;
- G. Participation in or attendance at golf, tennis or sporting events, without the advance approval of the President or his designee;
- H. Purchase of golf clubs or any other sporting equipment;
- I. Spa or exercise charges;
- J. Clothing purchasing;
- K. Business conferences and entertainment which are not approved by the President of Niagara Tobacco Asset Securitization Corporation;
- L. Valet service;
- M. Car washes;
- N. Toiletry articles;

O. Expenses for spouses, friends or relatives. If a spouse, friend or relative accompanies Board Members and/or employees on a trip, it is the responsibility of the Board Member or employee to determine any added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request.

P. Overnight retreats without the prior approval of the President or his/her designee.

CHAPTER NINE

Whistleblower Policy (Amended 3/2018)

WHISTLEBLOWER POLICY AND PROCEDURE

Purpose

It is the policy of this Public Authority to afford certain protections to individuals who in good faith report violations of the Public Authority's Code of Ethics or other instances of potential wrongdoing within the Public Authority. The Whistleblower Policy and Procedure set forth below are intended to encourage and enable employees to raise concerns in good faith within the Public Authority and without fear of retaliation or adverse employment action.

Definitions

"Good Faith": Information concerning potential wrongdoing is disclosed in "good faith" when the individual making the disclosure reasonably believes such information to be true and reasonable believes that it constitutes potential wrongdoing.

"Public Authority Employee": All board members, and officers and staff employed at this Public Authority whether full-time, part-time, employed pursuant to contract, employees on probation and temporary employees'

"Whistleblower": Any Public Authority Employee (as defined herein) who in good faith discloses information concerning wrongdoing by another Public Authority employee, or concerning the business of Public Authority itself.

"Wrongdoing": Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by Public Authority Employee (as defined herein) that relates to the Public Authority.

"Personnel actions": Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

Section 1: Reporting Wrongdoing

All Public Authority Employees who discover or have knowledge of potential wrongdoing concerning board members, officers, or employees of this Public Authority; or a person having business dealings with this Public Authority; or concerning the Public Authority itself, shall activity in accordance with the following procedures:

1. The Public Authority Employee shall disclose any information concerning wrongdoing either orally or in a written report to his or her supervisor, or to the Public Authority's ethics officer, general counsel or human resources representative.

2. All Public Authority Employees who discover or have knowledge of wrongdoing shall report such wrongdoing in a prompt and timely manner.
3. The identity of the whistleblower and the substance of his or her allegations will be kept confidential to the best extent possible.
4. The individual to whom the potential wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such information to the Authorities Budget Officer or an appropriate law enforcement agency where applicable.
5. Should a Public Authority Employee believe in good faith that disclosing information within the Public Authority pursuant to Section 1(1) above would likely subject him or her to adverse personnel action or be wholly ineffective, the Public Authority Employee may instead disclose the information to the Authorities Budget Officer or an appropriate law enforcement agency, if applicable. The Authorities Budget Office's toll free number (1-800-560-1770) should be used in such circumstances.

Section II: No Retaliation or Interference

No Public Authority Employee shall retaliate against any whistleblower for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority: and, no Public Authority Employee shall interfere with the right of any other Public Authority Employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited and:

1. No Public Authority Employee who in good faith discloses potential violations of this Public Authority's Code of Ethics or other instances of potential wrongdoing, shall suffer harassment, retaliation or adverse personnel action.
2. All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential wrongdoing will be thoroughly investigated by this Public Authority.
3. Any Public Authority Employee who retaliates against or had attempted to interfere with any individual for having in good faith disclosed potential violations of this Public Authority's Code of Ethics or other instances of potential wrongdoing is subject to discipline, which may include termination of employment.
4. Any allegation of retaliation or interference will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate matter.

Section III: Other Legal Rights Not Impaired

The Whistleblower Policy and Procedures set forth herein are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action.

1. Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law §75-b, Labor Law §740, State Finance Law §191 (commonly known as the "False Claims Act"), and Executive Law §55(1).
2. With respect to any rights or remedies that an individual may have pursuant to Civil Service Law §75-b or Labor Law §740, any employee who wishes to preserve such rights shall prior to disclosing information to a government body, have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (See Civil Service Law §75-b[2][b]; Labor Law §740[3])

CHAPTER TEN

Conflict of Interest Policy (Amended 9/2019)

CONFLICT OF INTEREST POLICY

(Revised 9/2019)

Conflict of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interest of the authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all of the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appears to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties.

Outside Employment of Authority's Employees: No employees may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her duties with the authority.

PROCEDURES

Duty to Disclose: All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or the Ethics

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- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
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PROCEDURES

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Officer. Such written disclosure shall be made part of the official record of the proceedings of the authority.

Determining Whether a Conflict of Interest Exists: The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

Recusal and Abstention: No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussion the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must rescue themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Record of Conflicts of Interest: The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the public authority's ethics officer, general counsel or human resources representative in accordance with the authority's Whistleblower Policy and Procedures.

Penalties: Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.

CHAPTER ELEVEN

Sexual Harassment Policy

NTASC SEXUAL HARASSMENT POLICY AND COMPLAINT PROCESS

The purpose of this document is to familiarize supervisors and employees with the NTASC's policy on sexual harassment and the internal process that exists for the investigation and resolution of sexual harassment complaints.

SEXUAL HARASSMENT POLICY

I. POLICY STATEMENT

It is the policy of the NTASC to maintain a workplace and a work environment that is free of sexual harassment.

Sexual harassment of employees by managers, supervisors or co-workers or agents is prohibited by NTASC policy, is against the law, and will result in disciplinary action against any offender, up to and including dismissal.

II. DEFINITION OF SEXUAL HARASSMENT

Sexual harassment in the workplace may take several forms. It includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that may be related to an individual's employment.

Conduct is considered related to employment when:

- . submission to the conduct is explicitly or implicitly made a term or condition of an individual's employment
- . submission to or rejection of the conduct by an individual is used as the basis for making an employment decision affecting the individual who submitted to or rejected the conduct or
- . the conduct has the purpose, or effect, of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

A. DIRECT ("QUID PRO QUO") SEXUAL HARASSMENT

Sexual harassment may encompass implicit or explicit threats or insinuations by supervisors to employees that submission to or rejection of sexual advances will in some way influence personnel decision regarding employees:

- . continuation of employment

- . career development or access to training programs
- . wages
- . advancement
- . work assignments
- . shift assignments
- . or any other condition of employment

B. "ENVIRONMENTAL" SEXUAL HARASSMENT

Other conduct, physical, or verbal, committed by supervisory or non-supervisory personnel, which contributes to an offensive or hostile work environment is also considered sexual harassment. This conduct includes but is not limited to:

- . offensive or repeated and unwelcome sexual flirtations, advances or propositions
- . offensive verbal abuse of a sexual nature
- . graphic, verbal commentaries about a person's body
- . sexually degrading words used to describe an individual
- . the display of sexually suggestive object or pictures in the workplace

III. EMPLOYEE RESPONSIBILITIES

All employees have an obligation to assist the NTASC in maintaining a work environment free from sexual harassment - one in which all employees can work comfortably and productively. Therefore, employees are not only responsible for refraining from sexually harassing conduct but are also responsible for promptly reporting incidents of sexual harassment to which they are subjected, that they witness or of which they become aware.

Employees who witness an incident of sexual harassment, or who believe they are being sexually harassed, should report the incident to their supervisor, if appropriate, or to the Personnel Office.

The NTASC will hold employees accountable for any acts of sexual harassment and will impose appropriate discipline - up to and including termination.

IV. SUPERVISOR/MANAGER RESPONSIBILITIES

Supervisory and management personnel have the following responsibilities:

- . to comply with NTASC policy on sexual harassment and, at appropriate times and places, express strong support for it both in and out of the workplace.
- . when appropriate, to promptly and thoroughly conduct investigations of any reported allegation of sexual harassment.
- . to assist in and cooperate with investigations of allegations of sexual harassment by other NTASC personnel.

- to disseminate this policy to their subordinates through training or orientation sessions.

- to implement appropriate corrective and/or disciplinary action when allegations are substantiated.

IMPORTANT NOTE ON THE ACCOUNTABILITY OF MANAGERS AND SUPERVISORS FOR INACTION: The NTASC will hold any manager/supervisor to whom an instance of sexual harassment has been reported fully accountable if he or she fails to take appropriate action, including filing a prompt and complete report of the matter to a higher level of management and the Personnel Office.

V. PREVENTIVE ACTION

In the long run, preventive measures are the best way of eliminating problems of sexual harassment. In this regard supervisors and managers are responsible for:

- knowing the company's policy on sexual harassment
- knowing the procedures for handling complaints
- sensitizing employees to the issue of sexual harassment
- expressing strong personal disapproval of sexual harassment or conduct which may be construed as sexual harassment
- raising employee awareness through training, staff meetings, discussions, and departmental programs

NEVER ignoring a complaint

- act promptly
- investigate thoroughly and objectively with Personnel Department representatives
- be fair and consistent in treatment

informing employees of their right to raise the subject of harassment

- advise employees that the NTASC wants to contact supervision or the Personnel Office representative, if appropriate, about any sexual harassment problem
- reassure employees that any investigation of complaint will be conducted with due regard for the privacy interest of all involved
- reassure employees that there will be no retaliation against anyone who raises a complaint in good faith

VI. INFORMAL COMPLAINT PROCESS

The NTASC maintains an informal EEO complaint process to investigate and resolve employee complaints.

Any employee who believes he or she is being sexually harassed should take the following action:

- . don't ignore the situation - but consider carefully whether the conduct is sexual harassment
- . if you feel uncomfortable over someone else's behavior, tell them so
- . take immediate action
- . if you're being solicited for sexual favors by a supervisor, say "no" to the offender and report the incident
- . if you find your work environment oppressive because of conduct of a sexual nature - whether by supervisors or co-workers directly request that the conduct cease and report the incident
- . if the conduct continues, inform an officer or a board member
- . if the harasser is your immediate supervisor, the complaint may be registered with the next level of supervision and a representative of the board.

VII. COMPLAINT INVESTIGATION

Any complaint of sexual harassment will be promptly and thoroughly investigated by an appropriate member of the board to verify whether a violation of law and NTASC's policy has occurred. Whether the allegations are verified, prompt and appropriate corrective action and disciplinary measures, up to and including dismissal, will be implemented.

CHAPTER TWELVE

Use of Discretionary Funds

USE OF AUTHORITY DISCRETIONARY FUNDS

Provisions: Section 2824(1)(b) of Public Authority Law requires directors to understand, review and monitor the implementation of fundamental financial and management controls and the operating decisions of the authority.

Objectives: Boards of directors and authority management have an obligation to authorize the expenditure of funds only for purposes that relate to and support the mission of the authority. The fiduciary duty of the board includes adopting policies that safeguard the assets and resources of the authority and protect against the use of funds for purposes that do not advance its core purpose and objectives. It is particularly important for the board to develop a policy on a proper use of authority discretionary funds that clarifies for all employees what would and would not be considered appropriate expenditures.

Responsibility of Directors and Employees

1. The expenditures of authority funds must relate directly to an enumerated power, duty or purpose of the authority. The funds may not be spent in support of the private or personal interests or to the benefit of directors, management or staff.
2. Directors, Supervisors and or Employees will prior approval of or authorization by an appropriate individual for any travel expenses incurred, including reimbursement for mileage, tolls, hotels, flights, etc. Additionally, documentation to justify the nature and purpose of such expenses, require the director, supervisor and or employee, to provide receipts for expenses. The Federal GSA guidelines for travel expenses including per diems, government lodging rates and amounts for meals and other incidental expenses will be used unless otherwise approved. Please refer to the Travel Policy for further direction.
3. Directors, supervisors and or employees realize certain meal costs also may be incurred through participation in, or sponsorship of, activities integral to meeting the core public purpose of the authority. Eligible meal costs must be properly documented and reasonable cost thresholds established. Receipts for such expenses will be given to the Treasurer for recording and reporting purposes.
4. Impropriety of purchases using authority cash or credit that are personal in nature, that would benefit one or more staff of the authority rather than benefit those dependent on the authority's services, or are not necessary to advance the mission of the authority will not be reimbursed or paid for by NTASC. Examples of inappropriate use of authority funds include, but need not be limited to:

- Food, beverages, and other refreshments purchased for the personal use of directors, management or other employees, or by persons with whom the authority conducts business (unless prior authorization is received);
- Flowers and gifts for staff, directors or family members;
- Subsidized or free use of authority services for the personal use of current or former board members, staff, or family members of staff;
- Celebrations for special occasions that do not directly relate to the purpose of the authority, such as catering or decorations for summer picnics, office parties or holiday or retirement parties;
- Charitable contributions or sponsorships of events not associated with the authority's mission;
- Purchases of alcohol or tobacco products;
- Membership dues in professional organizations on behalf of employees;
- Renewal of professional licenses for staff;
- Personal use of authority vehicles, unless properly documented for tax purposes;
- Costs to purchase or mail holiday cards, invitations or expressions of sympathy to staff or family of authority staff;
- Assignment of cell phones or vehicles to non-authority staff; or
- Purchase of items considered personal expenses or that are intended to personally benefit an employee or director.

CHAPTER THIRTEEN

Posting & Maintaining Reports on Public Authority Website

POSTING AND MAINTAINING REPORTS ON PUBLIC AUTHORITY WEBSITES

The Public Authorities Reform Act of 2009 (Chapter 506) amended the 2005 law to require additional information be reported to the ABO and that all public authorities have an official website or post the information on a shared website.

Procedure for Retaining and Maintaining Information on Websites:

- At least two (2) Years of budget, financial and operating information should be available on the website.
- The authority should monitor and regularly update its website, which includes ensuring all links function properly.
- The information provided must be accurate and complete.
- Individual should be able to navigate through the website with ease and have little difficulty finding the desired information and documents.
- All documents should be prepared using common terminology that facilitates a better understanding of the content.

Polices for the Retention of Records:

New York State has adopted rules and regulation that govern the retention and disposition of records. These rules require that, even after removing a record from its website, a public authority must retain copies of all records, whether electronic or hard copy, for a stipulated time periods outline in the schedule prepared by the State Archives. (Please refer to <http://www.archives.nysed.gov/records/retention-scheduling-and-appraisal>).

Records Management Program:

- Develop a records retention and disposition policy and ensure compliance by all staff.
- Ensure that authority records are maintained and disposed in compliance with regulations.
- Identify, protect, and preserve archival records.
- Establish a process to prepare and annually review and update the records management plan.

Information to be Posted on a Public Authority's Website

- Report on Operations and Accomplishments
 - Include description of the authority's operations, completed and active projects, as well as any material changes in authority operations and programs.
 - Updated annually within 90 days of end of fiscal year.
- Financial Reports
 - Including Certified Financial Audit under Section 2802 of PAL.

- Grant and subsidy programs (if available)
- Operating and financial risks
- Supporting policies to mitigate risks
- Maintain at least two (2) years of financial information
- Authority Mission Statement and Performance Measurement Report
 - Mission Statement
 - Performance Measures
 - Annual Performance Evaluation indicating status of the Performance Measures
 - Review annually
 - Update and approve as necessary
 - Maintain the Mission Statement on website permanently
 - Maintain the Annual Performance Evaluation on website for two (2) years.
- Schedule of Debt
 - Update annually to include new bond and debt issuances and amounts redeemed
 - Post a copy of each official statement or similar document for all debt issuance, including conduit debt, that indicate
 - The amount of debt issued
 - The purpose for issuing the debt
 - The use of the debt proceeds
 - The recipient of the debt proceeds
 - Maintain each annual schedule on website for two (2) years
 - Maintain official statements on website for two (2) years from date of bond issuance and update as necessary with new statements.
- Personal and Real Property Transactions
 - Post a list of Real Property owned by the Authority
 - Guidelines concerning the awarding and monitoring of contracts for the disposal of property
 - Report of all property transactions that includes the price of the transaction and name of the purchaser or seller
 - Update as necessary to reflect changes to or new property transactions
 - Maintain guidelines on website permanently
- Authority Codes of Ethics
 - Update and approve as necessary
 - Maintain on website permanently.
- Management's Assessment of the Authority's Internal Control Structure and Procedures
 - Include a description of operating and financial risks
 - Maintain each assessment report on website for two (2) years.
- Enabling Statute
 - Post current enabling statute or active link to site

- Local Development Corporations should post their articles of incorporation in lieu of an enabling statute
- Update as necessary to reflect statutory amendments
- Maintain enabling statute or articles of incorporation on website permanently
- List of Authority Board Members and Executive Management Team
 - Include appointing entity, appointment dates and terms
 - Include professional experience and current employment of each member, and the professional background and experience of officers.
 - Board performance evaluations questionnaire
 - Update to reflect changes in the board or staff
 - Maintain on website permanently
- List of Committees, Committee Members, and Committee Meetings
 - Post notices, proposed agendas and board packets for all committee meetings at least one week in advance of meetings
 - Names of all committees and their members should be posted permanently, and updated as necessary
 - Post meeting minutes within 14 days of committee meeting
 - Maintain meeting minutes on website for at least two (2) years following the date on which the meeting was held.
- Board Meetings
 - Post schedule of all board meetings at beginning of the fiscal year
 - Post meeting notices, agendas and board packets at least one week in advance of board meeting
 - Post board meeting minutes within 14 days of meeting
 - Post any board resolutions
 - Maintain meeting minutes and resolutions on website for at least two (2) years following the date on which the meeting was held.
- Authority By-laws
 - Update and approve as necessary
 - Maintain on website permanently
- Subsidiaries, Affiliates and Major Authority Units
 - Post subsidiary report submitted to the Legislature pursuant to statute
 - Report should include: contact information; an organization chart; names of Board members, directors and officers; by-laws; and a report on the purpose, operations, mission and projects of the subsidiary, including justification as to why it is necessary for the subsidiary to continue its operations for the benefit of the State.
 - Maintain on website permanently
- Authority Organization Chart
 - Post, at a minimum, the authority's executive structure and major organizational units
 - Update and approve as necessary
 - Maintain on website permanently
- List of Projects

- Grants provided by the Authority
 - Amount of Grant
 - Recipient of Grant
 - Purpose of Grant
- Maintain on website for two (2) years
- Loans provided by the Authority
 - Original Amount of Loan
 - Date of Loan Originally Provided
 - Recipient of Loan
 - Purpose of Loan
 - Amount of Loan Outstanding
 - Status of Repayment (current, delinquent, etc.)
- Maintain on website while active and for two (2) years after
- Bonds issued by the Authority for projects
 - Amount of Bonds Issued
 - Recipient of Bond Proceeds
 - Purpose of Bonds
- Maintain on website for two (2) years after bonds fully retire
- Budget Report
 - Annual Budget Report
 - Details of a 4-year financial plan
 - Current and projected capital budget
 - Financial and operating performance
 - Maintain each budget report on website for two (2) years
- Independent Auditors and Audit Reports
 - Certified Financial Audit
 - Post management letter and report on internal controls
 - Post the documents submitted as part of the Certified Financial Audit report in PARIS
 - Maintain each audit on website for two years
- Procurement Policies and Annual Procurement Report
 - Post the reports generated from the PARIS Procurement Report, and include name of the Authority's Procurement Officer
 - Utilization Plan and any waivers of compliance regarding MWBE requirements (State authorities only)
 - Update and approve policies as necessary
 - Maintain Procurement Reports on website for two (2) years.
- Investment Policies and Annual Investment Report
 - Post the annual Investment Report, including the investment audit results and management letter, record of investment income of the authority and a list of fees paid for investment services.
 - Post explanation for any amendments made to the Investment Policy
 - Update and approve as necessary
 - Maintain investment reports on the website for two (2) years.

- Conflict of Interest Policy
 - Update and approve as necessary
 - Maintain on website permanently
- Whistleblower Policy
 - Update and approve as necessary
 - Maintain on website permanently
- Fee Schedule (if applicable)
 - Post a list of service fees charged by the Authority
 - Update and approve as necessary
 - Maintain on website permanently

CHAPTER FOURTEEN

Report Schedule

REPORT SCHEDULE

- 1) Annual Report Due 90 days after end of Fiscal Year-for fiscal year 2008, due March 31 (extended to June 1, 2009 for this year)
- 2) Procurement Report Due within 90 days of the end of the fiscal year.
- 3) Financial Report Due within 90 days of the end of the fiscal year.
- 4) Investment Report Due within 90 days of the end of the fiscal year.
- 5) Budget Report Due 60 days prior to the start of the Fiscal Year.