

**MINUTES OF THE MEETING OF THE
COUNTY OF WESTCHESTER
BOARD OF ACQUISITION AND CONTRACT
HELD ON THURSDAY AUGUST 25, 2011 AT 11:00 A.M.**

Acting County Executive	Kevin Plunkett
Chair, Board of Legislators	Ken Jenkins
Commissioner- Public Works & Transportation	John Hsu
Deputy County Attorney	Jim Robertson
Budget	Pat Haggerty
Deputy Commissioner, Dept. of Finance	Dennis Kelly
County Executive's Office	Christine Sculti
County Executive's Office	Bill Mooney
Board of Legislators	Olivia Rhodes
Board of Legislators	Anne Reasoner
Board of Legislators	David Tubiolo
Mt. Vernon Today Newspaper	Kenneth Plummer
Mt. Vernon Today Newspaper	Daren Kent
Secretary BAC	JoMary Vieira
Assistant Secretary BAC	Valerie Rodriguez

Mr. Plunkett presided.

Mr. Plunkett said, "Before we begin the meeting, has the Secretary checked the reception area to make sure that all members of the public who wish to attend this meeting have been invited into this conference room?"

Ms. Vieira confirmed that she had done so.

Mr. Plunkett introduced himself and said " I am here today in place of the County Executive who is out of the area and not able to be here and I want to thank everybody for being here and for being present."

Mr. Plunkett noted that for the first time the meeting was being taped and welcomed the technicians for being at the meeting.

Mr. Plunkett indicated that Commissioner Hsu wished to make a motion.

Commissioner Hsu said "Thank you. I move to add items 44, 45 and 46 to the agenda. These are three resolutions which would award contracts to carry out Weatherization Assistance Program projects which are funded by the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA funding must be spent by specific deadlines. In this case, the deadline is March 31, 2012.

My department is assisting the Department of Planning in this matter and I have been advised that time is of the essence in awarding these contracts, both to ensure that the ARRA funds are spent by the March 31, 2012 deadline and to make our best efforts to complete certain work, such as window and boiler replacements, before the winter weather sets in.

As your Honorable Board knows, 2 of these contracts were bid earlier in the year. Contract 10-234 had to be rebid, because the sole bid exceeded the budgeted project amount. Contract 10-235 had to be rebid because the sole bidder was unable to resolve informalities in his bid document, such as proper licensing of subcontractors. The specific contracts that

I propose to add to the agenda are:

10-234-Rev. Weatherization Assistance Program, North County Housing Facilities to Caladri Development Corp. in the amount of \$993,850.

10-235-Rev. Weatherization Assistance Program, South County Housing Facilities to Caladri Development Corp. in the amount of \$2,237,070.

11-208 Weatherization Assistance Program for Travers House and Issan House & Maitri Center to Bay Restoration Corp. in the amount of \$219,850.

Mr. Plunkett asked, "Is there a second to Commissioner Hsu's motion?" The motion was seconded by Chairman Jenkins. Mr. Plunkett indicated that the motion carried and advised the Secretary to the Board to add Items # 44, 45 and 46 to the agenda. He further thanked Commissioner Hsu and the Planning Department since there is no tax levy allocation or expenditure on these stimulus monies that Commissioner Hsu's motions address.

Mr. Jenkins made a motion that #45, resolution #21206 be severed from the Agenda. The motion was seconded by Commissioner Hsu.

Mr. Plunkett moved to vote on agenda items 3-46, noting that items 1 and 2 have been withdrawn by the department and #45 has been severed by the members of the Board of Acquisition and Contract.

Mr. Jenkins made a motion that he wanted to add to the Agenda for consideration, Board resolutions #'s 20835 and 20836. #20835 is the IMA for the LaPorte project in Mt. Vernon and #20836 is for Blue Rio and goes with Board of Legislators Acts 63 and 65 that were adopted back in May after an override by the County Board.

Mr. Plunkett noted the motion and asked if there was a second. Since there was no second, the motion did not carry.

Mr. Jenkins said, "On the Cornell Cooperative Extension resolution #3 20831, we just wanted to present to the Honorable Members of the Board of Acquisition and Contract some documentation. We are not going to read the entire memorandum but just from a research point of view, the Board certainly supports the idea of the management of whatever department the administration thinks best can do that. Our concern is the additional details that are behind the Contract. This document, prepared by Board of Legislators staff after working through and meeting with Mr. Kenner from your department and speaking with various members of Cornell Cooperative including the state representatives has some concerns on how we might be managing the contract. We wanted to outline those for consideration for the Youth Bureau. In this case specifically, items like the staffing which we should all know that under County Law 224, we have to appropriate 'X' amount of dollars for, we tried to determine what it was and we have identified that amount which is basically \$250,000, in order for the state matching funds to occur for Cornell Cooperative. The remaining funds the county administers or appropriates for Cornell Cooperative are utilized to support various programs usually Federal and State programs and other various activities but mostly staffing. None of the dollars that we pay go toward the benefits for these people; that actually comes from the State of New York. In addition there is significant oversight that is provided for Cornell University in its contract with the State of New York to manage this. We just wanted to make sure that we have this additional information on the record, specifically from Helene Dillard who is the Director of Cornell Cooperative Extension and has explained their accreditation process, etc. We have been going through this a very long time, from the beginning of February. There were some gaps, not because of the County but there was a gap in time from the end of May to the middle of July that was caused by Cornell Cooperative Extension while they were going through their annual accreditation process. Again, Mr. Chairman we wanted to give the significant background work that was done by staff to pull this information together and to understand exactly how Cornell Cooperative is funded. We all support this particular item and just wanted this information on the record."

Mr. Plunkett said "Thank you. Is it your wish that we table this so we can digest this?" Mr. Jenkins said "Mr. Chairman that is your pleasure." Mr. Plunkett replied "You presented this. Do you want to table this so that we can read it? Much of this information has been digested by Mr. Kenner of our staff. We are prepared to proceed. Is there anything new in here that we should review before considering the resolution?" Mr. Jenkins replied that he didn't want to delay the resolution since we are not meeting next week and it would be delayed another three weeks. "We just wanted to be sure that we both presented this information. There has been a tremendous amount of work by both the administrative staff, Mr. Kenner, the Youth Bureau, Mary Kate Cabaleiro, her staff, you have been involved, and I myself have been involved. There has been a plethora of people involved in this. Given the \$990,000 that has been allocated in the contract, we probably used it up in staff time here in the County in trying to do this and trying to make sure there was proper oversight or a different level of oversight. I don't think anyone has a concern about that. We just wanted to make sure that we had the additional information on the record."

Mr. Plunkett said, "I will assure you that I will present this package to Mr. Kenner, the Youth Bureau and Mary Kate Cabaleiro and I want to thank you for presenting this." Mr. Jenkins responded "Thank you Mr. Chairman."

Mr. Plunkett asked "Is there anything else on any of the other items that are on the Agenda?"

Mr. Jenkins said "Other than that Mr. Chairman, we are prepared to vote." Mr. Plunkett said "All those in favor of approving the Agenda items except for items #1 – 20510 & #2 - 20511 which have been withdrawn by the department and item #45 - 21206 which has been severed and we will take a separate vote on, please say Aye." The vote was unanimous.

Mr. Plunkett continued "Hearing none, let's address Item #45 - 21206 which was added to the Agenda today by a motion by Mr. Hsu." Mr. Plunkett made a motion to approve the resolution as a severed item – Item #45 - 21206 on today's agenda. The motion was seconded by Mr. Hsu. Mr. Jenkins opposed.

Mr. Jenkins continued "I respectfully request on this emergency resolution that we table the item for a two week period since we are not meeting next week to be able to do additional research on this particular item. I don't believe that we did any background research. We know that the first bid was not won by Caladri Development Corp., so we have some questions that I don't believe we can get answered very quickly." Mr. Hsu indicated that he could answer the questions. Mr. Plunkett suggested that the Board have a discussion since he understood that there is a time urgency if these contracts are not entered into and the contract cannot move forward. He continued, "There are some permits that have to come from the local municipalities. This is all, I think as I understand it because I was involved in it, for housing authorities for windows and boilers, and they want to get them in before the winter but if there are any specific questions, Commissioner Hsu can answer them." Commissioner Hsu said "The issue was the way the ARRA funding was received by the Planning Department. They had certain caps by certain geographical regions as to how much the funding would be. The first time we bid, Caladri was the only bidder. He came in at \$2.8 million. We subsequently worked with Planning and reduced some of the scope to fit the budget. Since then, Caladri has done half a dozen more jobs. He is doing the Bus Wash for me in Yonkers. He just finished the Court House; he was the low bid on the Tibbetts Bath House. Clearly he is a known entity. I speak to the owner all the time and when I need to – he will work with us to reduce his price to fit our budget. In terms of his background, he is a known entity to us; he is not someone who walked off the street."

Mr. Plunkett asked "He's a responsible bidder?" Mr. Hsu said, "Absolutely and the Board has awarded him several projects recently. There really is not an issue potentially through Bid Net. We printed all the contractors that took out the bid pages, approximately half of dozen each. We had mandatory meetings with all the prospective contractors; we had Planning walk through the scope so that everyone had an understanding. One of the

problems with the ARRA funding project is that it's really not structured like a 'public works' project. It is more of a performance based contract that Planning had issued. It is based on the "R" rating of the window; it's based on the efficiency rating on the boiler, whereas on a public works job, we will identify specifically what the window will be or an equal on a boiler. It's a little different. It is bid on a performance specification which is extremely difficult to understand which is why we requested a mandatory prebid meeting so everyone was bidding apples to apples as opposed to bidding different things. Subsequently, because he as the sole bidder as well as the other Bay Restoration, were brought in to say do you understand what you bid on to make sure because as you know we don't want to award a contract and have the contractor go down. We want the contractor to do the job successfully, get paid and move on. We are comfortable with it, he has been very pro active in trying to advance these projects with me, and he has offered a lot of his engineering talent within the company to make this thing happen within the time constraints that ARRA has imposed on us. We really have a 30 day window after the deadline date to submit all of our claims to ARRA. We really are fast tracking this. The administration has been working with the local jurisdictions to insure that we don't have a long historical development review or permit review. Port Chester has already signed off on our Contract in concept, so that we don't go through this lengthy review. There is a project in White Plains. We are concerned with the White Plains Building Department in terms of holding up the permit process because of their normal due diligence. This has to be fast tracked."

Mr. Jenkins said "Just from a background perspective, is this the same weatherization project that was extended from June? The concern is that we had a sole bidder. The initial contract was not able to be executed within the time frame that we first did this program. I understand and we certainly want to make sure that the dollars we have available to us that don't cost us anything will help do weatherization, etc. We are concerned about that. Additionally, I am concerned that we have a bidder that is looking at somewhere around \$3.1 million in total contract amount with the two subcontractors that are listed. I am not seeing any notation that they are in our MWBE categories. If you have a contractor/vendor that is working with us at the level that Commissioner Hsu is talking about, it seems clear to me that we should be able to identify one or two vendors that would fit into our MWBE considerations. I know that the administration has a tremendous focus on trying to improve that. It is a concern for at least for one of the contracts. We don't have a list of projects that would be impacted. Again in understanding that time is of the essence, certainly I'm happy to have the opportunity to go backwards and at least look at speaking with the contractor. I'm sure that Commissioner Hsu, as he previously mentioned to us, would clearly be able to work with that vendor and in working with the various municipalities they would be able to include the things that the administration has been focusing on as far as including MWBE vendors that are licensed in the county."

Mr. Plunkett said, "These are two local Westchester subcontractors doing business in Westchester County." Mr. Hsu said "Correct. I can talk to them and see if we can encourage them to buy more from minority suppliers in the County and some other issues." Mr. Plunkett said "I know that based on the County Executive's directive to me and the Chief of Staff, we have made it a priority to address the MWBE issues, but at the same time these are two Westchester based companies who obviously are qualified to do the work, otherwise they wouldn't be able to perform it. Having great faith in our Commissioner's ability to work with this Contractor like most contractors and this contractor with the subs, I think because time of is other essence and because of the need not to let this sizeable amount of ARRA funding not be used appropriately here in Westchester County, I am going to vote in favor of this motion that I made. I respect your views on this Mr. Chairman and certainly we are working together on the MWBE issue." Mr. Jenkins said "Absolutely, that is the point." Mr. Plunkett said, "It may not happen on every contract and apparently it is not happening with this contract. Mr. Hsu has assured us that he will make an effort to address that issue with the contractor and try to get some MWBE suppliers or vendors somehow in this project."

Mr. Jenkins asked, "Is there a requirement with ARRA funding that there is a percentage that needs to be expended on MWBE's?" Mr. Hsu replied "With ARRA funding it's always 'Buy America.' That is really the only provision. There is no minority percentage that I am aware of. Since I am not the recipient of this ARRA grant, I really didn't read the descriptions. I am

taking Planning's word for it." Mr. Robertson commented, "Mr. Chairman, for the record, the Federal government has different standards unlike the State of New York and the County of Westchester, they do not have a MWBE standard. Typically in federally funded grants you have something called a Disadvantaged Business Enterprise which takes into account race, sex and disability but it really is focused on the size of the business economically. I know recently we had a job with the FAA. The size of the business had been up to \$750,000 but recently went to \$1.5 million. It was very difficult to find Federal DBE contractors in Westchester, because if anyone owned a house, it was based on your net worth. Now it is becoming a little easier since standards are very different for Federal contracts." Mr. Hsu added that it is different from one Federal agency to another. Mr. Plunkett asked "This resolution would not be before us if it had not been approved by law, correct?" Mr. Robertson said, "Yes that is correct. All the procedures necessary for public bidding have been complied with." Mr. Jenkins said "Certainly, I respect trying to move forward on the timing. These ARRA funds did not initiate this late in the game. They initiated a long time ago. It must be two years ago that these funds initiated. It's a lot better when we have the documentation that suggests that is part of the bid, the subcontractors that the person is going to utilize. Certainly I know that this is an administration focus and we were just bringing it to your attention and again we don't want to stop dollars from flowing into Westchester but again we wanted to put this on the record."

Mr. Plunkett said "All in favor of approving Resolution #21206 which appears as item #45 on the agenda please say Aye." The vote was unanimous.

Mr. Plunkett asked if there were any additional matters to be discussed. He noted for the record, "It's amazing when TV appears in a meeting – your meeting takes longer. I used to sit in Village Board meetings and they used to take 15 minutes and all of a sudden TV showed up and then they took 4 hours and 15 minutes."

Mr. Jenkins commented, "The Board of Legislators had a meeting last night and all their meetings are mainstreamed and the meeting took eight minutes. We try to keep it small when we can."

Mr. Jenkins continued, "The Sprain Ridge Pool Modernization – we noted in the minutes that we said we were going to bring that up again for this week and that is Capital Project RSP02, Act 40 from 2006 and Act 188 from 2006, both with unanimous votes of the Board. The concern we have is with the plan/design that was approved by the Board of Acquisition and Contract, which was done with a resolution in 2007 #07-932 on July 26, 2007, which was for engineering services in connection with the Sprain Ridge Pool Modernization. We noted that this particular process was stopped at 60% design. There is no documentation pursuant to the Charter that we could do that. The job just can't be stopped in the middle even if at the end of the day there is no intention for the administration to move forward with the actual construction. It was bonded, it was adopted by the Board, approved by the Board of Acquisition and Contract, a contract was let, a design was sent out after an RFP process or RFQ process and awarded. It is the expectation from the Board that this particular item go back on the burner as far as completing the design and then we can deal with all the other things we might deal with down the road. But at least the design needs to be completed. This particular item was from 2007 and it should be done."

Mr. Plunkett said, "You again made your request and I know you made it a few months ago. We respect that. We have taken the view that the construction work on the pool will not be done therefore it is not prudent to spend any more money on a design function that will not end up being constructed. We disagree and we respect your view and hopefully you respect ours." Mr. Jenkins said, "We certainly respect yours but at the end of the day, the governing body of this County is the Board of Legislators and certainly the Board of Legislators can move forward in determining that it is going to move forward with the Capital Budget for the pool construction when it comes up. But this particular portion is not a matter of whether or not it is prudent or not. It was adopted by the Board and should the administration have chosen to say something different, it would come back to this Board first and then the Board of Legislators and at the end of the day the Board of Legislators would say we have a unanimous vote on this and it just needs to get done and move forward. Again, construction

conversations being separate, those are future budget discussions and negotiations and we just need to put this on the record again.”

Mr. Plunkett said, “I am not going to get into a discussion of separation of powers – the Executive powers vs. the Legislative powers. We are not moving it, we are not spending money that is not going to be used and spent wisely. We disagree with it. We think we have the authority to do it and you are on the record.” Mr. Jenkins said “Thank you.”

Acquisition & Contract. Minutes of the meeting of 8/18/11 and the SEQR Review for agenda items.

J. Vieira

Mr. Plunkett moved to receive and file the foregoing minutes and SEQR review, which were duly seconded and approved.

1. (20510) **Planning – WITHDRAWN BY DEPARTMENT.** Request authority, pursuant to Section 3(a)(xxi) of the Westchester County Procurement Policy and Procedures, to exempt from procurement an agreement with Legal Services of the Hudson Valley, for the provision of legal services to eligible low income households in need of eviction protection.

E. Buroughs

Tabled By the Board of Legislators – 8/18/11

2. (20511) **Planning – WITHDRAWN BY DEPARTMENT.** Request authority to enter into an agreement with Legal Services of the Hudson Valley, for the provision of legal services to eligible low income households needing eviction prevention, from 1/1/11 – 12/31/11, for a total not to exceed amount of \$308,923.

E. Buroughs

Tabled By the Board of Legislators – 8/18/11

3. (20831) **CE/Youth Bureau -** Enter into an agreement with Cornell Cooperative Extension Association of Westchester County to conduct a number of county-wide educational programs in accordance with an agreed-upon scope of services, to be held at the County's Hilltop Hanover Farm and Environmental Center, as well as various other locations, from 1/1/11 – 12/31/11, for an amount not-to-exceed \$990,000.

M. Cabaleiro

Held over by the Board of Legislators – 8/18/11

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

4. (20923) **Board of Legislators -** Enter into an agreement with Westchester Jewish Community Services, Inc., to provide a Geriatric Care Specialist who will work with the many resources in the County to meet the growing, changing and varied needs of the County's older adult community, from 2/1/11 – 1/31/12, for an amount not to exceed \$40,375.

K. Jenkins

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

5. (18477) **Board of Legislators -** Enter into an agreement with My Sisters' Place, Inc., for the provision of case management services and to provide on-site temporary child care

through its Tot Drop program, from 1/1/11 – 12/31/11, in a not to exceed amount of \$60,600.

K. Jenkins

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

6. (20968) **CE/Youth** - Enter into an agreement with the Don Bosco Community Center of Port Chester's, Inc., to operate the Boys and Girls Club – Salesian Oratory II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$29,992.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

7. (20969) **CE/Youth** - Enter into an agreement with the Hudson River Museum, Inc., to operate the Junior Docent Program II, from 1/1/11 – 12/31/11, in the total amount not to exceed \$16,878.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

8. (20970) **CE/Youth** - Enter into an agreement with the Nepperhan Community Center, Inc., to operate the Nepperhan Youth Corp II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$19,136.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

9. (20973) **CE/Youth** - Enter into an agreement with Student Advocacy, Inc., to operate the Overcoming The Odds II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$55,573.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

10. (20974) **CE/Youth** - Enter into an agreement with the Yonkers Family YMCA, to operate the Youth Employment Training II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$33,755.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

11. (21014) **CE/Youth** - Enter into an agreement with the Center for Human Options, Inc., to operate the Peer Leaders with Purpose II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$58,240.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

12. (21018) **CE/Youth** - Enter into an agreement with the Network for Teaching Entrepreneurship, to operate the Youth Entrepreneurship Training II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$131,432.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

13. (21021) **CE/Youth** - Enter into an agreement with the Westchester Jewish Community Services, Inc., to operate the Young Parents Achieve II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$106,478.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

14. (21024) **CE/Youth** - Enter into an agreement with the Young Women's Christian Association of White Plains and Central Westchester, Inc., to operate the GEMS & Little Sisters in Kids Connection Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$125,194.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

15. (21038) **CE/Youth** - Enter into an agreement with the Boys & Girls Club of Northern Westchester, Inc., to operate the After School Fun Club – Mt. Kisco II Program, from 1/1/11 – 12/31/11, in the total amount not to exceed \$202,424.

M. Cabaleiro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

16. (19997) **Information Technology** - Amend Contract IT-1094, with Syscon Justice Systems Ltd., British Columbia, for one year of software and maintenance services for the application software (known as the iTAG Offender Management System) licensed to and in use by the Department of Correction, from 10/1/11 – 9/30/12, for a total not to exceed amount of \$86,822, to a new total not to exceed contract amount of \$260,967, under the listed terms and conditions.

Beirne/Cheverko

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

17. (20678) **Planning** – Enter into a second amendment to the grant agreement with the New York State Division of Housing and Community Renewal for the Weatherization Assistance Program, in order to change the expiration date from 12/31/11 to 3/31/12, and increase the number of units to be assisted, from 732 to 830.

E. Buroughs

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

18. (20853) **Planning** - Amend the agreement with the Housing Action Council, Inc., for a home ownership counseling center for the benefit of the Westchester Urban County Consortium communities and to provide down payment assistance to prospective purchasers of TB Flats, an affordable condominium complex in the Village of Ossining, in order to change the expiration date from 6/24/11 to 12/31/11.

E. Buroughs

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

19. (20854) **Planning** - Amend the agreement with the Village of Port Chester for a Bent Avenue Sidewalk Improvement Project, in order to change the scope of work to include a drainage pipe for Touraine Avenue and change the expiration date, from 12/31/11 to 6/15/12.

E. Buroughs

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

20. (20925) **Health** - Enter into contract with the New York State Department of Health to accept continued funding for the Healthy Neighborhood Program grant, from 10/1/11 – 9/30/12, in the not to exceed amount of \$330,000.

C. Archbald

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

21. (21012) **Health** - Enter into contract to accept continued funding from the New York State Department of Health, for the Bathing Beach Water Quality Monitoring and Notification Program grant, from 10/1/11 – 9/30/12, in the not to exceed amount of \$31,412.

C. Archbald

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

22. (20916) **Labs and Research** - Enter into an agreement with the State of New York, acting by and through the New York State Division of Criminal Justice Services, to accept a grant in the amount of \$813,100, for the Department to participate in the Aid to Crime Labs-Forensic Science Laboratory Program, from 7/1/11 – 6/30/12.

K. Ashar

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

23. (21027) **Labs and Research** - Enter into an agreement with the State of New York, acting by and through the New York State Division of Criminal Justice Services, to accept a grant in the amount of \$100,000, for the Department to participate in the Aid to Crime Labs-Toxicology Program, from 7/1/11 – 6/30/12.

K. Ashar

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

24. (20704) **College** - Contract No. WCC-10-884-Rev. with Sundance Energy Contractors, Inc. d/b/a Markley Mechanical, for the Upgrade of Main Gas Meter Westchester Community College. Acceptance of completed work and approval of Final Contract Amount of \$39,990.00.

J. Hankin

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

25. (20861) **College** – Contract No. WCC-09-121, with United States Elevator, Inc., for Elevator Overhaul for the Administration, Academic Arts and Science Buildings, Westchester Community College. Acceptance of completed work and approval of Final Contract Amount of \$281,841.59.

J. Hankin

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

26. (19164) **Public Safety** - Enter into an agreement with the New York State Division of Homeland Security and Emergency Services to accept Federal funds in an amount not to exceed \$272,788 to assist the Department's purchase and installation of radio equipment, and provide funding for personnel costs in connection with interoperable communications among law enforcement agencies in and around Westchester County, with the County providing \$248,641 in additional funding for a total project cost of \$521,429, from 6/1/10 – 5/31/13, under the listed terms and conditions.

Longworth/Beirne

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

27. (20920) **Probation** - Enter into an agreement with the New York State Division of Criminal Justice Services, in an amount not to exceed \$605,438 and subcontract, with the listed agencies, to implement the Westchester County Alternatives To Incarceration Service Plan, from 1/1/11 – 12/31/11.

R. Pozzi

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

28. (20984) **DPW/Transportation** – Contract No. 10-518, for Roadway Resurfacing and Related Improvements, North Street (C.R. NO. 30) From Westchester Avenue to Hutchinson River Parkway, City of White Plains, New York. Award to Low Bidder, Petrillo Contracting, Inc., Mt. Vernon, in the amount of \$2,620,000.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

29. (20985) **DPW/Transportation** – Contract No. 10-553, for Roofing Replacement, Welding Shop, Yonkers Joint Wastewater Treatment Plant, Yonkers, New York. Award to Low Bidder, GTS Construction Corp., Hicksville, in the amount of \$696,000. (4 bids)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

30. (20986) **DPW/Transportation** – Contract No. 11-529, for Bus Stop Improvements, Valhalla Campus, Valhalla, New York. Award to Low Bidder, Landi Contracting, Inc. (WBE), Hawthorne, in the amount of \$57,420. (5 bids)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

31. (20987) **DPW/Transportation** – Contract No. 11-535, with D&M Electrical Contracting, Inc., for Emergency Repairs of Overhead Primary System, Dunwoodie Golf Course, Yonkers, New York. Acceptance of completed work and approval of Final Contract Amount of \$38,774.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

32. (20988) **DPW/Transportation** – Obtain a proposal and negotiate a fee with McFarland-Johnson, Inc., Binghamton, NY, for Engineering Services for the Realignment of Runway 11/29, Phase I – Feasibility Study, Westchester County Airport, Towns of Harrison and North Castle and Village of Rye Brook, New York. (#11-922)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

33. (20989) **DPW/Transportation** – Contract No. 10-568, for Site Work for Electrical and Deicing Upgrades, Westchester County Airport, Towns of Harrison and North Castle and Village of Rye Brook, New York. Request authority to advertise for bids.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

34. (20990) **DPW/Transportation** – Contract No. 11-214, for Hydrant and Valve Replacement – Phase VII, County Water Districts 1 and 3, Yonkers and Valhalla, New York. Request authority to advertise for bids.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

35. (20991) **DPW/Transportation** – Contract No. 11-218, for Generator Replacement, Mohansic Golf Course Radio Tower, Yorktown, New York. Request authority to advertise for bids.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

36. (20992) **DPW/Transportation** – Contract No. 11-543, for Rehabilitation of North Street Bridge Over Playland Parkway, City of Rye, New York. Request authority to advertise for bids.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

37. (20993) **DPW/Transportation** – Contract No. 11-544, for Rehabilitation of Bascule Span Sidewalks, Railings and Joints, Glen Island Bridge, City of New Rochelle. Request authority to advertise for bids.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

38. (20994) **DPW/Transportation** – Contract No. 06-541, with Arben Group LLC, for Performance Maintenance III, Blind Brook Wastewater Treatment Plant, Rye, New York. Approved ELQ Industries Inc., New Rochelle, as a subcontractor.

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

39. (21117) **DPW/Transportation** – Amend a 8/11/11 Resolution to enter into an agreement for Primary and General Election Moving Services and Storage of Handicapped Accessibility Equipment between the County Warehouse and Various Polling Place Locations in Westchester County Zone 2 – Bedford, Lewisboro, Mount Kisco, New Castle, North Salem, and Pound Ridge, from 9/1/11 – 12/31/11, for an amount not to exceed \$15,500, is hereby amended by changing the name of the contractor listed as “Whalen’s Moving & Storage Co., Inc.” to “Whalen’s Moving & Storage Co., LLC”. (Agreement No. BOE 11-02)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

40. (21118) **DPW/Transportation** – Amend an 8/11/11 Resolution to enter into an agreement for Primary and General Election Moving Services and Storage of Handicapped Accessibility Equipment between the County Warehouse and Various Polling Place Locations in Westchester County Zone 1 – Cortlandt, Ossining, Peekskill, Somers and Yorktown, from 9/1/11 – 12/31/11, for an amount not to exceed \$27,500, is hereby amended by changing the name of the contractor listed as “Santiago Moving & Storage Co., Inc.” to “Santiago Worldwide, Inc. (Agreement No. BOE 11-01)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

41. (21119) **DPW/Transportation** – Amend an 8/11/11 Resolution to enter into an agreement for Primary Election Moving Services of Voting Machines, Supply Bags and Privacy Booths between the County Warehouse and Various Polling Place Locations in Westchester County Zone 2 – Bedford, Lewisboro, Mount Kisco, New Castle, North Salem and Pound Ridge, from 9/1/11 – 9/30/11, for an amount not to exceed \$8,905, is hereby amended by changing the name of the contractor listed as “Santiago Moving & Storage Co., Inc.” to “Santiago Worldwide, Inc. (Agreement No. BOE 11-08)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

42. (21120) **DPW/Transportation** – Amend an 8/11/11 Resolution to enter into an agreement for Primary Election Moving Services of Voting Machines, Supply Bags and Privacy Booths between the County Warehouse and Various Polling Place Locations in Westchester County Zone 3– Greenburgh Harrison, Mount Pleasant, North Castle and White Plains, from 9/1/11 – 9/30/11, for an amount not to exceed \$28,910, is hereby amended by changing the name of the contractor listed as “Santiago Moving & Storage Co., Inc.” to “Santiago Worldwide, Inc. (Agreement No. BOE 11-09)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

43. (20852) **DEF** – Contract No. EF-0908, with Unity Mechanical Corporation, for Boiler Maintenance and Repairs, Three (3) Wastewater Treatment Plants, Westchester County, New York. Approval of Change Order No. 1 in the amount of \$65,000.

T. Lauro

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

44. (21205) **DPW/Transportation** – Contract No. 10-234-Rev., for Weatherization Assistance Program, North County Housing Facilities, Westchester County, New York. Award to Low Bidder, Caladri Development Corp., Peekskill, in the amount of \$993,850. (6 bids)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

45. (21206) **DPW/Transportation** – Contract No. 10-235-Rev., for Weatherization Assistance Program, South County Housing Facilities, Westchester County, New York. Award to Low Bidder, Caladri Development Corp., Peekskill, in the amount of \$2,237,070. (1 bid)

J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

46. (21207) **DPW/Transportation** – Contract No. 11-208, for Weatherization Assistance Program, Travers House, 100 Vark Street and Issan House & Maitri Center, 23 Park Avenue, Yonkers, New York. Award to Low Bidder, Bay Restoration Corp., Woodside, NY, in the amount of \$219,850. (4 bids)

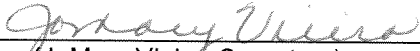
J. Hsu

Mr. Plunkett moved the resolution, which was duly seconded and unanimously approved.

This meeting was recorded and an electronic copy of the minutes is on file with the Board of Acquisition and Contract.

There being no further business, the Chair declared the meeting adjourned. All approved

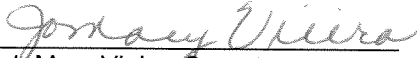
resolutions are on file electronically with the Board of Acquisition and Contract.



(JoMary Vieira, Secretary)

I have reviewed the foregoing minutes and have found them to be correct as written.

Dated 9/1/11



JoMary Vieira, Secretary
Board of Acquisition and Contract

Honorable Ken W. Jenkins
Board Chairman
Legislator, 16th District



Voice of the People of Westchester County for over 300 years

MEMORANDUM

To: Honorable Robert Astorino, County Executive
Member, Board of Acquisition & Contract

John Hsu, Commissioner, Department of Public Works
Member, Board of Acquisition & Contract

From: Honorable Ken Jenkins, Chairman of the Board of Legislators
Member, Board of Acquisition & Contract

Date: August 25, 2011

Re: Cornell Cooperative Extension (CCE) - 2011 Contract (A&C Resolution # 20831)

This correspondence provides supplemental information on A&C Resolution # 20831, the County of Westchester's agreement with Cornell Cooperative Extension of Westchester County for a not-to-exceed amount of \$990,000, to be considered by this Honorable Board at today's meeting.

With regards to Westchester County's ("the County") Annual Contract with Cornell Cooperative for 2011, I would like to recap some of the State and Federal financial and operational guidelines for extension programs. Of particular importance, please note that for a county extension to exist in the first place, there must be a county appropriation. Historically, every one dollar that the County appropriates generates two dollars in additional funding.

As you are aware, under NYS County Law subdivision 8 of Section 224, the County's appropriation triggers state funding for CCE via Cornell University - the designated agent of New York State ("the State") and the authorized agent of the United States Department of Agriculture (USDA).

In an August 16, 2011 correspondence, Helene R. Dillard, Ph.D., director of Cornell Cooperative Extension, describes the cooperative program between local extension service associations and Cornell University under Section 224(8) and the significant state and federal program oversight. As further explained by Dr. Dillard, Section 224(8) establishes cooperative management by local boards of directors and the state (through Cornell University) to supervise the work of the local extension association. The local association must also meet

accreditation standards to satisfy state and federal requirements. A copy of Section 224 and a copy of this letter are attached.

The State covers most of the Executive Directors' salaries in all of New York's counties, and also covers all fringe benefits for all of the regular, full-time employees that Cornell University hires for the local extension associations. Therefore, that portion of CCE's operation does not require oversight/accountability to Westchester County. County funds do support CCE employee salaries.

Further, various state agencies such as the DEC provide grants to the extensions for providing related programs. If the County doesn't provide enough funding for the cooperatives to provide the programs, they are not eligible to receive those grants.

The USDA (through Cornell University) will also provide funding for county extension associations that provide USDA programs (these are dedicated funds that go to land grant universities specifically to support cooperative extensions). One of those programs is the Expanded Food & Nutrition Education Program, whereby the federal government appropriates funds to pay nutrition educators here in Westchester in order to implement the program for food stamp eligible heads of household. Not all counties qualify for this money, but we do. Another program is the Eat Smart New York Program, whereby federal funds are allocated for the purpose of nutrition education for low income residents the state gives half of that money to Cornell for its extension associations in the counties. Again, the County has to have a viable cooperative extension association in order to qualify for those funds. Meaning, the County must provide funding for the other costs associated with these programs (supervisors, administrative personnel, office equipment, machinery, rent, utilities, supplies, mileage reimbursements, etc.) in order to qualify for the dollars.

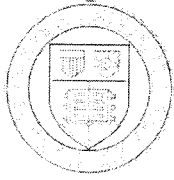
For your convenience and for the record, I have also attached a copy of the CCE Accreditation Standards, a copy of the 2011 Memorandum of Understanding (MOU) between CCE and Cornell University as well as a copy of Cornell University's Policy 3.14, which further delineates their policies and oversight requirements for county extensions.

As a major funding partner within this structure, Westchester County understandably has a strong interest in the prudent expenditure of funds and responsible delivery of services.

In order to continue an efficient delivery of extension services, I suggest that the County incorporate as much as possible in its administration of the Cornell Cooperative contract the available information, materials and oversight already provided by Cornell University and the federal government (e.g., USDA). For example, reporting forms and information submitted by Cornell Cooperative to Cornell University and/or USDA could be appended to or used in lieu of conventional County reporting forms. Other practices that avoid unnecessary replication could be explored. These approaches can achieve the needed County monitoring of services while maximizing Cornell Cooperative staff time and resources towards services delivery.

Thank you.

Attachments



Cornell University
Cooperative Extension

Extension Administration

Cornell University
365 Roberts Hall
Ithaca, NY 14853-5905
t. 607 255-2237
f. 607 255-0788
e. coe@cornell.edu
www.coe.cornell.edu

August 16, 2011

Hon. Ken Jenkins
Chairman - Westchester County Board of Legislators
148 Martine Avenue
White Plains, NY 10601

RE: Oversight of Cornell Cooperative Extension of Westchester County

Dear Chairman Jenkins:

As you have requested, this letter outlines Cornell University's legal responsibility to provide oversight for Cornell Cooperative Extension of Westchester County (CCEWC).

As you know, New York State County Law 224, Subdivision 8, authorizes the establishment of county extension associations as a "subordinate governmental agency consisting of an unincorporated organization of the citizens of the respective counties interested in agriculture, home economics and community betterment under form of organization and administration approved by Cornell university as agent for the state."

County Law 224 also authorizes a county board of supervisors to appropriate and pay out funds for the support and maintenance of county extension associations, "provided that this money shall be expended under an agreement to be entered into between the county association and Cornell university as agent for the state, for the cooperative management of said work of the county extension service association and the proper supervision of professional staff employed therefor." This agreement, which is executed annually, enumerates the duties of the respective parties, including but not limited to oversight of the program, administration of payroll, establishment of professional standards, adhering to financial management practices and various reporting requirements.

As the designated agent of the State of New York and the United States Department of Agriculture in administering the cooperative extension system in New York, Cornell University also promulgates standards for county associations in hiring and personnel matters. County extension associations use Cornell's finance, human resources and IT systems and all transactions are visible by the University compliance personnel. Annually, each county extension association's finances are reviewed in detail by Cornell's finance personnel and checked for compliance.

In carrying out its duties as agent of the state and federal governments, Cornell requires that county extension associations adhere to Accreditation Standards. A copy of the 2011

Accreditation Standards is attached. It should be noted that one of the requirements for accreditation is maintaining current liability insurance.

County extension associations are subject to the federal Government Performance Results Act, and annually submit reports as required.

Each county extension association has local governance through a Board of Directors which oversees the association. The Board of Directors regularly reviews the finances, programs and operations of the association to ensure compliance with Cornell University and other standards and requirements. Proper local governance is one of the requirements for maintaining accreditation.

As further part of its oversight responsibilities, Cornell University requires the county extension associations to operate within the bounds of their mission as set out in County Law 224, and to comply with the statutes, rules, regulations, or policies under which they function. To assist with these expectations, Cornell has a compliance review process which reviews every county cooperative extension association in New York.

Cornell University provides each county extension office with a template for its agreement with its respective county. One is attached. The template has been developed over the years to ensure that the county extension association is in compliance with all applicable requirements, particularly with respect to the relationship between the county extension association and its county government. While County Law 224 requires each county extension association to provide the county board of supervisors with a "detailed statement of its work and transactions," management and administration of the county extension association is solely within the authority of its Board of Directors under the general oversight of Cornell University as provided for in section 224. It would be contrary to and a conflict with the statutory authority to place any County extension association under the domain and control of any county agency or division.

If you have additional questions on this matter please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Helene R. Dillard".

Helene R. Dillard, Ph.D.
Director, Cornell Cooperative Extension
Associate Dean, Colleges of Agriculture and Life Sciences
and Human Ecology
Professor, Plant Pathology

COUNTY LAW

STATE OF NEW YORK

Section 224. Optional appropriations and contracts for public benefit services.

Subdivision 8 (a) The board of supervisors of any county in which a county extension service association has been organized may from time to time appropriate and pay out for the support and maintenance of county extension service associations and the work thereof, and for the employment by the county association of professional staff, and for any other purposes which the board of supervisors shall deem proper and may raise money for such purpose by a tax on real and personal property in the county. The board of supervisors may direct the county treasurer to pay out moneys from such appropriation upon the order of the treasurer of the county association, upon his giving a proper receipt therefore, and the chairman of the board of supervisors may be authorized to enter into an agreement to pay such funds in regular installments in advance, and such agreement shall be sufficient authority in the hands of said county treasurer to pay out such moneys, provided that this money shall be expended under an agreement to be entered into between the county association and Cornell university, as agent for the state, for the cooperative management of said work of the county extension service association and the proper supervision of the professional staff employed therefor. The agreement shall identify by his or their titles the professional staff to be employed by the associations and shall state the salary or salaries to be paid and the sources from which payment is to be made. If services of professional staff employed by Cornell university are to be furnished, or if programs of extension work are to be furnished or conducted by Cornell university, the agreement shall identify such services or programs and state the terms on which they are to be furnished, including the sources from which payments are to be made. The cooperative relations therein established shall continue until either party to the agreement shall notify the other party that it wishes to terminate the agreement. Such a notification shall be in writing and shall be served at least six months preceding any action taken to annul the agreement. After receiving such notice cooperative relationships between said parties shall cease at the expiration of the six months' period of notice providing reconsideration or request for continuance is not made by the party issuing notification of desire to discontinue work under the provisions of this agreement. On or before the first day of December in each year and at any other time when requested by the board of supervisors, the officers of such county association shall report in writing to the board of supervisors a detailed statement of its work and transactions for the year ending November thirtieth, and for any other period which the board of supervisors may request and in such form as said board may direct.

(b) County or regional extension service association and its work. In each county or region of two or more counties of the state which shall qualify under this subdivision to cooperate with Cornell university for extending to the people of the state of New York, not enrolled in said colleges, the educational programs of the New York State College of Agriculture and Life Sciences and the New York State College of Human Ecology at Cornell university and subjects relating thereto, in cooperation with the state, there shall be recognized and may be created a subordinate governmental agency consisting of an unincorporated organization of citizens of the respective counties interested in agriculture, home economics and community betterment under a

form of organization and administration approved by Cornell university as agent for the state. It shall be known as a county or regional extension service association. Cooperative extension work in a county may consist of programs in the fields of agriculture, home economics, 4-H and community betterment. References herein to the county or regional association shall mean such an organization. Only one such association¹ shall be recognized or formed in each county or, by formal agreement, two or more counties may join to form one regional association to serve the several counties. The instrument providing its form of organization and administration shall be deemed its constitution. It shall have a board of directors and the offices of president and treasurer, to be constituted and filled as provided in such constitution, which also shall regulate admission to and tenure of enrollment in the organization. The board of directors of any such association heretofore or hereafter created may adopt such regulations and by-laws governing its procedure in the work assigned to it as are not inconsistent with the provisions of this subdivision. Subject to such rules and regulations and the constitution so approved, the president of the association shall act for, as and in the name of the association in all matters except those as to which the treasurer is given powers and duties. Civil actions or proceedings may be brought by or against the president or treasurer, as such, of the association. A judgment against them or either of them shall be enforceable only against funds or property of the association. Such an association is hereby declared to be a subordinate governmental agency and neither the county nor Cornell university nor any member, officer or director of the association shall be liable in damages for any injury to person or property in connection with the activities of the association the proximate cause of which was not directly their or his fault or negligence.

(c) When authorized by the board of directors of a county association, the treasurer of the association may acquire in his name as such treasurer, and he and his successors in office may hold, in trust, for carrying on the work and effectuating the purposes or a purpose of the association, personal property and real property or any interest therein, or the possession thereof under a lease. The instrument whereby such property, interest or use is acquired by purchase shall designate the grantee or lessee, as the case may be, by name and official title of treasurer as trustee. Such treasurer, as such, and as such trustee, may take and hold personal and real property by gift, grant or devise, when the instrument of gift or the will gives or devises property, personal or real, directly to the association as such and in its name, or to any person or persons for it, or in trust for its use and benefit. Such treasurer, as treasurer and trustee, may mortgage, lease, assign, convey or transfer any property held by him for the association, either personal or real, when authorized so to do by the directors of the association, by a deed or other instrument executed by and in the name of the then treasurer as such and as trustee. No such mortgage, lease, assignment, conveyance or transfer shall be made contrary to the conditions, if any, of the instrument under which the property, interest therein or use thereof, was acquired. The use and application of the acquired property, income therefrom and proceeds realized from a conveyance or transfer thereof, if any, shall be in accordance with rules and directions of such board.

(d) For the support of cooperative extension programs and subject to annual appropriation by the legislature, there shall be annually apportioned to each county cooperative extension association out of any moneys in the state treasury appropriated therefor, fifty cents for each dollar up to the first one hundred thousand dollars appropriated by such county for cooperative extension activities during the state fiscal year most recently ended and five cents for each dollar appropriated by such county for cooperative extension activities in excess of one hundred thousand dollars during the state fiscal year most recently ended. In the case of a regional extension service association authorized by this section, the maximum amount to be apportioned

to any such association shall be the sum of the maximum apportionments which would have accrued to a separate association in each county included in the region. No county cooperative extension association shall receive an apportionment of funds under this section in an amount less than had been received in the nineteen hundred ninety-five--ninety-six state fiscal year, provided that the annual state appropriation is not less than the state moneys appropriated in the nineteen hundred ninety-five--ninety-six state fiscal year.

1. The entitlement of each association to state moneys annually appropriated under this chapter is subject to the furnishing of equivalent sums from county appropriations.

2. The apportionments provided pursuant to provisions of this paragraph shall be rounded to the nearest whole dollar.

3. The state apportionments provided for in this subdivision shall be paid upon vouchers certified by Cornell university as follows:

(i) For salaries of professional staff employed by the association;

(ii) For salaries of staff employed by Cornell university when administering, furnishing or conducting extension programs benefiting the county under agreement with the association.

4. All such payments shall be made in accordance with the annual agreement between the association and Cornell university, which shall:

(i) Specify the amount in dollars to be expended for each of such purposes and the amount in dollars to be provided from apportionments pursuant to this subdivision;

(ii) Identify by titles the positions for which the salary is paid;

(iii) In the case of salaries of agents jointly employed by two or more county associations, and in the case of salaries of agents or other personnel employed by Cornell university, in furnishing or conducting programs which are furnished or conducted in or for the benefit of two or more counties, identify each of the county extension service associations against whose account payments pursuant to this subdivision are to be charged and the amount to be charged.

(e) The general supervision of the co-operative extension work in a county herein provided for shall be under the direction of Cornell university as agent for the state and Cornell university is hereby authorized to set standards for professional staff and to make rules and regulations for the organization and conduct of such work. The moneys appropriated pursuant to this subdivision shall be paid from the state treasury on the warrant of the comptroller on vouchers approved by the treasurer of Cornell university.

For the purpose of carrying out the co-operative extension work of the county association, a county association may:

(1) Employ professional staff to organize, carry out, and co-ordinate the work;

(2) Exchange services of professional staff employed by it for services of professional, staff employed by another county association or employed by Cornell university, upon such terms as shall be agreed;

(3) Contract with another county association or with other county associations for the joint employment of one or more professional staff members, upon such terms with respect to salary, payment of expenses, duties and allocations of services as shall be agreed;

(4) Contract with Cornell university for the furnishing of services of professional staff employed by the university to conduct educational work throughout the state or in areas thereof, upon such terms as shall be agreed;

(5) Contract with Cornell university for the furnishing and conduct of programs of extension work or services, within the county or benefiting the county, upon such terms as shall be agreed;

(6) Contract with one or more other county associations for the purpose of assuring concurrent action by the several associations in contracting with Cornell university for services of professional staff at Cornell university or for programs of work furnished by Cornell university, as provided in paragraph (d) or (e), where the use of such services or participation in such programs by the several associations is required for their arrangement or financing.

If services of professional staff employed by Cornell university are to be furnished, or if programs of extension work are to be furnished or conducted by Cornell university, the agreement shall identify such services or programs and state the terms on which they are to be furnished, including the source from which payments are to be made. Where payments are to be made out of funds appropriated by the state as provided in paragraph (d) of subdivision one, the agreement must contain the information required by that subdivision. If services of professional staff or programs are to be furnished to the county association under contractual arrangements as provided in paragraph (e) such contract or contracts shall be subject to approval by the legislative bodies of the counties concerned and executed as any other county contracts.

(f) A county may on recommendation of the county superintendent of highways, permit the use of any street or highway machinery, tools or equipment owned by the county, by a county association, provided for by paragraph (b) of this subdivision, upon such terms and conditions as may be agreed upon by the parties involved. Monies received by a county pursuant to the provisions of this section shall be paid into the county road machinery fund.

(g) A town superintendent of highways, with the approval of the town board and of the county superintendent, may permit the use of any highway machinery, tools or equipment owned by the town, by a county association provided for by paragraph (b) of this subdivision upon such terms and conditions as may be agreed upon by the parties involved. Monies received by a town pursuant to the provisions of this section shall be applicable for the purposes for which amounts may be raised as provided in subdivision three of section two hundred seventy-one of the highway law.

(h) No such machinery, tools and equipment shall be so leased to such a county association unless (1) adequate insurance shall be secured thereon which will protect the county or town, as the case may be, in the event of the loss of or damage to such leased machinery, tools and equipment by reason of fire and theft, and also in the case of machinery and equipment operated, or propelled, by motors, adequate collision insurance and (2) adequate liability and property damage insurance shall be secured for the protection of the county or town, as the case may be, upon all machinery and equipment operated or propelled, by motors. The determination of what shall be "adequate" insurance shall be made by resolution of the board of supervisors of the county, or the town board of a town, as the case may be, and no officer or official of any such county or town shall be held personally responsible to such county or town or to third persons should such insurance in any event prove to be inadequate in amount. The cost of any such insurance shall be paid for by the county association in addition to the payments hereinabove provided.

(i) If any such agreement between a county, or a town, and a county association shall provide that the equipment, tools or machinery leased shall be operated by an employee of the county, or town, any such employees, regardless of the terms of such contract, shall continue to be paid by and to be an employee of the county, or town, and shall be considered as such for any and all purposes, and the agreement between the county, or town, and the association shall provide for the payment by the association to the county, or town, of amounts at least equal to the compensation which any such employee shall receive from the county or town. The monies

received by a county, or town, for reimbursement of the compensation of such employees shall be credited to the fund from which such compensation was paid while such equipment, tools or machinery were leased.

(j) The organizations provided for in paragraph (b) of this subdivision as it existed prior to this amendment and known as county farm and home bureau and 4-H club associations, county farm and home bureau associations, county farm bureau and 4-H club associations, county farm bureau associations or county home bureau associations existing when this act takes effect shall thereafter be known as county extension service associations, the name of the county in which organized being part of their names; said associations shall continue to have the same rights, privileges, exemptions, powers and duties under the new name, prescribed herein, as they have or had under their prior names.

Source:

McKinney's Consolidated Laws of New York, Annotated, Book 11, County Law, Section 224, Subdivision 8, 2001 Cumulative Pocket Part (West Group, St. Paul, MN; 2001), pp. 19-23.

¹ So in original. Probably should be "association".

June 25, 2001

2011 Accreditation Standards

Governance

Standard: The Association has a viable partnership with local government and with Cornell and an approved form of governance.

Indicators: The Association

- G.1 Formal relationship and funding are in place with county government to execute provisions of County Law 224.
- G.2 Submits to Extension Administration signed A-R and B-R agreements by 3/31 of each year.
- G.3. Submits a Board-approved budget to Extension Administration by 3/31 of each year)
- G.4 Local documentation maintained relative to County Law 224 and the Comprehensive Affirmative Action and Diversity Plan.
- G.5 Complies fully with the terms of all written agreements with Extension Administration such as B-R, Regional Team Agreements, etc., or requests, in writing, a specific variance approved by the Director of Extension
- G.6 Has on file:
 - a. A current constitution approved by the Director of Extension with documented Board review within past three years
 - b. Operational guidelines or equivalent are up-to-date and complete, and guide committee practice
 - c. Minutes for the Annual Meeting of the Association
 - d. Minutes for all standing and ad hoc board committees as well as and the association nominating committee
 - e. **Written agendas and minutes** which demonstrate that the full Board meets a minimum of **five times yearly** in accordance with the constitution
 - e.1 *and that 60% of those meetings have a quorum*
 - e.2 *and takes formal action in the form of motions* related to policy adoption, program and management oversight

G.7 The association complies with Open Meetings and Freedom of Information Laws and institutes associated public record management.

G.8 Adopts and implements system-wide comprehensive affirmative action and diversity plan

Program

Standard: The Association provides educational programs and participates in applied research consistent with Cornell's New York land-grant mission and with Federal partner requirements.

Indicators: The Association:

- P.1** Has an active program advisory structure, described and approved in the association's Operational Guidelines, which provides stakeholder input, provides for program evaluation, and which reports to the Board of Directors
- P.2** Establishes and implements a local plan of work which
 - a. specifies effort (FTEs) for all content areas
 - b. commits 50% of local program effort toward areas included in the system-wide plan of work and
- P.3** For each major area of association programming, provides documentation of participation of at least one senior staff member on any PWT and/or documents faculty participation in program design, execution, or evaluation of one program
- P.4** Submits all required program data
 - a. annual submission of one success story per program area and
 - b. required reports against standard system indicators
- P.5** Assures adequate and accessible facilities for program delivery
 - a. meeting accessibility requirements in the CCE Comprehensive Diversity Plan
- P.6** Provides programs to multiple and diverse audiences
 - a. submission of the annual CAADP check list
 - b. documentation of annual staff training in EPO/Civil Rights

Staffing/HR

Standard: The Association employs staff with necessary qualifications and expertise to develop, implement, manage and evaluate programs for which state and federal support are provided.

Indicators: The Association

S.1 Implements a basic classification plan consistent with system requirements for all association employees

S.2 Adheres to the system classification/compensation plan for all employees classified as Resource Educator and above

S.3 Adopts and informs employees of uniform and universal personnel policies which include required conflict of interest and conflict of commitment policies

S.4 Reviews and updates policies regularly

S.5 Has specific policies and procedures to deal with conflict of interest and conflict of commitment

S.6 Employs, in at least one program area, an educator qualified by, and acceptable to Cornell Extension Administration (Resource Educator level or above)

S.7 Assures staff performance by completing, at minimum, an annual performance review for each staff member

S.8 Complies with EEO requirements.

Finance

Standard: The Association provides evidence of good stewardship of local/state/federal resources.

Indicators: The Association

- F.1 Adheres to financial management procedures specified by F.O.R.M. and Memoranda of Agreement
- F.2 Maintains third party liability insurance for bodily injury and property damage
- F.3 Submits *all* required financial documentation
- F.4 Submits to all internal compliance reviews, and audits as requested by Extension Administration
- F.5 Maintains timely payment to Cornell University for payroll and program expense accounts
- F.6 Uses required software for financial reporting
- F.7. Collects Sales Tax in compliance with NYS laws and regulations
- F.8 Provides timely financial information to Association Board of Directors

System Communications/Accountability

Standard: The Association actively engages and participates in system communications structures.

Indicators: The Association

- A.1 Is regularly represented at statewide and regional meetings for system efforts
- A.2 Has a fully developed and implemented Association Emergency Plan
- A.3 Has a written policy for use of technology

MEMORANDUM OF AGREEMENT

Between Cornell University and the
Cornell Cooperative Extension Association of Westchester County
For the year 2011

THIS AGREEMENT is between Cornell University, Ithaca, New York, an educational Corporation of the State of New York, and the Cornell Cooperative Extension Association of Westchester County, New York, for the calendar year 2011.

WHEREAS, pursuant to Subdivision 8 of Section 224 of the County Law of the State of New York, Cornell University has been designated agent of the State of New York for the cooperative management of Cooperative Extension work of the County Extension Association, including the support of the professional staff employed, and the certification of the expenditure of state monies provided within each county of the state to bring educational programs of its colleges thereto to the people of the state therefore;

WHEREAS, pursuant to Subdivision 8 of Section 224, the Cooperative Extension Association has qualified as the subordinate governmental agency to serve Westchester County in the aforesaid programs; and

WHEREAS, pursuant to Sections 341-348 of Title 7 U.S.C. and a Memorandum of Understanding between Cornell University and the United States Department of Agriculture, Cornell University has been authorized as agent for the United States to receive and supervise the expenditure of monies of the United States in the organization and conduct of Cooperative Extension work in the State of New York.

NOW THEREFORE, in view of the above-identified authorization, the parties hereto agree as follows:

1. Cornell University agrees to:
 - (a) provide general oversight of program and operation consistent with Subdivision 8 of Section 224 of the County Law of New York State as amended, and pursuant to said agreement with the United States Department of Agriculture;
 - (b) provide consultation in the planning, development, and conduct of the Cooperative Extension programming in the county;
 - (c) provide training, information, and advice concerning organizational and business management;
 - (d) provide the administration of payroll, workers' compensation, and unemployment insurance, as required;
 - (e) establish standards for the professional staff employed by the Association, including criteria for hiring and performance assessment by the Association of professional staff;
 - (f) provide system support and educational tools to the Association for recruitment and selection of staff employed by the Association;

- (g) provide in-service training opportunities and staff development support for professional staff employed by the Association;
- (h) provide leadership for the development and approval of an Association plan of work;
- (i) provide the Association with policies and procedures related to accounting/financial activities and provide regular in-service accounting/finance training opportunities for Executive Directors and finance staff;
- (j) periodically conduct compliance reviews of the Association's business systems and operating practices and render a written report on their status;
- (k) provide state and federal funds, as available, as follows and as stated in Attachment A of this agreement:

State (County Law 224)	per formula as appropriated
Smith-Lever (3b and 3c)	\$ 12,000
Smith-Lever (3d)	
EFNEP	\$ 74,500
EFNEP (Regional)	\$ 0
TOTAL	\$ 86,500

- (l) provide federal or college funds for special projects/programs mutually negotiated between Cornell and partnering Associations.
 - (m) provide support to the Association for specific programs for which payments are provided in 2(r);
 - (n) employ staff at Cornell University to provide necessary expertise to support specific programs contracted for by the Association and for which the Association is providing payment under 2(s).
2. The Cornell Cooperative Extension Association agrees to:
- (a) develop and implement a plan of work that meets accountability needs consistent with local, state, and federal guidelines, regulations, and laws;
 - (b) submit annually an approved budget by **March 31**;
 - (c) hire, employ, and supervise Extension Educator staff selected from candidates who meet the hiring criteria set forth by Cornell. The parties agree that such employees are and will remain employees of the Association and subject to the exclusive supervision and control of the Association;
 - (d) implement the basic classification plan and a compensation plan for all Extension Association employees, meeting minimum established requirements for Resource Educator through Executive Director's titles;

- (e) adopt, implement and abide by appropriate personnel policies for all Extension Association employees;
- (f) at a minimum, complete an annual performance review for each staff member as well as an in-depth performance review at least once every four years for Exempt Educator employees. Develop and implement ongoing performance development processes for all staff;
- (g) provide bonds for officers and employees of the Association, expense of bonds to be borne by the Association;
- (h) maintain adequate third party liability insurance covering the Association's potential liability for bodily injury and property damage resulting from the performance of its functions and maintain a current certificate of insurance. The Association shall be named as an insured in each of said policies;
- (i) submit program and administrative reports as requested;
- (j) comply with applicable local, state and federal civil rights laws and regulations and applicable affirmative action policies;
- (k) adhere to financial management policies as issued in the Financial Operations Resource Manual (**F.O.R.M.**) or issued in special memorandums by Extension Administration;
- (l) by **May 15th** of each year prepare and submit the Federal IRS form 990T and the New York State form CT13 to the appropriate agencies;
- (m) submit requested financial information for ending fiscal year to Administrative Systems by **March 31st** of the following year (or more often if requested), and make necessary documents available for audits;
- (n) by **January 31st** of each year prepare IRS Form 1099 in accordance with Financial Operations Resource Manual, Code 1207;
- (o) collect sales tax in compliance with New York State's laws and regulations. Remit taxes to New York State in a timely manner and maintain detailed records to support sales tax returns;
- (p) comply with the New York State escheat laws in existence;
- (q) provide to Cornell University payments for:

Association Services	1.3% of 2010 County Appropriations
WAN (Wide Area Network) Support (\$500 per mo.)	\$6,000
ACCPAC Support Services	\$325 per user
Unemployment Insurance Premium	\$ 5,372
Worker's Compensation	as determined by insurer
4-H Accident & General Liability	as determined by insurer

- (r) provide to Cornell University payments for programs included in the following agreements per budgets mutually negotiated between Cornell and partnering Associations:

Capital District Vegetable and Small Fruit Program (CDVSFP)
Lake Erie Regional Grape Program (LEGP)
Central New York Area Dairy and Field Crops Program (CNYDFC)
Cornell Vegetable Program (CVP)
Lake Ontario Area Fruit Program (LOF)
Northeast New York Area Fruit Program (NENYF)
Finger Lakes Area Grape Program (FLGP)
South Central Southern Tier Dairy and Field Crops Program (SCDFC)

- (s) submit invoices for operating expenses for programs included under 1(k) , 1(l), and 2(s) as stated in Attachment A of this agreement

3. Cornell University and the Association each acknowledge the importance of abiding by the spirit and intent of all applicable Federal and State legislation including, but not limited to, laws pertaining to equal opportunity in employment and program and Fair Labor Standards Act regulations. Each agrees:

- (a) To cooperate in seeking diversity through its mission and vision, staff, audiences, groups and organizations.
- (b) To cooperate in the development of program (including evaluation and reporting systems) and in the development and implementation of Association personnel practices and administrative processes.
- (c) The Board President and identified Cornell Cooperative Extension Administration representative shall periodically conduct in-depth reviews of the Executive Director's performance to ensure quality program and organizational performance of Association, and to assess qualification for conferral of Executive Director title by the Director of Cornell Cooperative Extension at Cornell University.
- (d) The Association Executive Director serves at the pleasure of the Association. The use of the title of Association Executive Director shall be permitted subject to criteria established by Cornell University.
- (e) Under the umbrella of this Memorandum of Agreement, to negotiate and execute additional agreements that enable multi-county and regional programming and/or business operations, and for each such agreement, to expend funds according to a mutually negotiated annual budget.

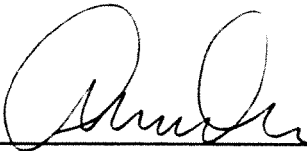
4. Under Subdivision 8 of Section 224, the relationship between the parties generally set forth herein is continuous until either party to the agreement shall notify the other party in writing at least six months in advance preceding any action to annul this agreement.

- (a) Inasmuch as this agreement contains provisions relating to program and financial considerations covering the calendar year 2011, it is understood that its detailed provisions will be negotiated each year.
- (b) Moreover, this agreement shall be executory to the extent that funds are made available by the County, the State of New York, and the Federal Government.
- (c) This agreement may be modified or amended at any time upon mutual agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly signed and executed by the President of the Cornell Cooperative Extension Association and by the Director of Cornell Cooperative Extension at Cornell University. This agreement is contingent upon receipt of a fully executed agreement AR or equivalent with county government(s) by March 31, 2011.

ANTHONY DALTO

(Print name of Board President)



Board President Signature, Cornell Cooperative Extension Association
of Westchester County

Date: 12/21/10



For Cornell University
Helene R. Dillard
Director of Cornell Cooperative Extension at Cornell University

Date: December 8, 2010



CORNELL UNIVERSITY
POLICY LIBRARY

Business Expenses

POLICY 3.14

Volume: 3, Financial Management
Chapter: 14, Business Expenses
Responsible Executive: Vice
President for Finance and Chief
Financial Officer
Responsible Office: University
Controller
Originally Issued: February 2000
Last Updated: July 18, 2009

POLICY STATEMENT

Cornell University funds may be used for ordinary, reasonable, and actual business-related expenses incurred in furtherance of the university's missions.

REASON FOR POLICY

This policy promotes the proper stewardship of university funds by providing general guidelines for the appropriate and legal uses of Cornell funds in support of the university's missions. The university receives, from a variety of sources, funds that carry with them fiduciary responsibilities. Inherent in these responsibilities is the requirement to operate the institution under guidance set forth by the Board of Trustees, to follow Generally Accepted Accounting Principles (GAAP), and to comply with all federal, state, and local rules and regulations.

ENTITIES AFFECTED BY THIS POLICY

- All units of the university, excluding the Weill Cornell Medical College

WHO SHOULD READ THIS POLICY

-
- Department and unit managers
 - Anyone seeking reimbursement for Cornell University business expenses
 - Individuals who initiate, review, approve, process, or record financial transactions on behalf of the university

WEB SITE ADDRESS FOR THIS POLICY

-
- This policy: www.policy.cornell.edu/vol3_14.cfm
 - University Policy Office: www.policy.cornell.edu

POLICY 3.14

Business Expenses

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 Last Updated: July 16, 2009

POLICY 3.14
Business Expenses

RELATED DOCUMENTS, FORMS, AND TOOLS

University Policies and Documents

University Policy 1.1, Cost Sharing for Sponsored Agreements
 University Policy 3.2, University Travel
 University Policy 3.6, Financial Irregularities
 University Policy 3.7, Accounting: System Structure and Transactions
 University Policy 3.19, Telephone Usage
 University Policy 3.25, Procurement of Goods and Services
 University Policy 4.2, Transaction Authority and Payment Approval
 University Policy 4.6, Standards of Ethical Conduct
 University Policy 4.7, Retention of University Records
 University Policy 6.6.13, Flexibility in the Workplace
 University Policy 6.9, Time Away from Work
 Cornell University Conflicts Policy
 Cornell University's policy on corporate cards
 Automated Procurement and Payment System (APPS) Training Manual
 Cornell University Buying Manual

Other Resources

Office of Management and Budget Circular A-21

Forms and Tools

The following forms and tools are available on the University Policy Office Web site at www.policy.cornell.edu/finance_forms.cfm.

Form	Description
Accounts Payable Voucher	Used to pay for goods and services for non-purchase order items.
Consolidated Bursar Billings	Used to process transactions (charges or credits) on a Cornell University student's Bursar account.
Endowed Colleges Travel/Expense Reimbursement Voucher	Used to reimburse of university travel expenses on endowed funds after trip completion. Reimbursement to individuals for goods and services for non-purchase order items.
Journal Voucher	Used primarily to process cost transfers and allocations, corrections, reimbursements, interdepartmental debits and credits, etc.
Meals Purchased for Business Purposes	Used to document a meal purchase.
Purchase Order	Used to pay for goods and services requiring Supply Management Services approval in accordance with Cornell University's Buying Manual (For online processing, see APPS manual).

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Responsible Office: University
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RELATED DOCUMENTS, FORMS, AND TOOLS, continued

Form	Description
Request for Facilities Services	Used to request facilities and campus services for items such as building and grounds care, architectural and engineering services, and trade shops support.
State of New York Standard Voucher	Used to pay for goods and services on contract college funds for non-purchase order items.
State of New York Travel Voucher	Used to reimburse university travel expenses on contract college funds.
Travel Reimbursement Request System	Online system used to initiate, prepare, track, and submit travel reimbursements for payment.
Wire Transfer/Bank Draft	Used to process payments for goods and services via wire transfers and bank drafts or foreign currency.

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POLICY 3.14
Business Expenses

CONTACTS

Direct any questions about this policy to your college or unit administrative office. If you have specific questions, call the following offices:

Subject	Contact	Telephone	E-mail/Web Address
Policy Clarification	General Accounting	(607) 255-6513	uco-genacct@cornell.edu
Charitable Donations Made By the University	Community Relations	(607) 255-4908	
Federal Allowable Costs	Disbursement Review	(607) 255-8179	drat@cornell.edu
	Indirect Cost	(607) 255-2016	uco-cost@cornell.edu
Federal Appropriations, Use of	Sponsored Financial Services	(607) 255-7990	uco-sfa@cornell.edu
Procurement Card	Procurement Card Coordinator	(607) 255-4548	creditcards@cornell.edu
Purchasing	Office for Supply Management Services	(607) 255-3804	uco-purch@cornell.edu
Reimbursements	Disbursement Review	(607) 255-8179	drat@cornell.edu
Sponsored Project Consulting Agreements and Subcontracts	Office of Sponsored Programs	(607) 255-5014	osp-help@cornell.edu
State Appropriations, Use of	Contract College Finance and Business Services	(607) 255-2039	
Taxes	Office of Tax Compliance	(607) 255-3581	uco-tax@cornell.edu

POLICY 3.14
 Business Expenses

DEFINITIONS

These definitions apply to terms as they are used in this policy.

Actual Expense	An expense that is verifiable, or <i>per diem</i> (when appropriate).
Approver	An individual with the authority to approve a business expense or transaction. Compare the term <i>Transaction Authority</i> , below.
Business Expense	Charges for goods or services, whether paid, committed, or accrued, that foster or support the ongoing missions of the university. These charges may include expenses (expenditures), debt service payments, and capital outlays.
Business Meal	A meal attended by faculty, staff, students, which may or may not include individuals from outside the Cornell University community, at which a substantive and bona fide business discussion takes place.
Conflict of Interest	A situation in which an individual or any of his or her family or associates either (1) has an existing or potential financial or other material interest that impairs or might appear to impair the individual's independence and objectivity of judgment in the discharge of responsibilities to the university, or (2) may receive a financial or other material benefit from knowledge of information confidential to the university.
Contract College Funds	Funds from any account in the contract college department series (100-999).
Cornell Allowable Expense	A valid and legal business expense for which the use of university funds will be permitted.
Cornell Unallowable Expense	An expense or item for which use of university funds will not be permitted.
Direct Designee	An individual specifically designated by a dean, director, or department chair to approve business transactions.
Documentation	Original invoice, copy of cancelled check, original credit card receipt when applicable, and/or other documentation that describes and substantiates a business transaction (see the "Expenditure Documentation" segment of this document).
Endowed Funds	Funds from an account in the endowed department series (A01-Z99).
Expenditure	See <i>Business Expense</i> .
Expense	See <i>Business Expense</i> .
Federal Allowable Cost	A cost identified in Section J, in the OMB Circular A-21, as reimbursable by the federal government, unless specifically superseded by the terms and conditions of a sponsored project. This term supersedes the term "recoverable cost."
Federal Appropriations	Federal government funds appropriated to the university.
Federal Unallowable Cost	A cost identified in Section J, in the OMB Circular A-21 as non-reimbursable by the federal government. This term supersedes the term "nonrecoverable cost."
Fiduciary Responsibility	Responsibility to manage funds in a manner consistent with the university's missions and the conditions specified by external sources, when applicable.
Flow-through Funds	Federally sponsored funds that are not directly received from the federal government, and are not identified with a federal source code,

POLICY 3.14
 Business Expenses

DEFINITIONS, continued

	but received through a third party. Generally, these funds are identified with a federal Catalog of Federal Domestic Assistance (CFDA) number.
Generally Accepted Accounting Principles (GAAP)	Fundamental principles of accounting that are used as guidance in the preparation of the university financial statements.
Initiator	An individual who generates a business transaction.
Nonrecoverable Cost	See <i>Federal Unallowable Cost</i> .
Object Code	The four-digit code used in each transaction to classify and describe the financial activity - allocation, expense, transfer, or revenue.
OMB A-21	A federal circular establishing principles for determining costs that are applicable to grants, contracts, and other agreements with educational institutions.
Ordinary	Normal in the course of official university activities.
Preparer	An individual who prepares documents associated with a transaction, including, but not limited to, documents requesting payment for a transaction.
Reasonable	Not extreme or excessive. A cost may be considered reasonable if the nature of goods and services reflects prudent action.
Recoverable Cost	See <i>Federal Allowable Cost</i> .
Reviewer	An individual who verifies information and ensures that a transaction complies with university policies and procedures, and other relevant external restrictions.
State Appropriations	State of New York funds appropriated to the university.
Stewardship	The careful and responsible management and protection of the university's resources, which includes ensuring that they are used appropriately to assist the university in accomplishing its missions.
Transaction	Any event that involves an exchange of funds between two parties. Examples are paying a bill to a vendor, collecting a fee from a student, and making an interdepartmental charge.
Transaction Authority	Authority, granted to certain representatives of the university, to review and approve transactions that commit the university to spend or receive funds, provide educational or other services, or otherwise utilize its resources.
Unit	A college, department, program, operating unit, or other university-affiliated entity.
University Funds	All funds received from internal or external sources and owned by the university, which carry with them fiduciary responsibilities. This includes, but is not limited to, discretionary funds, funds from salary recovery, restricted gifts, tuition paid by students, and funds from other sources.

POLICY 3.14 Business Expenses

PRINCIPLES: OVERVIEW

University Policy 3.14, Business Expenses, is intended to provide general guidelines for identifying expenses that may be charged to various university accounts and to ensure compliance with federal, state, and local regulations, while supporting the university's missions of education, research, and public service.

It is the responsibility of faculty, staff, and students to expend all university funds in a manner consistent with the missions of the university and the conditions specified by external sources, when applicable (see the "Responsibility and Authorization to Expend Funds" section of this document).

◆**Note:** Discretionary funds and funds from salary recovery are university funds, and are subject to the restrictions outlined in this document.

◆**Caution:** Colleges and individual units may have more restrictive policies and procedures, but in no case will any unit be less restrictive than this policy.

◆**Note:** Although the guidelines on allowability of costs and responsibilities within this policy apply to all university expenditures, there are specific policies and procedures that govern the types of transactions listed below. The table below will guide you to the correct contact for the types of transactions listed.

Table 1: Contacts by Transaction Type

Transaction Type	Contacts
Charitable contributions by Cornell	Community Relations Office
Payroll expenses	Payroll Office
Real estate transactions	Real Estate Office
Investment transactions	Investment Office

Who is Covered by this Policy

This policy and these procedures apply to every individual who initiates, processes, reviews, approves, or records financial transactions on behalf of the university. These individuals also have the responsibility to comply with all other related university policies and procedures (see the "Related Documents, Forms, and Tools" section of this document).

POLICY 3.14

Business Expenses

PRINCIPLES: CHARGEABLE BUSINESS EXPENSES

Cornell Allowable Expenses

University funds may be used for ordinary and reasonable business-related expenses that support the education, research, and public service missions of the university. While such expenses are generally considered allowable by the university, certain funding sources may impose additional restrictions. For example, expenditures paid from federal and state funds or from restricted gifts are subject to added conditions. Furthermore, various university operating units may establish more restrictions on the use of funds. Such additional restrictions must be recognized when expenditures are being planned.

Every unit in the university, even units that do not have federal sources of funds, must be diligent in identifying federal unallowable costs. Every expense in every account at the university is included in the indirect cost pool, which is allocated partially to federal awards through the indirect cost rate, with the exception of accounts that are coded with federal unallowable function codes (see "Federal Unallowable Costs," below).

Federal Allowable Costs

Federal allowable costs are ordinary and reasonable business expenses that support the missions of the university and are reimbursable by the federal government based upon rules defined in OMB A-21 (see the "Appendix" section of this document), and by the university.

Federal Unallowable Costs

Expenses that are not reimbursable by the federal government, under regulations identified in OMB A-21, are referred to as "federal unallowable costs" (see the "Appendix" section of this document). Federal unallowable expenses must **NOT** be charged to accounts funded directly by or as a "flow-through" from a federal or state government, or to accounts that are used for cost sharing (for more information, see University Policy 1.1, Cost Sharing for Sponsored Agreements).

A federal unallowable cost must be identified in one of two ways, described below (for more information, see University Policy 3.7, Accounting: System Structure and Transactions):

◆**Note:** A federal unallowable cost may be reimbursable by the university.

- Federal unallowable cost identified by account (when all expenses for a university function are unallowable regardless of object of expense, e.g., public relations, fund-raising, and alumni activities).

In these cases, specific account attributes are assigned when the account is initially established, using a federal unallowable function code.

POLICY 3.14 Business Expenses

PRINCIPLES: CHARGEABLE BUSINESS EXPENSES, continued

Example: An account specifically established for fund-raising expenses would be set up with an unallowable function code of 471.

- Federal unallowable cost identified by transaction (when a university function generally is allowable, but certain objects of expense are not allowable)

In this case, a specific transaction character is assigned when the transaction is recorded, using a federal unallowable object code.

Example: For a meal reimbursement that includes alcoholic beverages, the cost of these beverages would be coded with an unallowable object code of 91XX.

Expenses Benefiting Faculty, Staff, or Students

The federal unallowable expenses identified below are allowable by the university. University funds may be used for these special purposes within the scope of responsible financial management, and must be reviewed on a case-by-case basis. These expenses must not be charged to sponsored projects, federal appropriations, or state appropriations. The expense must be identified using either a federal unallowable object code or a federal unallowable account. Additionally, they must have the approval of the dean, director, department chair, or direct designee, in the form of an e-mail, letter, or signature on the proper payment form (see the "Tax Issues" section of this document).

1. For a gift in recognition of a university faculty, staff, or student leaving the unit. A suggested guideline is \$10 for every year of service.
2. Flowers or equivalent donations are allowable when:
 - a. A faculty, staff, or student is hospitalized due to serious illness or injury
 - b. A faculty or staff member retires
 - c. A faculty, staff, or student, or a member of his/her immediate family dies, (for a definition of "family," see the University Policy 6.9, Time Away From Work)
3. Expenses associated with office functions (e.g., receptions, open houses) complementary to the unit's missions and goals or that foster a sense of community among faculty, staff, or students are allowable. Documentation must include an explanation of the business purpose.
4. Meals, gifts, prizes, or other awards to recognize length of service or other work achievements are allowable.

POLICY 3.14
Business Expenses

PRINCIPLES: CHARGEABLE BUSINESS EXPENSES, continued

**Cornell Unallowable
Expenses**

An expenditure with any of the following characteristics does not reflect the proper stewardship of university funds and is considered by the university to be "unallowable" regardless of the source of funds:

1. It does not support the university's missions of education, research, and public service.
2. It is extreme, excessive, illegal, or is not a normal and ordinary cost incurred in the conduct of official university activities.
3. It represents recognition, not associated with job performance or professional recognition, service, or morale, for a faculty member, staff member, or student. For example, costs to recognize birthdays, childbirth or adoption, weddings, anniversaries or Office Professional's/Secretary's Day are unallowable.

◆**Note:** This policy does not preclude faculty, staff, or students from giving personal gifts to their colleagues when university funds are not used for this purpose.

4. It represents a personal expense that is neither business-related nor required in carrying out an individual's job responsibilities. The following are examples of personal expenses:
 - a. Parking permits, fines (parking, traffic, library, etc.), penalties, or interest charges on personal or corporate credit cards
 - b. Amusement, entertainment, or social activities that are not directly connected to university functions and purposes
 - c. Memberships and other purchases that lend themselves to personal use, such as the Automobile Association of America, Cornell Club, airline clubs, Sam's Club, newspaper home delivery, and prepaid telephone calling cards.

These types of expenses are generally not incurred to benefit Cornell, and are therefore unallowable.

◆**Note:** A department's purchase of a prepaid calling card under the "Exceptional Situations" section of University Policy 3.19, Telephone Usage, is not personal, and therefore is allowable as a Cornell business expense, although it must be coded federal unallowable.

5. The expenditure was (or will be) reimbursed from another source.
6. The expenditure is for an *individual* association membership fees, dues, or licenses that are not directly related to the individual's position or academic discipline.

◆**Note:** Every effort must be made to ensure that *institutional* memberships, which are allowable, are associated with university positions or operating

POLICY 3.14 Business Expenses

PRINCIPLES: CHARGEABLE BUSINESS EXPENSES, continued

units rather than with individuals. Payment for allowable institutional memberships should be made by the university directly to the association.

7. It represents home office costs that are not part of an official "Flexplace" arrangement as defined in University Policy 6.6.13, Flexibility in the Workplace. For example, communication costs, (such as for dedicated telephone lines or internet service providers including "EZ Remote"), or home computers not associated with a flexplace arrangement are generally not allowable.

◆**Note:** Home office costs not associated with a flexplace arrangement may be considered allowable if necessary to meet the official job duties. In such cases, prior written approval must be obtained from the dean, director, or department chair, or direct designee.

8. It benefits a select few on a frequent, recurring, and ongoing basis without documentation of a compelling reason that the event and expense are essential for accomplishing the business purpose.

POLICY 3.14 Business Expenses

PRINCIPLES: STATE APPROPRIATIONS

General Comments

New York State provides appropriations to support the operations of the contract colleges at Cornell: College of Agricultural and Life Sciences, College of Human Ecology, College of Industrial and Labor Relations, College of Veterinary Medicine, as well as the Agricultural Experiment Station. The acquisition and expenditure of these appropriations are coordinated on behalf of the contract colleges by Contract College Finance and Business Services.

Expenditures are processed through the State University of New York (SUNY) and state financial systems, and are subject to the accounting policies and procedures of SUNY, the Office of the State Comptroller, and the State Division of the Budget. These policies and procedures are, in turn, subject to the applicable, controlling provisions of state law (primarily the Finance and Education laws).

State Appropriations: Allowable and Unallowable Expenses

Expenditures on state appropriated funds must follow Cornell policies and the general rules and regulations contained herein (see the "Allowable Business Expenses" section of this document). Below are additional restrictions on the use of these funds:

Allowable

Honoraria may be paid using state funds, but must follow specific SUNY regulations. For additional information or a complete copy of the pertinent documentation, contact Contract College Finance and Business Services and consult University Policy 3.25, Procurement of Goods and Services.

Unallowable

1. Federal unallowable costs (see the "Cornell Allowable Expenses" segment and the "Appendix" section of this document)
2. Personalized items, such as letterhead, business cards, and gifts
3. Moving costs
4. Equipment leases
5. Late payment fees, unless the vendor is a non-interest eligible vendor
6. Federal or state tax, not including other taxes or surcharges on a vendor's invoice, such as those typically found on various telephone bills
7. Prepaid expenses with a length of service greater than one year

Additional information on business-related expenses and state appropriations can be found in University Policy 3.7, Accounting: System Structure and Transactions. For questions regarding expenditures using state appropriations, contact Contract College Finance and Business Services.

POLICY 3.14

Business Expenses

PRINCIPLES: RESPONSIBILITY AND AUTHORIZATION

General Comments

Certain individuals bear responsibility for different aspects of the process of transacting and classifying university expenditures. It is the responsibility of faculty, staff, and students to expend funds in a manner consistent with the missions of the university and the conditions specified by external sources, when applicable.

If, during the course of a transaction, any individual has reason to believe that the transaction is not in compliance with University Policy 3.14, Business Expenses, it is that person's responsibility to seek direction from the unit head, or refer to University Policy 3.6, Financial Irregularities, or University Policy 4.6, Standards of Ethical Conduct.

◆**Note:** The initiator and the approver of a transaction must be different individuals, in order to ensure separation of duties.

◆**Note:** In all cases, the personnel of the Division of Financial Affairs has the responsibility to audit and confirm the allowability of business expenses.

Below is a listing of individuals with a general description of their responsibilities associated with incurring business expenses.

Initiator

Before initiating a transaction on behalf of the university, it is the responsibility of the individual to assess whether the proposed business expense is in support of the university's missions. In addition, this individual has the responsibility to ensure the following:

1. Appropriate approval has been acquired, or the individual has the appropriate authority, to initiate the expenditure
2. The expenditure is a Cornell allowable business expense
3. The expenditure is
 - a. In furtherance of the university missions
 - b. Ordinary and reasonable
 - c. Within planned budgetary constraints
 - d. In compliance with any funding designations and/or guidelines
 - e. In compliance with appropriate university policies and procedures (see the "Related Documents, Forms, and Tools" section of this document)
 - f. In compliance with operating unit guidelines
4. Appropriate documentation has been obtained, i.e., original receipt, item number, written quote, etc. (see the "Procedures" section of this document).

POLICY 3.14

Business Expenses

PRINCIPLES: RESPONSIBILITY AND AUTHORIZATION, continued

Preparer of Document	<p>This individual may or may not be the same as the initiator. The individual has the responsibility to do the following:</p> <ul style="list-style-type: none">• Process the expenditure in compliance with appropriate university policies and procedures, and operating unit guidelines• Record expenditures consistently and in accordance with University Policy 3.7, Accounting: System Structure and Transactions• Ensure that federal unallowable costs are coded to the proper university account with the proper object code <p>◆Note: In some cases, when the appropriate authority has been granted by the unit, the preparer may also have the responsibility to act as the reviewer.</p>
Reviewer (Optional)	<p>In some units, there may be an individual reviewing transactions. If so, this individual has the same responsibilities as the initiator and the preparer.</p>
Approver	<p>This individual has the responsibility to ensure the following:</p> <ul style="list-style-type: none">• All processing and review steps, as stated above, have been followed• Tax issues have been properly addressed (see the “<i>Tax Issues</i>” section of this document)• There is no apparent conflict of interest on the part of the Approver or other individual involved in the transaction. ◆Note: Where a real or apparent conflict of interest does exist, additional approval is required (see the Cornell University Conflicts Policy)• The transaction is in compliance with applicable policies and procedures <p>◆Note: Business expenses must not be approved by a person solely benefiting from the business expense, or by this individual’s subordinate.</p> <p>The individual who approves a transaction must have:</p> <ul style="list-style-type: none">• For transactions with external vendors, transaction authority in accordance with University Policy 4.2, Transaction Authority and Payment Approval ◆Note: University transaction authority thresholds, as designated in this university policy, may be further restricted by operating unit guidelines• For transactions within the university, unit authorization (see the “General Comments” segment of the “Procedures” section of this document) ◆Note: Approval, which can be a signature or a secured on-line entry, validates that the expenditure furthers the university missions, and authorizes disbursement of payment(s).

POLICY 3.14

Business Expenses

PROCEDURES

- General Comments** Operating units must identify who is authorized within each unit to initiate expenses on appropriate unit accounts. Units should also identify any processes, forms, or approvals required by the unit that are additional to, or more restrictive than, requirements defined by this or other university policies, and communicate this information to all relevant individuals within the unit. Operating units must have a written transaction authority plan in accordance with University Policy 4.2, Transaction Authority and Payment Approval (for external transactions).
- Reimbursements and Payments to Vendors** Whenever feasible, a business expense (except for a travel reimbursement) should be paid by the university directly to the vendor. Requests for payments to vendors for university business expenses must be submitted to the Division of Financial Affairs in time to meet the payment terms of vendor invoices (for more information, see the Cornell University Buying Manual).
- ◆**Note:** For the purposes of tax reporting, a notation of citizenship and permanent address (not department address) of the payee must be included on all vouchers. For all U.S. vendors and most foreign vendors, a federal tax identification number must also be supplied.
- When direct payment of a business expense to a vendor is not feasible, and reimbursement to an individual is necessary, the reimbursement request should be submitted within thirty days from the time it was incurred, including an explanation of why direct payment was not feasible.
- ◆**Note:** A request for expense reimbursement (including travel and extended work assignments away from the university) in excess of six months requires an additional approval by your unit dean, director, or department chair, or a direct designee. An explanation of why the expense could not be submitted earlier must also be included.
- Expenditure Documentation** Goods and Services
- Documentation for the purchase of goods and services should provide support for the business purpose of the expenditure, and include an explanation of the business purpose. Appropriate documentation includes original receipt or original invoice containing the date of purchase, vendor name and address, description of goods and services, quantity, unit price, any other required approval documents, and grand total of expenditures.

POLICY 3.14

Business Expenses

PROCEDURES, continued

Proper supporting documentation for reimbursement of purchases of goods and services made online, includes a confirmation e-mail or Web acknowledgement and a packing slip or some other documentary evidence that an actual purchase was made.

Travel

Refer to University Policy 3.2, University Travel.

Business Meals

Below are two examples of how expenses for business meals (other than individual meal reimbursement related to travel) are normally incurred. In both situations, an explanation identifying the business purpose of the meal and name(s) of individual attendees or a university-identified group/committee is needed. A "Meals for Business Purposes" form is available for documenting this information (see the "Related Documents, Forms, and Tools" section of this document)

- **Option 1**

Whenever possible, a detailed meal receipt with an itemized list of food and beverages should be obtained, regardless of the dollar amount of the meal. If the cost of the meal is over \$75, a detailed meal receipt is required. All meal receipts submitted for reimbursement require the restaurant's name and address, the amount of the meal charge, the date of the meal, the names of individuals served, identification of any alcoholic beverages, and the agenda and purpose of meeting.

◆**Note:** Any alcoholic beverages must be coded with the proper federal unallowable account number or by a federal unallowable object code.

◆**Caution:** Summary credit card receipts or tear tabs are not sufficient without supporting documentation for purchases over \$75.

- **Option 2**

Meals provided (on or off campus) by a caterer for a business event require an itemized invoice including caterer's name and address, date of service, location of event, and list of food and beverages served. The caterer must also be approved as a university vendor for insurance purposes and IRS reporting (see University Policy 3.25, Procurement of Goods and Services).

◆**Note:** Any alcoholic beverages must be coded with the proper federal unallowable account number or by a federal unallowable object code.

Recording Business Expenses

Unit administrators, preparers, and/or approvers are required to ensure that expenses are properly coded with the appropriate accounting information (see University Policy 3.7, Accounting: System Structure and Transactions).

POLICY 3.14 Business Expenses

PROCEDURES, continued

Appropriate Review and Approval

All expenses require the appropriate university processing form (see the "Related Documents, Forms, and Tools" section of this document), appropriate documentation to support the business purpose of the expense, and an approved transaction authority signature before submitting to the appropriate university office for purchasing goods and services or processing expenditure for payment. Each unit administrator (approver) is responsible for ensuring that the expense meets the criteria of a business expense, it has been received in a satisfactory condition and manner, and has been recorded accurately in the university accounting system.

Incurring and Paying for Business Expenses

There are many methods used to purchase goods and services and to process payment for business expenses. In addition to traditional methods, purchases may be made by telephone or through the internet. Use of the **procurement card** is encouraged (see University Policy 3.25, Procurement of Goods and Services).

◆**Note:** Established university methods must be used to incur business expenses (see the tables below for examples). The authority to purchase some goods or services has been delegated by the Office for Supply Management Services to other university offices. These goods and services are identified in the Cornell University Buying Manual and should be processed for payment after issuance of a direct invoice to Cornell University. In all cases, appropriate documentation and approval are required to process a business expenditure.

Purchases from University Departments

The following table depicts some different types of purchases and transactions made from university vendors:

Table 2: Processing Methods for Purchases from University Vendors

Type of Business Expense	Processing Methods		For More Information	Contact Office
	Incurring Expense	Paying Expense		
ATS – voice/data	Online forms	Direct charge to account	Various Web sites	ATS Help Desk
Campus store purchases	Account number	Direct charge to account	N/A	N/A
Cornell Distribution Center	Account number	Direct charge to account	Forms section	Stores enterprises
Facilities	Request for Service (RFS)	Direct charge to account	Forms section	See form
Media services, copy centers	Account number	Direct charge to account	University Policy 3.7, Accounting: System Structure and Transactions	Unit
Payment of undergraduate student tuition/ awards	Student Bursar account and subcode	Consolidated Bursar billings/online Bursar entry	Forms section	Office of the Bursar
University vendors	Procurement card	Direct charge to account	University Policy 3.25, Procurement of Goods and Services	Supply Management Services
University vendors	Account number	Direct charge to account	Forms section	Vendor

POLICY 3.14
Business Expenses

PROCEDURES, continued

◆**Note:** The department providing the goods or services is responsible for the following:

- Properly coding the transaction as internal (not external) sales
- Obtaining the authorization and valid account number to process the transaction

Purchases Not from University Departments

The following table depicts some different types of business expenses made from non-university vendors:

Table 3: Processing Methods for Purchases from Non-University Vendors

Type of Business Expense	Processing Methods		For More Information	Contact Office
	Incurring Expense	Paying Expense		
Business expenses under \$500	Procurement card	Direct charge to account	University Policy 3.25, Procurement of Goods and Services	Supply Management Services
Various vendors including independent contractors/caterers	Purchase order/contracts	APPS	Buying Manual	Supply Management Services/Disbursement Review
Items identified in the Cornell University Buying Manual	Orders and invoices	Accounts Payable Voucher (endowed funds) Standard Voucher (contract college funds)	Forms section	Division of Financial Affairs
Office of Sponsored Programs consulting agreements or subcontracts	Consulting agreement or subcontract	Accounts Payable Voucher (endowed funds) Standard Voucher (contract college funds)	University Policy 3.25, Procurement of Goods and Services	Office of Sponsored Programs
Wire transfers/foreign currency payments to vendors	Purchase order/contracts	Transfers/bank drafts/ACH transfers	Forms section	Supply Management Services/Disbursement Review/Cash Management

Reimbursement for Purchases

The following table depicts some reimbursement methods for allowable business expenses:

Table 4: Reimbursement Methods for Allowable Business Expenses

Type Of Business Expense	Processing Methods		For More Information	Contact Office
	Incurring Expense	Paying Expense		
Business travel expenses (airfare, car rental, lodging, meals)	Corporate credit card, CU Travel Services Requisition Form, personal credit card	Endowed Travel/Expense Reimbursement Form (endowed funds) Contract College Travel Voucher (contract college funds)	Forms section University Policies 3.2, University Travel Cornell's corporate card policy	Supply Management Services/Division of Financial Affairs

POLICY 3.14

Business Expenses

PROCEDURES, continued

Type Of Business Expense	Processing Methods		For More Information	Contact Office
	Incurring Expense	Paying Expense		
Business meals (not while on travel status)	Procurement card	Direct charge to account	University Policy 3.25, Procurement of Goods and Services	Supply Management Services
Business meals	Corporate credit card, personal credit card	Endowed Travel/Expense Reimbursement Form (endowed funds) Contract College Travel Voucher (contract college funds)	Cornell University's corporate card policy University Policies 3.2, University Travel	Division of Financial Affairs
Business travel advances	Cash Advance Request Form, Cornell University Travel Advance Form	Endowed Travel/Expense Reimbursement Form (endowed funds) Contract College Travel Voucher (contract college funds)	Forms section	Division of Financial Affairs
Non-Cornell staff travel reimbursements	Personal credit card, cash, check	Endowed Travel/Expense Reimbursement Form (endowed funds) Contract College Travel Voucher/Standard Voucher (contract college funds)	Forms section	Division of Financial Affairs

Direct Charges, Journal Vouchers, and Corrections

Direct charges and journal vouchers may be used to process interdepartmental transactions, in the event that a procurement card is not feasible. The unit processing the transaction is responsible for both notifying another unit when affecting its accounts, and providing appropriate documentation of the charge.

◆**Note:** The department providing the goods or services is responsible for the following:

- Properly coding the income as internal sales
- Obtaining the authorization and valid account number to process the transaction

A journal voucher is also used to correct the recording of a business expense. This form must contain appropriate documentation to support the correction of the expenditure.

Records Retention

Units must retain any supporting documentation or approvals not forwarded to central university offices to identify purpose, initiator, and approver of expenditures (see University Policy 4.7, Retention of University Records).

POLICY 3.14 Business Expenses

PROCEDURES: TAX ISSUES

Introduction

Tax issues affect many business expenses. Tax laws, regulations, and interpretations are both complicated and change frequently and, therefore, specific rules are not listed here. Those who review and approve business expenses must understand general issues and contact the Office of Tax Compliance for guidance on specific transactions.

General Issues

Under tax law, certain transactions are not allowed. Others are subject to tax reporting, tax withholding, or both. Still others are subject to a variety of miscellaneous taxes.

1. Payments to foreign nationals who perform services in the United States are not allowed unless the person is work-authorized based upon visa classifications.
2. Business expenses between a supplier of goods or services and the university will be disallowed if there is a conflict of interest that creates an "excess benefit." An excess benefit implies that the transaction is above fair market value (e.g., excessive compensation, excessive purchase price, etc.).
 - ◆**Caution:** Contact the Office of Tax Compliance whenever a transaction involves a potential conflict of interest.
3. Many business expenses are subject to tax reporting. Therefore, vouchers must include information on citizenship, the proper legal name, a permanent mailing address, and in most instances a United States federal identification number, so that we can meet our reporting requirements.
4. Some business expenses must be treated as wages, subject to W-2 reporting and payroll tax withholding, including clothing and auto allowances, indirect moving expenses, all cash awards to employees, most gift certificates, and some property awards to employees (airline tickets, clocks, etc.).
 - ◆**Note:** Gifts of property (not cash) are exempt from tax if the value is minor (e.g., flowers, candy), or if the gift is in recognition of either length of service or safety and the value of the property does not exceed certain IRS thresholds (generally, \$400).
5. Business expenses may be subject to miscellaneous taxes such as sales tax, excise tax, value added tax, gross receipts tax, etc. For additional information regarding the payment of these taxes, contact the Office of Tax Compliance.

POLICY 3.14
 Business Expenses

APPENDIX: EXAMPLES OF FEDERAL UNALLOWABLE
 AND ALLOWABLE COSTS

General Comments

Below is a listing of some common federal unallowable costs taken from OMB Circular A-21. These costs cannot be recovered from the federal government, either as a direct charge to a federally funded account or through the application of an indirect cost rate. It may be permissible to incur these costs against university accounts (see the "Chargeable Business Expenses" section of this document). For more information, contact the Indirect Cost area of the Division of Financial Affairs.

◆**Caution:** This list is not exhaustive. It is placed here for your reference only. For more detailed information, see OMB Circular A-21, at www.whitehouse.gov/omb/circulars_default/

Table 5: Common federal unallowable costs

Section Number and Title	Regulation
J-1: Advertising and Public Relations	"Costs of advertising and public relations designed solely to promote the institution are unallowable. Costs of promotional items and memorabilia, including models, gifts, and souvenirs are unallowable."
J-3: Alcoholic Beverages	"Costs of alcoholic beverages are unallowable."
J-4: Alumni Activities	"Costs incurred for, or in support of, alumni activities and similar services are unallowable."
J-6: Bad Debts	"Any losses, whether actual or estimated, arising from uncollectible accounts and other claims, related collections costs, and related legal costs are unallowable."
J-8: Commencement and Convocation Costs	"Costs incurred for commencement and convocations are unallowable."
J-10 (f) 4: Sabbatical Leave Costs	"Costs of leave of absence by employees for performance of graduate work or sabbatical study, travel, or research are allowable provided the institution has a uniform policy on sabbatical leave for persons engaged in instruction and a person engaged in research. Such costs will be allocated on an equitable basis among all related activities of the institution."
J-13: Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals, and Patent Infringements	"Costs incurred in connection with any criminal, civil or administrative proceeding (including filing of false certification) commenced by the federal government, or a state, local or foreign government, are unallowable if the proceeding (a) relates to a violation of, or failure to comply with, a Federal, State, local, or foreign statute or regulation, by the institution (including its agents and employees), and (b) results in: <ul style="list-style-type: none"> • A conviction • A determination of institutional liability • The imposition of a monetary penalty • A final decision by an appropriate Federal official to debar or suspend the institution to rescind or void an award • A disposition by consent or compromise, if the action could have resulted in any of the dispositions described above"

POLICY 3.14
Business Expenses

**APPENDIX: EXAMPLES OF FEDERAL UNALLOWABLE AND
 ALLOWABLE COSTS, continued**

Section Number and Title	Regulation
J-15: Donations and Contributions	"Donations or contributions made by the institution, regardless of the recipient, are unallowable."
J-16: Employees Morale, Health, and Welfare Costs and Credits	<p>"The costs incurred in accordance with the institution's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance, are allowable."</p> <p>Cornell's interpretation of this regulation states that only costs, which are institution-wide, are allowable. Individual unit expenditures incurred for the benefit of their staff are unallowable. For example, the Employee Day football game and picnic is available to all employees and, therefore would be allowable while the subsidizing of coffee for a particular unit's faculty and staff would be unallowable.</p> <p>Unallowable items in this category include, but are not limited to, gifts to departing employees, flowers, cards, and other such items.</p>
J-17: Entertainment	<p>"Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable."</p> <p>This category also includes meals for which there is no clearly documented business purpose.</p>
J-19: Fine and Penalties	"Costs resulting from violations of or failure of the institution to comply with federal, state, local, and foreign laws and regulations are unallowable."
J-20: Fund Raising and Investment Costs	"Costs of organized fundraising are unallowable. Costs of investment counsel and staff are unallowable."
J-22: Goods or Services for Personal Use	"Costs of goods and services for personal use of the institution's employees are unallowable regardless of whether the cost is reported as taxable income to the employees" (e.g., spousal travel).
J-23: Housing and Personal Living Expenses	"Costs of housing, housing allowances and personal living expenses for/of the institution's officers are unallowable regardless of whether the cost is reported as taxable income to the employees."
J-25: Insurance and Indemnification	"Costs of insurance required or approved pursuant to the sponsored agreement, are allowable."
J-26: Interest	"External interest to acquire buildings, major reconstruction and remodeling, or the acquisition or fabrication of capital equipment costing \$10,000 or more, is allowable."
J-28: Lobbying	With limited exception, costs of lobbying activities to influence the outcomes of any federal, state, or local government action are unallowable.
J-33: Membership, Subscriptions, and Professional Activity Costs	<p>"Costs of membership in any civic or community organization are unallowable. Costs of membership in any country club or social or dining club or organization are unallowable."</p> <p>Costs of the institution's memberships in business, technical, and professional organizations are allowable.</p>
J-42: Recruiting Costs	Staff recruiting costs are allowable, and include both advertising and relocation expenses. However, there are restrictions. No color

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POLICY 3.14
Business Expenses

**APPENDIX: EXAMPLES OF FEDERAL UNALLOWABLE AND
 ALLOWABLE COSTS, continued**

Section Number and Title	Regulation
	<p>advertising, for example, is permissible (the additional cost, in excess of black and white, is unallowable). Additionally, if the employee resigns for reasons under his or her control within 12 months, any relocation costs are unallowable.</p> <p>Recruitment of students is unallowable.</p>
J-46: Selling and Marketing	<p>"Costs of selling, marketing, and promoting any products or services of the institution are unallowable."</p>
J-48: Student Activity Costs	<p>"Costs incurred for intramural activities, student publications, student clubs, and other student activities, are unallowable, unless specifically provided for in the sponsored agreements."</p>
J-53: Travel	<p>Airfare costs in excess of the lowest available commercial coach rate are normally unallowable. Exceptions can be granted if unreasonable travel arrangements would result when traveling coach, the upgrade would decrease the cost, or it is required to meet the medical needs of the traveler.</p> <p>"In order for airfare costs in excess of the customary standard commercial airfare to be allowable the institution must justify and document on a case-by-case basis the applicable condition(s)."</p>
J-54: Trustees	<p>"Travel and subsistence costs of trustees (or directors) are allowable. The costs are subject to restrictions regarding lodging, subsistence, and air travel costs provided in J-53."</p>