



**Chautauqua, Cattaraugus, Allegany & Steuben Counties**

# **Southern Tier Extension Railroad Authority**

Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779  
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**“This institution is an equal opportunity organization”  
John Margeson, Chairman**

## **STERA Use of Discretionary Funds Policy**

### **Section 1. PURPOSE**

The purposes of this policy are (a) to implement a provision of the Public Authorities Accountability Act requiring the adoption of certain policies and (b) to provide guidance to the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority (STERA) so that it can adhere to the recommended practices of the NYS Authorities Budget Office (the “ABO”) in order to protect against the use of discretionary funds for purposes that do not advance STERA’s mission and public purposes. Public Authorities Law §2824 requires STERA to adopt a policy to govern business travel, and the ABO Recommended Practice entitled, Written Policies Governing the Use of Authority Discretionary Funds, specifically recommends adoption by STERA of a policy on the proper use of discretionary funds that incorporates the legal principals set forth in NYS Attorney General in opinion #2007-F4.

### **Section 2. APPLICABILITY**

This policy shall apply to every member of the STERA Board of Directors (the “Board”) and all officers and employees thereof.

### **Section 3. TRAVEL**

#### **A. Approval of Travel**

All official travel for which a reimbursement will be sought must be approved by the Executive Director prior to such travel. Provided, however, in the instance where the Executive Director will seek reimbursement for official travel, such travel must be pre-authorized by the STERA Chairman or Treasurer.

#### **B. Payment of Travel Expenses**

STERA will reimburse all reasonable expenses related to meals, travel, and lodging that are incurred by any director, officer, or employee as a result of the performance of their official duties. All official travel shall be properly authorized, reported, and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by STERA. It is the traveler’s responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this Policy.

#### **C. Travel Expenses**

1. Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. The traveler will be reimbursed at a standard mileage reimbursement rate.
2. Meals will be reimbursed at actual expense or a per diem rate as determined from time-to-time.
3. Lodging will be reimbursed at actual expense.
4. Reimbursement for miscellaneous expenses shall be determined on a case-by-case basis.

5. Mileage rates and per diem allowances will be established and from time-to-time amended by the Treasurer.
6. All expense reimbursement determinations made pursuant to this paragraph C shall be made by the Treasurer. In the instance where such determinations regard the travel of the Treasurer, the Chairman shall make such determinations.

#### **Section 4. DISCRETIONARY FUNDS**

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

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

##### **B. Prior Approval**

All expenditures of discretionary funds shall be approved by the Executive Director prior to such expenditure and fall within annual budget allocations. Provided, however, in the instance where the Executive Director will seek an expenditure of discretionary funds, such expenditure shall be pre-authorized by the Chairman or Treasurer of STERA. The Executive Director or the Chairman or the Treasurer, as the case may be, shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits STERA as opposed to an individual board member, officer, or employee, and (ii) advances the mission and public purpose of STERA. Scrutiny of all expenses will be guided by judgment relating to the relevance of such costs and the benefits which may accrue from such activities.

##### **C. Appropriate Expenditure Guidance**

1. **Membership Dues** – Membership dues paid for STERA to belong to a professional peer organization is a permissible use of STERA funds. However, individual membership costs for board members, officers, and employees to belong to a professional, social, or fraternal organization whereby the membership is of and the primary benefit is to, the individual rather than STERA, should not be a STERA expenditure.
2. **Charitable Contributions & Sponsorships** – The appropriateness of such sponsorship or charitable contribution will depend on whether it relates to the powers, duty and purposes of STERA, and whether such expenditure will advance STERA’s core mission and public purposes.
3. **Food & Beverages** – With the exception of food and beverages purchased during business travel as provided herein, expenditures of food and beverages for the personal consumption of board members, officers and employees should not be considered an appropriate use of STERA discretionary funds. Provided, however, expenditures for food and beverages purchased for or during the conduct of STERA business with persons that do business with STERA may be an appropriate expenditure of STERA discretionary funds, provided that the expense is reasonable in light of the circumstances surrounding the STERA activity and is pre-approved as set forth herein.
4. **Professional Training, Certification and Licensing** - Paying the costs to attend training to maintain certifications or licenses, or to attend professional conferences, may be an appropriate expenditure of STERA discretionary funds.

- 5. **Marketing** – expenses incurred in the course of marketing our area to prospects and relations with existing industries and businesses and supporting partners in the furtherance of our mission.

**D. Payment of Expenses**

After review and approval of all invoices by Executive Director, they then will be reviewed by the Audit/Finance Committee. Upon approval, checks will be issued and signed by two members of STERA authorized by the STERA Board to execute checks.

This Policy was approved and adopted on June 17, 2013  
by the Board of Directors of the  
Southern Tier Extension Railroad Authority.

*Thomas M. Barnes*

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Name

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Corporate Secretary  
Office

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June 17, 2013  
Date