ACCOUNTING PROCEDURES MANUAL

Adopted by the Alliance of Rouge Communities on September 9, 2010
Revised on 10/2/13, 3/30/20, 9/13/22 & 8/19/26

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INTRODUCTION

This manual puts in place basic accounting, billing, and cash control policies and procedures designed to protect and secure the Alliance of Rouge Communities (ARC), ensure the maintenance of accurate records of financial activities, and follow all federal, state, and local laws and regulations. Where this manual conflicts with specific federal, state, or local laws, regulations or with the ARC's Bylaws the appropriate laws, regulations or bylaws shall prevail, and the provision deemed amended to the extent necessary to comply with the applicable law or regulation

RESPONSIBILITIES

- The Executive Committee formulates financial policies, delegates' administration of the financial policies to the Finance Committee, and reviews operations and activities.
- The Finance Committee has responsibility for all operations and activities, including financial management.
- Exceptions to these policies may be made on an individual basis, as necessary, with the approval of the Executive Committee.
- The Treasurer is responsible to the ARC for all financial operations.
- The Grant Representative is responsible for reviewing, approving, and signing assistance agreement applications, awards, and amendments. In addition, the Grant Representative is responsible for monitoring, administering, and overseeing assistance agreements once received from the awarding agency.
- The Executive Director Staff is responsible to the ARC for operations.

GENERAL POLICIES

- Current job descriptions are maintained for all staff members indicating their duties and responsibilities.
- There are separation of financial duties and responsibilities so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable or other accounting functions.
- Accounting duties are rotated among Executive Director Staff whenever possible.
- Financial Procedures are reviewed annually by the Finance Committee.
- Separate General Ledger accounts are maintained as required by funding source regulations.

- Passwords must comply with organizational standards. They are to be treated confidentially and are not shared with other staff.

Compliance with External Policies

The ARC accounting policies and procedures are consistent with**:**

- Generally Accepted Accounting Principles (GAAP).
- Annual A-133 (Single Audit) "organization-wide financial statement and federal awards' audit of a non-federal entity that expends $750,000 or more in federal funds in one year".

Security and Access

The ARC's electronic program and financial information are stored on the Executive Director's servers and will follow the Cyber Security Policy of the contracted entity. If the contractor changes, then the ARC Organization Committee will review the new contractor's policy. The current Cyber Security Policy can be found in Appendix A.

To ensure that only authorized staff can access the financial, personnel, payroll, computer, on-line and paper records of the organization:

- Security and access is determined by the Executive Director.
- Access to computer or on-line systems for accounting, personnel, payroll, and online and phone banking is controlled by password protection. Within each system, access permission is set to allow the appropriate level of access depending on staff positions and job duties.
- Upon separation of a staff member, the password is immediately locked to prohibit any unauthorized activities or entries and keys to ARC's office(s) are returned.

OVERVIEW OF THE ARC'S ACCOUNTING SYSTEM

The financial records of the ARC are maintained on Quickbooks using the Accrual basis of accounting. Access to the accounting system is controlled to maintain the reliability and integrity of the data. Security is set by the Executive Director to allow different levels of access. The Treasurer has full access to the entire system including setup and administration.

- **Data Backup:** Backup is done weekly to assure that the data is secure and will not be lost in the event of a computer failure.

- **Funds Received**: All in-coming funds are properly recorded and safeguarded through separation of duties and proper documentation. The Executive Director designates which staff is authorized to collect in-coming ARC funds.
- **Funds Disbursed:** Only the Chair, Treasurer or Executive Director may authorize the issuance of checks. Access to the check printing system is limited to accounting staff and is controlled by passwords by the Executive Director.

DETAILED ACCOUNTING PROCEDURES

Funds Received

- Cash will be accepted from participants for payment of deposits, credit checks, loan payments, etc.
- ARC mail is to be opened promptly and distributed by the Executive Director Staff Assistant (Staff Assistant).
- All checks, money orders and cash are promptly logged into a "Cash Receipts Log" maintained by the Staff Assistant and then given to the Executive Director Administrative Coordinator (Administrative Coordinator) for processing these receipts. The Staff Assistant will restrictively endorse the back of any checks received; and enter into the "Cash Receipts Log" prior to distributing checks to designated staff.
- The Staff Assistant will log in-coming cash into a pre-numbered duplicate Cash Receipts book. A pre-numbered receipt will be issued or mailed to issuer of cash by the Staff Assistant, preferably at time of receipt.
- Documentation for receipts (letter, stubs, etc.) is provided with the checks/cash when forwarded to designated staff for processing and deposit.
- Funds awaiting bank deposit are kept in a locked file/safe with access limited to staff designated by the Executive Director.
- The Administrative Coordinator verifies the checks and cash to documentation received, makes copy of checks and prepares deposit for delivery to bank.
- Executive Director Staff I delivers deposits to the bank.
- Bank confirmations are delivered to the Administrative Coordinator to attach to back up documentation. The deposit is entered into the accounting system by the Administrative Coordinator, and then filed in chronological order into a Cash Receipts file/folder for the month.
- At the end of the month, Executive Director Staff II totals each column of the Cash Receipts log verifying that all bank account totals add up to total funds received for the month and then

prints out the log, retaining one copy, for the auditors, and forwarding a second copy to the Treasurer or other designee to verify against the deposits listed on the bank statement(s).

Receipt Books

- Receipt books are assigned by the Treasurer to the Administrative Coordinator.
- The Administrative Coordinator is responsible for safeguarding the receipt book.
- Receipt Books must be kept in a secure place at all times.
- Receipt Books consist of three-part, pre-numbered forms. They should be used in numerical order and filled out completely. The original is to be given to the person (participant) from whom funds have been received. The second copy (yellow) is to be sent with the transmittal form and the cash to the Administrative Coordinator for processing and deposit. The third copy (pink) is to remain in the receipt book.
- Receipts may be voided, but the pink copy of any voided receipt must remain in the book.
- The receipt book should be reviewed against either the monthly bank statement or Cash Receipts log to assure all cash received was recorded and deposited.
- When all the receipts are used, the book must be returned to the Treasurer or other designee who will issue a new book.

Fund Disbursements

Disbursement of funds, including all approvals and authorizations will follow the ARC Purchasing Policy based on adequate documentation and proper authorization.

ARC Funds

- Payment for supplies or services will be made based on invoices, not statements.
- Requests for Payment (RFP) are submitted with the original invoice attached. The RFP is coded by the staff requesting the payment as to the fund and expense code to be charged. The RFP is signed by an authorized staff member indicating approval of the expenditure.
- RFP/Invoices are processed by the Administrative Coordinator. Each invoice is stamped "ENTERED" or "POSTED" when entered as a payable in the accounting system and the check and all corresponding documentation is stamped "PAID" when the payable is processed for payment.

Missing Invoices

In the event that an invoice for services or supplies is lost, a memo explaining the expense and detailing the cost is submitted with the Request for Payment for approval by the Treasurer.

Vendor Documentation

All vendors must submit an IRS Form W-9 Request for Tax Payer Identification and Certification or equivalent to the Accounting Department, prior to payment. A determination is made by the Administrative Coordinator on the need to file an annual IRS Form 1099-Misc. on payments made to vendors. Form W-9's should be mailed to all current vendors each year prior to Form 1099 preparation to assure information is current.

Check Writing Procedures

- Checks are processed as needed.
- Checks are written through Quickbooks. The Treasurer will designate staff with access to the check printing system.
- Checks are automatically numbered and printed on blank check paper and signed by two authorized signers.
- Checks are not to be post dated, signed blank, or made out to cash.
- A copy of each check is attached to the RFP/Invoice plus any other documentation, such as purchase orders or shipping documents, and filed in check number order in the respective Paid vendor files.
- Voided or spoiled checks will have the signature block torn off and will then be filed in numerical order with the bank statements and corresponding bank reconciliations.
- Checks are recorded in Quickbooks.

Check Approval Process

This procedure is designed to ensure that all checks have adequate documentation and authorization and that there are no missing checks or checks written to phantom vendors.

- The RFP is reviewed for proper account coding, appropriateness of expenditure, and authorized signatures.
- The RFP is compared with the invoice and the check amount. The copy of the check is initialed by the Administrative Coordinator to indicate the review has been completed and the documentation is in order.
- The batch of checks is reviewed in check number sequence to assure no checks are unaccounted.
- The Disbursement log will be reviewed by the authorized signers to assure that the first check in each batch of checks begins with the next sequential check after last batch

processed. The Disbursement log is initialed by the reviewer to indicate that all checks in the current batch have been verified to assure there is no gap in the check sequence.

- Authorized signers of checks are the ARC Chair, Treasurer and Executive Director, except when checks are paid to the company providing the Executive Director services to the ARC and employs the Executive Director. When checks are prepared for RFPs from the vendor providing the Executive Director services the ARC Chair and Treasurer will sign. The ARC Chair can designate additional signers if the need arises.
- If there are no questions to be resolved, the Disbursement log and signed checks are returned to the Staff Assistant as authorization to mail or release the check to the vendor.
- Checks are mailed to vendors by the Staff Assistant unless specific arrangements had been made in advance for pickup of checks at the office. If a check is picked up, the person picking up the check must provide identification which agrees with the payee on the check or must have verifiable written authorization from the payee to pick up the check.

Payroll

The ARC does not employ staff. In the event that the ARC hires staff the ARC will follow the ARC's Timekeeping Policy and Personnel Policy.

Purchasing

The ARC will follow its Purchasing Policy and Contract Approval Procedure for all purchases.

Bank Accounts

The Executive Committee may delegate by resolution the authority for the Executive Director and Treasurer to establish bank accounts according to the ARC Purchasing Policy.

Bank accounts are established to meet the needs of the organization for separation of funds and the specific requirements of funding sources. Separate accounts for specific federal or state programs which exceed the FDIC limits must be collateralized by the bank to ensure the safety of the deposit. All other accounts, where possible, are established to maximize the use and earnings of cash.

- A complete listing of all accounts and the account numbers shall be maintained by the Administrative Coordinator.

- Bank Reconciliations for each account are completed monthly by the Executive Director Staff II. The bank statements are received by the Staff Assistant unopened to assure that they remain intact.
- Reconciled bank statements are reviewed by the Treasurer or designee monthly.
- Outstanding checks more than 90 days old are investigated and stop payments issued as required. Replacement checks are reissued after appropriate documentation has been collected.

Accounts Receivable

For each grant, contract, membership or other agreement, the Executive Director will designate the staff responsible for preparation of invoices, payment requests, or reports necessary to secure payment to ARC. The following procedures ensure that all requests for funds are properly recorded and tracked.

- Generally, the Administrative Coordinator processes invoices to partner agencies and members, with copies provided to the Treasurer.
- The Administrative Coordinator prepares requests for funds from other agencies.
- Billings to funding agencies or members are entered as revenue/receivable when sent out to the agencies or members.
- Aged receivables are reviewed by Finance Committee.
- Write-offs of uncollectible receivables must be approved by the Treasurer and documented through the general journal entry for each write-off.
- Accounts receivable are reviewed by the Treasurer and Administrative Coordinator annually to ensure that receivables have a reasonable expectation of being collected and any necessary steps are to taken to ensure collection. If there is no reasonable expectation of collection, a decision is made on what action to take.

OTHER FINANCIAL SAFEGUARDS

Travel

The ARC travel policy will be used and requires that sound business judgment is used in both determining the need for travel on behalf of the ARC, as well as in expending financial resources when travel is necessary. This travel policy will apply to any ARC-funded travel outside of the general boundaries of the Rouge River Watershed conducted by ARC members, Executive Director Staff or contractors.

Allocation of Costs

All programs will be charged their fair share of the costs whose benefits are not readily identifiable with a specific program or funding source but are necessary to the general operation of the organization.

Beginning, January 1, 2018, the costs of providing program and other activities will be summarized on a functional basis. Expenses that can be identified with a specific program will be charged directly to that program. Program expenses that cannot be identified with a specific program will be allocated. For 2018, executive director services are allocated based on the budget for these services and any operating expenses that benefit more than one cost center (program, management & general, and fundraising) will be allocated based on the ratio of program executive director services to total executive director services. This will be done at the end of 2018 by the Administrative Coordinator.

Property, Inventory and Control

The ARC does not own any real property or equipment. However, in the event any real property or equipment is procured with ARC funds or with grant funds from the U.S. Environmental Protection Agency (EPA), or other federal agencies, the ARC Property Management Policy will be followed.

Management Override of Policies or Procedures

If a member of the ARC staff or member community suspects that a high-level member within the ARC or Executive Director Staff is attempting to override established policies, procedures or procurement controls for personal gain or advantage, it should be reported to the ARC Chair or other officer. Any information reported will be kept confidential.

Audits

The ARC is required to have an annual audit. Periodically, as determined by the Board, a Request for Proposal is sent to audit firms qualified to provide the type of audit that meets the ARC and/or funder need. The Audit Committee is responsible for soliciting bids, interviewing firms and making the recommendation to the Executive Committee when selecting the firm to be awarded the audit contract. Acceptance of the audit contract will be evidenced by a signed audit engagement letter that contains the type of service to be provided, the timeframe for providing the service, the cost for the service including incidental expenses, the term of the engagement and a clause stating "if unanticipated issues arise during the course of the audit that will result in additional fees, the audit firm will notify the Audit Committee for approval prior to incurring additional costs".

The audit is reviewed in detail by the Audit Committee but presented to the Executive Committee by the auditor and accepted by the Full ARC based upon recommendation by the Audit Committee.

Taxes and Reporting Requirements

The auditor prepares Form 990 "IRS Return of Organization Exempt from Income Tax," the "Michigan Exempt Organization Annual Information Return," and the State of "Michigan License to Solicit" if necessary.

Grants and Contracts

The ARC will follow the ARC Purchasing Policy, ARC Procedures for the Pursuit and Acceptance of Grants and the Contract Approval Procedure in addition to the below. Contracts and grant documents are reviewed and approved by appropriate program staff, the Grant Representative, Treasurer, Executive Committee and Full ARC prior to being signed by the ARC chair/ARC Grant Presentative and/or Executive Director.

- The Grant Representative and Treasurer will carefully review each award to ensure that the ARC will be in compliance with all financial provisions.
- The Committee Chair with the assistance of the Executive Director Staff will carefully review each award to ensure that all programmatic provisions will be met. The ARC will fully consider timelines involved in a grant or contract to make sure the project can be completed in the time necessary to provide the desired results as to make sure there is an absence of pressure to meet unrealistic procurement performance targets.
- Original copies of signed grants and contracts are filed in the contract file with copies to the Treasurer, Committee Chair and Chair.
- The Administrative Coordinator will assign appropriate general ledger account numbers and customer numbers for each new grant or contract.
- The Treasurer will designate the appropriate staff responsible for preparation of reports, payment requests and/or invoices.

- The Administrative Coordinator will maintain individual contract files containing copies of the grant/contract, any amendments, relevant correspondence regarding the grant/contract, and reports of expenditures or billings.

Drawing Federal Funds

The Administrative Coordinator is authorized to request payment from the Federal government for grant awards. Using the ARC's Request for Payment form, the Grant Representative and Treasurer verifies that the requests and payments are accurate and approves the drawdown (see the Funds Disbursement section of this manual). Supporting documents are required for the draw of funds and for issuing payments.

Minimizing Time Between Receiving Federal Funds and Issuing Payments

Drawdown of funds occur on an as needed basis or monthly and the organization minimizes the time elapsing between the drawdown of funds and disbursement. Programmatic requests for payments are received in accounting and processed by the Administrative Coordinator via drawdown from the federal agency's payment system. After funds have been wired into the organization's bank account, the Administrative Coordinator prepares the checks and submits them to the ARC Grant Representative and ARC Treasurer for review and approval. Within 5 business days of receipt of wire transfers, payments are prepared by the Administrative Coordinator and mailed by the Staff Assistant to contractors and/or suppliers in accordance with federal regulations. The ARC complies with federal provisions for minimizing the time elapsing between the drawdown of funds and disbursement by operating its federal grant awards on a reimbursement basis. The timing and amount of cash advances shall be as close as administratively feasible to the actual disbursements by the recipient for direct project costs and the proportionate share of allowed indirect costs. This practice ensures that no federal funds are drawn down in advance of actual expenditures.

Drawing Federal Funds as Advanced Payments

The ARC does not draw Advanced Payments of Federal Funds. In the event the ARC draws down and receives advanced payments the funds will be placed in an interest-bearing account and expended within 5 business days.

General Standards – Reasonable, Allocable, and Allowable

Costs charged to a federal grant award must be reasonable, allocable, and allowable. The standards presented in the below checklist are referenced by staff involved in the financial management of such awards. As a general rule, all of the items on the checklist must be met for a cost to be charged to a federal award.

Costs are:

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

Costs are **Reasonable** when:

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

Costs are **Allowable** when they are:

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

Cost are **Allocable** when:

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

Program Income

If program income is generated under a federally funded project it will be added to the project funds, used to finance the non-federal share, or deducted from the total project costs.

Budgets

The ARC will follow the Budget Preparation and Amendment Request Procedure in addition to the below. Budgets provide a standard by which to measure performance, encourage planning, and allocate resources in accordance with funding source requirements. Budgets should use reasonable assumptions of income and expenses. All budget assumptions should be documented to facilitate a thorough analysis and evaluation, not only of the budget, but of the actual revenue and expenditures as they relate to the budget.

- The budget is prepared by the Committee Chairs and Finance Committee.
- Budgets are submitted to the Executive Committee for review and approval prior to submission to the full ARC.
- The Treasurer will submit an annual budget to the full ARC for their approval.

Internal Reporting

Reports assist the full ARC, Executive Committee, and funders with managing and controlling of program activities and financial resources.

- Monthly financial reports, including a revenue and expense report, and balance sheet where appropriate, will be provided to the Treasurer.
- The Administrative Coordinator will prepare monthly and quarterly reports as required by funding sources.
- The Treasurer or designee will review the reports to the funding sources.
- The Treasurer or designee will sign all reports to funding sources.
- The Administrative Coordinator will prepare and maintain, on a current basis, a listing of reports and due dates for funding sources.
- It is the responsibility of the Administrative Coordinator to ensure that all financial reports are submitted on a timely basis.

Record Retention

The ARC Record Retention Policy sets guidelines on the retention of records which will meet the requirements of all federal and state agencies, as well as those of other funding sources.

Insurance

The ARC will maintain Public Officials and Employment Practices Liability Insurance.

ARC Responsibilities

Financial Systems **A=Approval &/or Authority** **C=Controls Security** **R=Responsibilities in this area**	Full ARC	Executive Committee	Audit Committee	Committee Chairs	Finance Committee	Chair	Treasurer	Grant Representative	Executive Director	Administrative Coordinator	Staff Assistant	Executive Director Staff I	Executive Director Staff II
Security & Access									AC	ACR			
Data Backup										AC			
Funds Received							AR	R	A	ACR	R	R	R
Receipt Books							A			CR			
Fund Disbursements		A				A	A	AR	AC	ACR	R		
Purchasing		A				A	A	R	AC	CR	R	R	
Consultant/Contract Services	A	A				A	A	AR	A	CR	R		
Bank Accounts		A				A	A		AC	ACR	R		R
Travel Reimbursement						A			R	CR	R		
Allocation of Costs									A	AC			
Property & Inventory Control	A	A				A	A		A	CR			
Audits	A	A	AR			R	R		R	CR	R		
Taxes & Reporting		A				A	A		A	CR			
Grants & Contracts		A		R		A	A	AR	A	CR			
Budgets	A	A		R	R		AR		R	CR	R	R	
Internal Reporting	A	A				A	A	R	A	CR			
Record Retention		A							A	CR	R		
Insurance	A	A				A			AR	CR			

APPENDIX A: ARC POLICIES

Purchasing Policy

Adopted by the Alliance of Rouge Communities on 9/23/08
Revised on 9/9/10, 10/26/10 and 11/21/13

DRAFT 9/2/22

1. **PURPOSE**
   This purchasing policy guides the procurement of goods and services by the Alliance of Rouge Communities (ARC).

   Specifically, the purpose of this policy is to:
   - Ensure proper accounting procedures necessary to maintain efficient control over the ARC's expenditures.
   - Ensure necessary authorization is obtained for applicable expenditures.
   - Detail specific procedures for emergency purchases.
   - Identify eligible expenditure reimbursements.
   - Specify the procurement guidelines for Executive Director and Technical Services.
   - Specify the vendor selection guidelines for grant-funded projects.
   - Detail the procedure for processing of invoices.
   - Detail the procedure for check distribution.

2. **EXPENDITURE CONTROL**
   A summary of the price and cost analysis and procurement approval process is provided in the following table with more detail provided in the following paragraphs. ARC Staff will maintain documentation verifying that the purchase price is fair and reasonable.

Amount of Purchase	**$0 to $999**	**$1,000 to $4,999**	**$5,000 to $9,999**	**$10,000 to $19,999**	**Over $20,000***
Public Bids/Proposals Required	NO	NO	NO	NO	YES
Quotes Required	NO	3 Verbal	3 Written	3 Written	--
Type of Documentation Required	Receipt	Purchase Order	Purchase Order	Purchase Order	Contract
Formal Approval Required By	NO	Exec. Director	Exec. Director	Exec. Director AND Officer	Exec. Committee*
Signature Required on PO and/or Contract	--	Exec. Director	Exec. Director	Exec. Director AND Officer	Exec. Director AND Officer

**Formal approval of full ARC is required for contracts for Executive Director Services (see Section 4)*

- **For Purchases between $ 0.00 to $ 999.00**
  The Executive Director can authorize with his/her signature. A receipt is required.

- **For purchases between $ 1000.00 to $ 4,999.00**
  The Executive Director can authorize with his/her signature. Price comparison shall be prepared and attached to purchase order. Verbal quotes are acceptable. A Purchase Order shall be issued.

- **For purchases between $ 5,000.00 to $ 9,999.00**
  The Executive Director can authorize with his/her signature. Price comparison shall be prepared and attached to purchase order. Three written quotes will be received. A Purchase Order shall be issued.

- **For Purchase between $ 10,000.00 to $19,999.00**
  Purchases exceeding $10,000.00 can be authorized by signature of the Executive Director of the ARC and an ARC officer. Price comparison schedule shall be prepared and/or reason for vendor selection to be filled out and attached to purchase order. Three written quotes will be received. A Purchase Order shall be issued.

- **$20,000.00 and higher**
  Formal, publically advertised, competitive sealed bids/proposals are required. A Request for Bids/Proposals shall be developed by the Executive Director, which shall be approved by the ARC Executive Committee. The Request for Bids/Proposals shall require interested bidders/proponents to provide the following information as appropriate:
    - description of service or goods desired
    - desired delivery date or commencement date
    - desired termination date
    - bidder's/proponent's qualifications
    - warranties
    - references
    - performance bonds (if required)
    - acquisition cost, fees, or other potential ARC financial obligation
    - preferences for environmentally friendly and energy efficient products and services where applicable

  The Request for Bids/Proposals shall also indicate the following information:
    - deadline to submit
    - date, time and place that bids/proposals will be publicly opened
    - address to which bids/proposals are to be submitted

  All Requests for Bids/Proposals shall include a statement that the Alliance of Rouge Communities reserves the right to accept or reject any or all bids/proposals to waive informalities or errors in the process, and to accept any bid/proposal deemed to be in the best interest of the ARC, including bids/proposals that are not for the lowest amount.

  Sealed bids/proposals shall be submitted to the ARC Executive Director by a date and time specified, and shall be marked on the outside "sealed bid/proposal for _______ (indicate goods and or services)." Each bid/proposal shall be stamped with date and time received. The ARC Executive Director or her/his designee and one ARC Executive Committee Member shall publicly open all bids/proposals submitted at the date and time indicated on the request for bids/proposals. All bidders/proponents shall be notified of the contract award in a timely manner.

No purchase shall be divided for the purpose of circumventing the dollar value limitation contained in this section. However, a series of purchases from one vendor which individually are within the above limits, but collectively exceed them, shall not be deemed to be one purchase for the purposes of this division if such series of purchases could not reasonably have been made at one time.

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

Purchases are evaluated to ensure they are reasonable, allocable, and allowable. Regardless of the cost of acquisition, the organization avoids purchasing unnecessary items. Where applicable, the organization evaluates lease vs. purchase options to determine which is more economical. Financial reports are issued as required. Before an award is made, the ARC will conduct and document a cost or price analysis for every procurement in excess of the Simplified Acquisition Threshold (30.45, 2 CFR 200.324) which includes a history of the procurement and explanation of how the cost was determined to be reasonable.

All purchasing decisions will be made in the best interests of the ARC.

3. <u>EXCEPTIONS TO PRICE COMPARISON OR COMPETITIVE BID/PROPOSAL REQUIREMENTS</u>

As described above, purchases between $1,000 and $19,999 require price comparison and purchases above $20,000 require a competitive process for bids/proposals. Criteria for when an exception to these requirements may be made are:

a. Where there is only one source able, suitable, or acceptable to provide the service or equipment desired, in this case a written justification will be prepared and kept on file;
b. Where the subject of the contract is not competitive in nature and/or no advantage to the ARC would result from requiring competitive bidding; or
c. Where the urgency of the need is determined to be of an emergency nature by the Executive Director or ARC Chair and time requirements imposed for receipt of quotations for price comparison or competitive, sealed bids would be detrimental to the best interest of the ARC. Such emergency procurements shall be made with such competition as is practicable under the circumstances.

For exceptions based on criteria (1) and (2), documentation and justification of potential exceptions to the price comparison or competitive bid/proposal requirements should be included in the request forms for annual budget items or amendments to budget items submitted to the Finance Committee by an ARC Committee. After the Finance Committee has verified that a sole source vendor or a sole source purchase is warranted, the purchase will proceed according to other terms of this policy.

For exceptions based on criteria (3), the Executive Director or ARC Chair will proceed with the emergency procurement and will provide a report to the Executive Committee and Full ARC that describes the details of the needed service or equipment, documentation of the emergency circumstances, actions taken, and details of the expenditure.

4. REQUIREMENTS FOR EXECUTIVE DIRECTOR AND TECHNICAL SERVICES PROCUREMENT

As necessary, the ARC shall advertise a request for qualifications and/or proposals for Executive Director, Administrative and Technical Services. After reviewing all submitted proposals, the ARC shall choose one respondent for a contract to provide Executive Director, Administrative and Technical Services to the ARC. The ARC may establish a special committee (e.g., Proposal Review Committee) to assist with procurement of the Executive Director, Administrative and Technical Services, as provided under Article II.c.5 of the ARC Bylaws. The full ARC will approve the selection of the vendor to provide Executive Director, Administrative and Technical Services.

Additionally, the RFP Committee may choose additional respondents to potentially provide technical services to the ARC for grant-funded projects. The full ARC will approve the selection of pre-qualified vendors to provide additional technical services.

5. PURCHASING WITH FEDERAL AWARD FUNDS

Purchases made when procuring property or services through a federal award with federal funds follow the procurement standards under the Federal Uniform Guidance.

Purchases will maximize open and free competition with positive efforts to utilize small businesses, veteran-owned, women-owned businesses or minority-owned businesses (2 CFR 200.321). Federal awards will be reviewed to ensure that the goods or services to be purchased or contracted are allowable.

Procurement records will be kept, according to the ARC Records Retention Policy, that tell the basis for selection, justification and a basis for vendor/contractor selection.

All contracts, including small purchases, related to federal awards shall include the following procurement provisions as applicable; EEO, anti-kickback and Davis Bacon, contract work hours and safety standards, rights to inventions clean air and water act compliance, anti-lobby requirements and non-award to debarred/suspended contractors.

6. VENDOR SELECTION GUIDELINES FOR GRANT-FUNDED PROJECTS

The ARC Executive Director and Administrative staff provide grant administration services to the ARC for grant funded projects. Options for procurement of vendors to provide other services under grant funded projects are described in this section.

Watershed-Wide Projects. In the event that grant monies are received for activities that benefit the entire watershed or a subwatershed area containing more than one ARC community, the vendor selected under Section 4 to provide Executive Director, Administrative and Technical Services may lead the technical services if the scope of work is consistent with the provisions of their procurement. Similarly, the vendors pre-qualified to provide technical services under Section 4 may also lead grant funded technical services if the scope of work is consistent with the provisions of their procurement. The determination of the consistency of the grant funded work with the vendor procurement under Section 4 will be made by the Executive Committee.

The Executive Committee may also choose to solicit vendors for grant funded work through a competitive process consistent with the provisions of Section 2 of this policy and other applicable ARC policies and procedures, and consistent with the granting agency's procurement requirements. If this option is pursued, the ARC's pre-selected technical services vendors may submit proposals unless determined to be precluded by the Executive Committee on a case by case basis.

Area Specific Projects. When the ARC receives grant monies to conduct activities within a specific ARC member community or county, the community/county may provide input into the selection of the vendor to provide the grant funded services. The community/county may provide comments to the Executive Committee regarding use of the Executive Director staff or pre-qualified vendors procured under Section 4. The community/county may also provide comments to the Executive Committee regarding vendor selection if the Executive Committee chooses to solicit vendors for grant funded area specific projects through a competitive process. Such process must be consistent with the provisions of Section 2 of this policy and other applicable ARC policies and procedures, and that meets the granting agency's procurement requirements. If this option is pursued, the ARC's pre-selected technical services vendors may submit proposals unless determined to be precluded by the Executive Committee on a case by case basis.

If the community/county involved in the area-specific grant funded project desires that a vendor different than that selected by the ARC as described herein be utilized to complete the project, then the ARC and community/county may pursue executing a subgrant agreement whereby the community/county will complete the project subsidized all, or in part, with grant funds. Selection of a vendor to complete the work by the community/county under a subgrant agreement must meet vendor procurement requirements and other terms of the grant agreement between the ARC and the granting agency. If this option is pursued, the ARC's pre-selected technical services vendors may submit proposals unless determined to be precluded by the Executive Committee on a case by case basis.

7. DETERMINATION OF DEBARMENT OR SUSPENSION STATUS BEFORE AWARDING OF CONTRACTS

For award of contracts where federal funds will be utilized (e.g., contract funded by a grant award to the ARC by a federal agency), the ARC will require prior to contract award that the selected contractor, consultant, subgrantee, or individual confirm that:

a. They are not excluded or disqualified sub-grantees or contractors in any federal program,
b. They are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions under federal non-procurement programs by any federal department or agency;
c. They are not included on the "Excluded Parties List" system maintained by the federal government,
d. They have not, within the three year period preceding the proposal, had one or more public transactions (federal, state or local) terminated for cause or default, and
e. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) and have not, within the three year period preceding the proposal, been convicted of or had a civil judgment rendered against it as follows:
    I. For the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction (federal, state, or local) or a procurement contract under such a public transaction;
    II. For the violation of federal or state antitrust statutes, including those proscribing price fixing between competitors, the allocation of customers between competitors, or bid rigging, or
    III. For the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
f. The contractor, consultant, subgrantee, or individual agrees that it shall not knowingly enter into any subcontract with a contractor, consultant, or person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

An authorized representative of the prospective ARC contractor or subgrantee is required to sign a statement verifying that they are not suspended or debarred from doing business with the federal government as described by items 1-6 above. After contract execution, the contractor shall provide immediate written notice to the ARC if, at any time, contractor or subgrantee learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. If the ARC determines that the consultant, subgrantee, or individual knowingly rendered an erroneous certification, in addition to other remedies available to the ARC, the ARC County may terminate this Contract for cause or default.

The terms “covered transaction”, “debarred”, “suspended”, “ineligible”, “lower tier covered transaction”, “Grantee”, “person”, “primary covered transaction”, “principal”, “proposal”, and “voluntarily excluded”, as used in this clause, have the meaning set out in the Code of Federal Regulations (45 CFR Part 76).

8. PURCHASE ORDERS

All purchases shall require the issuance of a purchase order as described in Expenditure Control, except for the following expenditures:

- Utilities
- Telephone
- Postage
- Publications
- Fuel oil and gasoline
- Intergovernmental Contracts/Inter Agency Agreement
- Services Authorized by the ARC Executive Committee
- Per Diems
- Insurance
- Payroll withholdings
- Contractual Obligations
- Professional

A purchase order shall be issued provided that the nature of the purchase is indicated, the account number (taken from the annual budget) is provided and the account has a sufficient balance.

9. BLANKET PURCHASE ORDERS

Requests for blanket purchase orders shall be made in the same manner as other purchases. The blanket purchase order shall contain the vendor, a general description of item(s) requested, amount of appropriation, period of time the blanket order will remain valid (maximum of 1 year, but not beyond the current fiscal year) and account number to charge the expense.

After the blanket purchase order is issued, the Executive Director shall draw on the order and keep a record of the cost of the items received until the blanket purchase order is completed.

The Executive Director shall still be required to adhere to the requirements set forth in the expenditure control section of this policy, when issuing blanket purchase orders. When certain monetary levels are exceeded the proper authorization, quotes and bids/proposals shall still be obtained prior to purchase.

10. EXPENDITURE AUTHORIZATION

The Alliance of Rouge Communities shall not be responsible for any expenses incurred by an official or ARC member that is contrary to the provisions of this administrative policy. Authorization shall be obtained through the proper channels discussed in this purchasing policy.

11. EMERGENCY PURCHASES

Occasionally, situations arise that do not allow pre-approval for expenditures. Situations that require immediate attention for the sake of public health and safety should be addressed accordingly. The expenditure shall be provided by the ARC Executive Director or treasurer as soon as possible with the information explaining why the expenditure could not meet the pre-approval requirement.

12. TAX EXEMPT STATUS

The Alliance of Rouge Communities is a tax-exempt entity and is not required to pay tax. Occasionally, ARC Staff Members purchase goods and/or services with their own funds and submit for reimbursement. Whenever possible, ARC members should obtain a tax-exempt certificate from the ARC Executive Director prior to the purchase.

13. PROCESSING OF INVOICES

Requests for payments to vendors shall be documented in writing by a vendor invoice or, in the few instances where no invoice is forthcoming, by a written request by the ARC Executive Director. Except for rare exceptions (example: lost invoice), only original invoices shall be processed for payments, as statements or copies of invoices may result in duplicate payments.

ARC member expense reimbursements shall be documented on an expense voucher prepared by the ARC member. Invoices and expense vouchers shall include the following:

- Vendor name and mailing address
- Purpose of payment
- Total amount due
- Unit price and units delivered
- Date goods were delivered or services rendered
- Attached purchase order or resolution

14. CREDIT CARDS

The ARC will not issue nor allow the use of credit cards issued in the name of the ARC. The ARC does maintain a debit card associated with its checking account.

Receipts must be obtained for all purchases made using a personal credit card and submitted to the Executive Director's Office for tracking to respective invoices/billings. In those instances when a purchase order or voucher has not been approved prior to the purchase, the credit card holder shall submit receipts clearly marked with the appropriate account to be charged immediately upon return to the ARC to properly account for the purchase.

15. CHECKING ACCOUNT

The ARC will maintain an interest bearing (when possible) checking account for purchases as defined by this policy. The Executive Director has the authority to request that a check be initiated. The ARC staff will generate the check. All ARC checks require the signatures of two members of the Executive Committee, being the Treasurer and one other member of the Executive Committee.

16. CONFLICTS

The Executive Director must notify the ARC Executive Committee, in writing, of any known or perceived conflicts of interest within 48 hours of becoming aware of the potential conflict. The Executive Committee shall determine whether, in their opinion, a conflict exists. The decision will be forwarded, in writing, to the Executive Director within seven days of the conclusion of next Executive Committee meeting. The decision of the Executive Committee is final. If it is determined that a conflict exists, the Chair of the ARC, or his/her designee, will assume the duties of the purchasing agent.

Alliance of Rouge Communities

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Adopted by the Full ARC on 11/21/13

POLICY FOR PURSUIT AND ACCEPTANCE OF GRANTS, SUBGRANT ELIGIBILITY AND GRANT MANAGEMENT
DRAFT REVISION 9/2/22

BACKGROUND

The Alliance of Rouge Communities routinely applies for grants from the state and federal government and from private foundations. The projects proposed for grant funding can benefit the entire watershed or a specific area, i.e., a branch of the Rouge River, a specific area of the watershed, or a member community or cooperating partner. Upon receipt of a grant for Rouge River restoration activities, the ARC may implement the project on behalf of the watershed and/or may issue subgrants for all or part of the work to ARC members, cooperating partners, or other parties.

Further, the ARC has advised Wayne County Department of Public Service on the eligibility requirements for subgrants awarded under the provisions of the Rouge River National Wet Weather Demonstration Project (Rouge Project). Wayne County has acted upon the advice of the ARC including limiting the subgrant eligibility of communities in the Rouge watershed to those that are members of the ARC. At its August 2006 meeting, the ARC passed a resolution concerning future eligibility of communities within the Rouge River watershed for grant dollars from both the Rouge Project administered by Wayne County, and future grants obtained by the ARC itself.

This policy addresses:

- Pursuit and Acceptance of Grants, including Determination of Grant Match and Documentation,
- Grant Management,
- Subgrant Eligibility, and
- Subgrant Requirements and Management.

Any divergence from this policy shall be first reviewed by the ARC Executive Committee and subsequently approved by the ARC members at a regular meeting of the ARC.

PURSUIT AND ACCEPTANCE OF GRANTS

On March 25, 2010, the ARC approved the document "Procedures for the Pursuit and Acceptance of Grants", shown below and hereby incorporated into this Policy.

Objectives

- Take a proactive approach to the pursuit of grant opportunities to support ongoing ARC activities
- Develop a policy that maximizes probability of success and includes proper authorization to commit grant pursuit and match funds

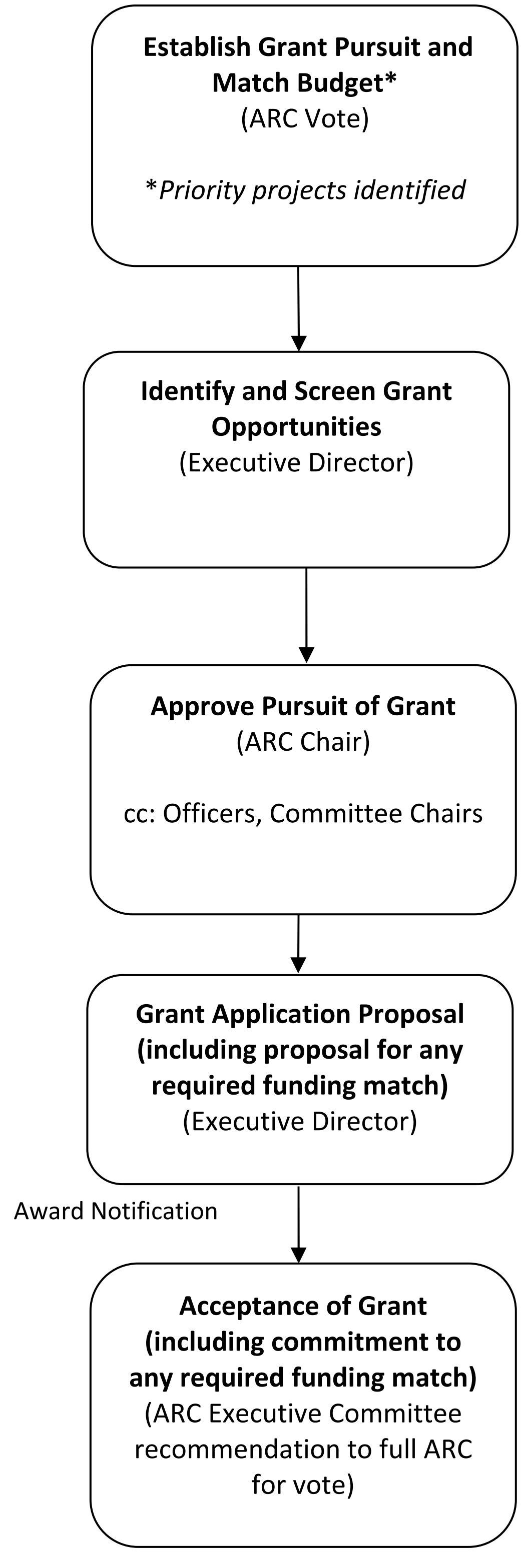
Application Criteria
The ARC will apply for grants that offer watershed-wide benefits. Application for grants that provide only local benefits may be reviewed on a case by case basis.

ARC grant applications shall focus on ARC core priorities such as:

- Watershed management planning and implementation
- Illicit Discharge Elimination Plan investigations
- Public involvement and education
- Studies and collection of data
- Data management and analysis
- Annual reporting
- Staff support

Policies
Consistent with ARC procurement policy, the ARC may accept assistance from ARC members, consultants and other interested parties to help prepare grant applications.

The ARC may choose to provide letters of support and/or commitment for grant applications submitted by ARC members, cooperating partners, or other appropriate organizations. Letters of support/commitment from the ARC will be issued at the discretion of and by the ARC Chair upon receipt of requests submitted directly to the Chair.



DETERMINATION OF GRANT MATCH AND DOCUMENTATION

In some cases, a granting agency may require that the successful grantee provide funding for part of the estimated project costs as match or cost sharing ("grant match"). Typically, if grant match is required, it must be described and enumerated in the grant application. If match is required to be pledged in a grant application, ARC staff will recommend a grant match plan based on the proposed grant activities. If the grant match plan includes contributions by individual ARC member communities, cooperating partners, or others, those parties included in the ARC's grant application ("ARC team") will provide a letter committing to and documenting the dollar value of any match, cost-sharing or in-kinds services that they will provide for federally funded projects. Eligible activities for grant match are specified by the grant contract and if allowed, typically include in-kind services, cash and/or volunteer time.

In Kind Services

If consistent with the grant requirements, in-kind services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be included as grant match if the service is an integral and necessary part of an approved project or program. In-kind services shall be consistent with those paid for by the ARC for similar work or in a subgrantee's organization. In those instances where the required skills are not found in the ARC team's organization, rates shall be consistent with those paid for similar work in the labor market in which the ARC team competes for the type of services involved. In either case, paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation. When an employer other than the ARC furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services utilize the same skill for which the employee is normally paid. In-kind match will be documented using timesheets.

Cash Match or Cost Sharing

Cash match or cost-sharing is payment for services/goods related to the grant and is documented by paid invoices.

Volunteer Match

If consistent with the grant requirements, the value of volunteer match will be calculated based on generally accepted hourly rates approved by the granting agency and will be documented using sign-in sheets that include the activity, the date, times worked and the name of the volunteer.

The grant match plan will be enumerated in the grant application and will meet the following criteria:

- Is verifiable from the ARC's or subgrantee's records;
- Is not included as contributions for any other federally-assisted project or program;
- Is necessary and reasonable for proper and efficient accomplishment of project or program objectives; and.
- Is not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

GRANT MANAGEMENT AND CONTRACTOR MONITORING

The ARC and its staff will be responsible for the overall monitoring of contractors, contract administration, direction, and quality management for all accepted grant contracts. Grant management activities include but are not limited to administration of the grant and any subgrants, reporting, quality assurance and quality control, communication with granting agencies, and other necessary activities to ensure that the project is conducted in accordance with the grant agreement and any other requirements of the granting agency and with ARC policies and procedures. Contractor invoices will be reviewed by ARC Staff before continuing the procedures for payment outlined in the ARC Accounting Procedures Manual.

Changes to the grant match plan included in the grant application and/or contract which are needed during the term of the grant agreement will be approved by the ARC Executive Committee and federal funding agency prior to implementation.

All correspondence with contractors will be included in the federal award file and

SUBGRANT ELIGIBILITY

It is the policy of the ARC that any grants received by the ARC and allocated in the form of subgrants to other entities shall be limited to:

- Agencies that are members in good standing of the ARC (Primary and Associate Members, i.e., public agencies that have adopted the bylaws of the ARC and have paid their assessments as well as approved nested jurisdictions of ARC members in good standing); or
- Public or private entities not eligible for ARC membership (i.e. Cooperating Partners, such as autonomous public entities with no Rouge River water discharge permit requirements, and private non-profit or private educational institutions).

Further, it is the policy of the ARC that it will conduct projects at locations in ARC and non-ARC member communities if it is awarded grants related to the Rouge River Area of Concern (i.e., Great Lakes Restoration grants) which cover the entire watershed and are tied to beneficial use impairments in the entire Rouge River Watershed.

SUBGRANT REQUIREMENTS AND MANAGEMENT OF AWARDED SUBGRANTS

Any ARC member awarded a subgrant shall remain an ARC member in good standing throughout the term of the subgrant award. In the event that an ARC member is awarded a subgrant and subsequently chooses not to remain a member of the ARC during the term of any subgrant, the subgrant award or interagency subgrant agreement shall provide for a means to authorize the ARC to terminate the subgrant and retain any unpaid portion of the subgrant.

In the event a grant is awarded to the ARC for the Rouge River Area of Concern, which encompasses the entire Rouge River Watershed, subgrants may be awarded to non-ARC member communities. Grants may also be administered by the ARC on behalf of non-ARC member communities.

In addition to grant and contractual requirements enumerated in agreements between the ARC and another party, any subgrants issued by the ARC will be monitored in the following ways:

- Subrecipients will be required to provide written monthly financial and project progress reports to the ARC, unless otherwise noted in the contract, and
- Projects covered by subawards between the ARC and another party will be monitored during site visits by ARC staff.

Other criteria may be enumerated in the contract between the ARC and the subgrantee.

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ALLIANCE OF ROUGE COMMUNITIES
CONTRACT APPROVAL PROCEDURE

The Technical Committee recognizes a need to develop contract approval procedures beyond what is listed in the ARC's Purchasing Policy for purchases above $20,000. The purpose of this memorandum is to suggest a contract approval procedure to the Executive Committee for immediate use in hiring the recommended Land Cover Survey contractor. Further, it could form the basis for crafting a procedure for hiring future contractors or purchases above $20,000.

Once a contractor has been selected for recommendation to the Executive Committee, the following procedure is recommended:

1. The Committee/subcommittee responsible for the contractor selection presents a written contractor recommendation to the Executive Committee. The recommendation should include the number of bids/proposals received, the names of the individuals or firms, the bid amounts and/or estimated cost of services, the approved budget, the rationale for selection, and any other pertinent detail considered during the selection process.

2. If the Executive Committee agrees with the recommendation, it would authorize the Executive Director to develop a contract between the ARC and the recommended contractor, within the limits of the approved budget for the task.

3. The draft contract language is reviewed, modified and approved by a contract review subcommittee comprised of the following: the ARC Chair (or his/her designated officer), the Executive Director (or his/her designee), a representative from the Wayne County DOE (for those contracts that are funded by the federal Rouge grant), the Committee Chair who issued the RFP upon which the contract is based (or his/her designee) and any other ARC member at the request of the Executive Committee, Committee Chair or contract review subcommittee.

4. Upon approval by the subcommittee, the final contact is sent to both the Executive Director and the ARC Chair (or his/her designated officer) for signature. Two copies of the approved contract are to be sent to the contractor for execution. The contractor is to return one copy of the executed contract to the ARC Executive Director. The Executive Director will send an executed copy to the Wayne County DOE for those contracts that are funded by the federal Rouge grant.

Adopted by the ARC Executive Committee on 4/22/2009

ALLIANCE OF ROUGE COMMUNITIES

PROCEDURE FOR
ANNUAL BUDGET PREPARATION
AND
REQUEST FOR BUDGET AMENDMENT

The following procedure should be utilized to prepare the Alliance of Rouge Communities (ARC) annual budget requests and budget amendment requests of the annual budget of the ARC. This procedure was developed by the Finance Committee of the Alliance of Rouge Communities.

- Changes to the annual budget for the Alliance of Rouge Communities (ARC) (including allocations of the contingency funds) must be reviewed by the ARC Finance Committee prior to implementation.
- Budget amendment requests must be submitted from the proper committee or Officer of the ARC to the ARC Treasurer. Such requests must be submitted in writing a minimum two weeks prior to an Executive Committee meeting. According to the Bylaws, the Executive Committee will meet at least five times a year.
- Budget amendment requests must follow the format shown in Attachment A. The following information must be included in the request: Request Date, Description of Item, Committee Making Requests, Background, Action Requested, Budget, and Person/Agency Responsible for Implementation.
- Prior to the last Executive Committee of the year, the Finance Committee will meet to prepare the budget for the next year. The Budget Preparation Schedule (see Attachment B) will be followed. Committees should use the same process for the annual budget preparation as they do with budget amendments. Requests must follow the format shown in Attachment C.
- The Finance Committee will review the request and will make a recommendation to the ARC Executive Committee.

Adopted by the ARC Finance Committee: June 7, 2010
Adopted by the Alliance of Rouge Communities on September 9, 2010

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ALLIANCE OF ROUGE COMMUNITIES
FINANCE COMMITTEE

Attachment A
REQUEST FOR AMENDMENT
Year _________ BUDGET

REQUEST DATE:

LINE ITEM:

COMMITTEE MAKING REQUEST:

BACKGROUND:

DESCRIPTION OF ANTICIPATED ACTIVITIES:

RATIONALE (including why needed):

BUDGET (including how the requested amount was established):

PERSON/AGENCY RESPONSIBLE FOR IMPLEMENTATION:

Attachment B
Year _______ ARC Budget Preparation Schedule

6/7/10	Finance Committee to approve Budget Schedule
6/11/10	Treasurer to distribute Budget Schedule
6/29/10	Executive Committee review Budget Schedule/consider no change to dues
7/1/10	Treasurer to send out letter to ECT requesting cost proposal for Executive Director Services to the Finance Committee by 9/13/10
7/1/10	Treasurer to send out letter to ARC Committees requesting budget submittals to the Finance Committee by 9/13/10
9/13/10	Receive cost proposal from ECT and distribute to Executive Committee
9/13/10	Finance Committee to receive budget proposals from ARC Committees
9/21/10	Finance Committee meeting to receive draft budget information
10/7/10	Finance Committee meeting to finalize budget proposals and formulate recommendation to the Executive Committee
10/14/10	Executive Committee meeting to review the proposed budget
10/26/10	Full Alliance Meeting to adopt the 2011 ARC budget

ALLIANCE OF ROUGE COMMUNITIES
FINANCE COMMITTEE

Attachment C
Year________ BUDGET RECOMMENDATION

REQUEST DATE:

LINE ITEM:

COMMITTEE MAKING REQUEST:

BACKGROUND:

DESCRIPTION OF ANTICIPATED ACTIVITIES:

RATIONALE (including why needed):

BUDGET (including how the requested amount was established):

PERSON/AGENCY RESPONSIBLE FOR IMPLEMENTATION:

ALLIANCE OF ROUGE COMMUNITIES (ARC)
PERSONNEL POLICY

Approved by the Executive Committee and the Full ARC on ___________________
DRAFT 9/1/22

ARC PERSONNEL POLICY

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I. OVERVIEW

The Alliance of Rouge Communities (ARC) does not have employees. However, in the event employees are hired the following rules will apply.

The ARC Personnel Policy has been developed to provide general employee guidelines for the ARC. None of these policies or guidelines are intended to give rise to contractual rights or obligations, or to be construed as a guarantee of employment for any specific period of time, or any specific type of work. Additionally, with the exception of the voluntary at-will employment policy, these guidelines are subject to modification, amendment or revocation by the ARC at any time, without advance notice.

The Personnel Policies of the ARC are established by the Executive Committee, which has delegated authority and responsibility for their administration to the Executive Director. The Executive Director may, in turn, delegate authority for administering specific policies. Employees are encouraged to consult the Executive Director for additional information regarding the policies, procedures, and privileges described in this document**.** Questions about personnel matters also may be reviewed with the Executive Director.

The ARC will provide each individual a copy of this policy upon employment. All employees are expected to abide by it. The highest standards of personal and professional ethics and behavior are expected of all the ARC employees.

Further, the ARC expects each employee to display good judgment, diplomacy and courtesy in their professional relationships with members of the ARC's Executive Committee, committees, membership, staff, and the general public.

II. RECRUITMENT AND SELECTION PROCESS

The ARC hiring steps might vary across roles, but we always aim for a recruitment and selection process that is fair and effective in hiring great people. Each member of a hiring team might have different responsibilities (e.g. recruiters source and hiring managers interview candidates.) Hiring steps may include:

1. ARC Staff identify the need for a new job opening.
2. ARC Staff decide whether to hire externally or internally.
3. ARC Staff review job descriptions and write a job ad.
4. Executive Committee approves job ad.
5. ARC Staff select appropriate sources (external or internal) to post your job opening.
6. ARC Staff coordinate with Executive Committee on hiring stages and possible timeframes.
7. ARC Staff source passive candidates.
8. Executive Committee shortlist applicants.
9. Executive Committee screen and interview candidates.
10. ARC Staff run background checks and check references.
11. Executive Committee select the most suitable candidate.
12. Executive Director make an official offer.

Throughout this process, the ARC aims to keep candidates informed, communicate well with each other and give everyone an equal opportunity to work with us. Assistance will be offered whenever there is a need to enhance candidate experience or write an inclusive job description.

A. Background Checks

Background checks may be done on candidates. This process will abide by laws and ensure candidates understand intentions. As a general rule, commissioning a background check will occur with finalists only and will use a contracted provider and will require candidates' permission.

III. VOLUNTARY AT-WILL EMPLOYMENT

Unless an employee has a written employment agreement with the ARC, which provides differently, all employment at the ARC is "at-will." That means that employees may be terminated from employment with the ARC with or without cause, and employees are free to leave the employment of the ARC with or without cause. Any representation by the ARC or employee contrary to this policy is not binding upon the ARC unless it is in writing and is signed by the Executive Director with the approval of the Executive Committee.

IV. EQUAL EMPLOYMENT OPPORTUNITY

The ARC shall follow the spirit and intent of all federal, state and local employment law and is committed to equal employment opportunity. To that end, the Executive Committee and Executive Director of the ARC will not discriminate against any employee or applicant in a manner that violates the law.

The ARC is committed to providing equal opportunity for all employees and applicants without regard to race, color, religion, national origin, sex, age, marital status, sexual orientation, disability, political affiliation, personal appearance, family responsibilities, matriculation or any other characteristic protected under federal, state or local law. Each person is evaluated on the basis of personal skill and merit. the ARC's policy regarding equal employment opportunity applies to all aspects of employment, including recruitment, hiring, job assignments, promotions, working conditions, scheduling, benefits, wage and salary administration, disciplinary action, termination, and social, educational and recreational programs. The Executive Director shall act as the responsible agent in the full implementation of the Equal Employment Opportunity policy.

The ARC will not tolerate any form of unlawful discrimination. All employees are expected to cooperate fully in implementing this policy. In particular, any employee who believes that any other employee of the ARC may have violated the Equal Employment Opportunity Policy should report the possible violation to the Executive Director.

If the ARC determines that a violation of this policy has occurred, it will take appropriate disciplinary action against the offending party, which can include counseling, warnings, suspensions, and termination. Employees who report, in good faith, violations of this policy and employees who cooperate with investigations into alleged violations of this policy will not be subject to retaliation. Upon completion of the investigation, the ARC will inform the employee who made the complaint of the results of the investigation.

The ARC is also committed to complying fully with applicable disability discrimination laws, and ensuring that equal opportunity in employment exists at the ARC for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis. Reasonable accommodations will be available to all qualified disabled employees, upon request, so long as the potential accommodation does not create an undue hardship on the ARC. Employees who believe that they may require an accommodation should discuss these needs with the Executive Director.

V. POLICY AGAINST WORKPLACE HARASSMENT

The ARC is committed to providing a work environment for all employees that is free from sexual harassment and other types of discriminatory harassment. Employees are expected to conduct themselves in a professional manner and to show respect for their co-workers.

The ARC's commitment begins with the recognition and acknowledgment that sexual harassment and other types of discriminatory harassment are, of course, unlawful. To reinforce this commitment, the ARC has developed a policy against harassment and a reporting procedure for employees who have been subjected to or witnessed harassment. This policy applies to all work-related settings and activities, whether inside or outside the workplace, and includes business trips and business-related social events.

The ARC's property (e.g. telephones, copy machines, facsimile machines, computers, and computer applications such as e-mail and Internet access) may not be used to engage in conduct that violates this policy. the ARC's policy against harassment covers employees and other individuals who have a relationship with the ARC which enables the ARC to exercise some control over the individual's conduct in places and activities that relate to the ARC's work (e.g. directors, officers, contractors, vendors, volunteers, etc.).

Prohibition of Sexual Harassment: the ARC's policy against sexual harassment prohibits sexual advances or requests for sexual favors or other physical or verbal conduct of a sexual nature, when: (1) submission to such conduct is made an express or implicit condition of employment; (2) submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual who submits to or rejects such conduct; or (3) such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile, humiliating, or offensive working environment.

While it is not possible to list all of the circumstances which would constitute sexual harassment, the following are some examples: (1) unwelcome sexual advances -- whether they involve physical touching or not; (2) requests for sexual favors in exchange for actual or promised job benefits such as favorable reviews, salary increases, promotions, increased benefits, or continued employment; or (3) coerced sexual acts.

Depending on the circumstances, the following conduct may also constitute sexual harassment: (1) use of sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life; (2) sexually oriented comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess; (3) displaying sexually suggestive objects, pictures, cartoons; (4) unwelcome leering, whistling, deliberate brushing against the body in a suggestive manner; (5) sexual gestures or sexually suggestive comments; (6) inquiries into one's sexual experiences; or (7) discussion of one's sexual activities.

While such behavior, depending on the circumstances, may not be severe or pervasive enough to create a sexually hostile work environment, it can nonetheless make co-workers uncomfortable. Accordingly, such behavior is inappropriate and may result in disciplinary action regardless of whether it is unlawful.

It is also unlawful and expressly against the ARC policy to retaliate against an employee for filing a complaint of sexual harassment or for cooperating with an investigation of a complaint of sexual harassment.

Prohibition of Other Types of Discriminatory Harassment: It is also against the ARC's policy to engage in verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, gender, religion, sexual orientation, age, national origin, disability, or other protected category (or that of the individual's relatives, friends, or associates) that: (1) has the purpose or effect of creating an intimidating, hostile, humiliating, or offensive working environment; (2) has the purpose or effect of unreasonably interfering with an individual's work performance; or (3) otherwise adversely affects an individual's employment opportunities.

Depending on the circumstances, the following conduct may constitute discriminatory harassment: (1) epithets, slurs, negative stereotyping, jokes, or threatening, intimidating, or hostile acts that relate to race, color, gender, religion, sexual orientation, age, national origin, or disability; and (2) written or graphic material that denigrates or shows hostility toward an individual or group because of race, color, gender, religion, sexual orientation, age, national origin, or disability and that is circulated in the workplace, or placed anywhere in the ARC's premises such as on an employee's desk or workspace or on the ARC's equipment or bulletin boards. Other conduct may also constitute discriminatory harassment if it falls within the definition of discriminatory harassment set forth above.

It is also against the ARC's policy to retaliate against an employee for filing a complaint of discriminatory harassment or for cooperating in an investigation of a complaint of discriminatory harassment.

Reporting of Harassment: If you believe that you have experienced or witnessed sexual harassment or other discriminatory harassment by any employee of the ARC, you should report the incident immediately to your supervisor or to the Executive Director. Possible harassment by others with whom the ARC has a business relationship, including customers and vendors, should also be reported as soon as possible so that appropriate action can be taken.

The ARC will promptly and thoroughly investigate all reports of harassment as discreetly and confidentially as practicable. The investigation would generally include a private interview with the person making a report of harassment. It would also generally be necessary to discuss allegations of harassment with the accused individual and others who may have information relevant to the investigation. the ARC's goal is to conduct a thorough investigation, to determine whether harassment occurred, and to determine what action to take if it is determined that improper behavior occurred.

If the ARC determines that a violation of this policy has occurred, it will take appropriate disciplinary action against the offending party, which can include counseling, warnings, suspensions, and termination. Employees who report violations of this policy and employees who cooperate with investigations into alleged violations of this policy will not be subject to retaliation. Upon completion of the investigation, the ARC will inform the employee who made the complaint of the results of the investigation.

Compliance with this policy is a condition of each employee's employment. Employees are encouraged to raise any questions or concerns about this policy or about possible discriminatory harassment with the Executive Director. In the case where the allegation of harassment is against the Executive Director, please notify the staff member designated as grievance officer.

VI. SOLICITATION

Employees are prohibited from soliciting (personally or via electronic mail) for membership, pledges, subscriptions, the collection of money or for any other unauthorized purpose anywhere on the ARC property during work time, especially those of a partisan or political nature. "Work time" includes time spent in actual performance of job duties but does not include lunch periods or breaks. Non-working employees may not solicit or distribute to working employees. Persons who are not employed by the ARC may not solicit or distribute literature on the ARC's premises at any time for any reason.

Employees are prohibited from distributing, circulating or posting (on bulletin boards, refrigerators, walls, etc.) literature, petitions or other materials at any time for any purpose without the prior approval of the Executive Director or his/her designee.

VII. HOURS OF WORK, ATTENDANCE AND PUNCTUALITY

A. Hours of Work

The normal work week for the ARC shall consist of five (5), seven (7) hour days. Ordinarily, work hours are from 9:00 a.m. - 5:00 p.m., Monday through Friday, including one hour (unpaid) for lunch. Employees may request the opportunity to vary their work schedules (within employer-defined limits) to better accommodate personal responsibilities. Subject to the ARC work assignments and Executive Director approval, the employee's supervisor shall determine the hours of employment that best suits the needs of the work to be done by the individual employee.

B. Attendance and Punctuality

Attendance is a key factor in job performance. Punctuality and regular attendance are expected of all employees. Excessive absences (whether excused or unexcused), tardiness or leaving early is unacceptable. If you are absent for any reason or plan to arrive late or leave early, you must notify your supervisor and the office manager as far in advance as possible and no later than one hour before the start of your scheduled work day. In the event of an emergency, you must notify your supervisor as soon as possible.

For all absences extending longer than one day, you must telephone your immediate supervisor prior to the start of each scheduled workday. When reporting an absence, you should indicate the nature of the problem causing your absence and your expected return-to- work date. A physician's statement may be required as proof of the need for any illness-related absence regardless of the length of the absence.

Except as provided in other policies, an employee who is absent from work for three consecutive days without notification to his or her supervisor or the Executive Director will be considered to have voluntarily terminated his or her employment. The employee's final paycheck will be mailed to the last mailing address on file with the ARC.

Excessive absences, tardiness or leaving early will be grounds for discipline up to and including termination. Depending on the circumstances, including the employee's length of employment, the ARC may counsel employees prior to termination for excessive absences, tardiness or leaving early.

C. Overtime

Overtime pay, which is applicable only to Non-Exempt Employees, is for any time worked in excess of 40 hours in a work week. Only the Executive Director or his or her designee, upon the request of an employee's supervisor, may authorize overtime. Overtime rate is one and one-half time (1½) the employee's straight time rate, except in instances involving a Sunday or holidays when the rate is two times the regular rate. Payment of overtime will be provided in the pay period following the period in which it is earned.

VIII. EMPLOYMENT POLICIES AND PRACTICES

A. Definition of Terms

1. Employer. The ARC is the employer of all full-time, part-time and temporary employees. An employee is hired, provided compensation and applicable benefits, and has his or her work directed and evaluated by the ARC.
2. Full-Time Employee. A Full Time Employee regularly works at least 35 hours per week
3. Part-Time Employee. A Part Time Employee regularly works less than 35 hours per week but no less than 17 ½ hours per week.
4. Exempt Employee. An Exempt Employee is an employee who is paid on a salary basis and meets the qualifications for exemption from the overtime requirements of the Fair Labor Standards Act ("FLSA").
5. Non-Exempt Employee. A Non-Exempt Employee is an employee who is paid an hourly rate and does not meet the qualifications for exemption from the overtime requirements of the Fair Labor Standards Act ("FLSA"). For Non- Exempt Employees, an accurate record of hours worked must be maintained. the ARC will compensate non-exempt employees in accordance with applicable federal and state law and regulations.
6. Temporary Employee. An individual employed, either on a full-time or part-time basis, for a specific period of time less than six months. Temporary employees are entitled only to those benefits required by statute or as otherwise stated in the *ARC Employee Handbook*.

All employees are classified as Exempt or Non-Exempt in accordance with federal and state law and regulations. Each employee is notified at the time of hire of his or her specific compensation category and exempt or non-exempt status.

IX. POSITION DESCRIPTION AND SALARY ADMINISTRATION

Each position shall have a written job description. In general, the description will include the: purpose of the position, areas of responsibilities, immediate supervisor(s), qualifications required, salary range, and working conditions affecting the job, e.g., working hours, use of car, etc. The supervisor(s) or the Executive Director shall have discretion to modify the job description to meet the needs of the ARC.

Paychecks are distributed on the 15th and the last day of each month, except when either of those days falls on a Saturday, Sunday or holiday, in which case paychecks will be distributed on the preceding workday. Timesheets are due to the Executive Director within two days of each pay period. All salary deductions are itemized and presented to employees with the paycheck. Approved salary deductions may include: federal and state income taxes; social security, Medicare, and state disability insurance; voluntary medical and group hospitalization insurance premiums (if in force and if paid by employee) and other benefits (e.g., life insurance, retirement).

X. WORK REVIEW

The work of each employee is reviewed on an ongoing basis with the supervisor to provide a systematic means of evaluating performance.

The annual performance review is a formal opportunity for the supervisor and employee to exchange ideas that will strengthen their working relationship, review the past year, and anticipate the ARC's needs in the coming year. The purpose of the review is to encourage the exchange of ideas in order to create positive change within the ARC. To that end, it is incumbent upon both parties to have an open, and honest discussion concerning the employee's performance. It is further incumbent upon the supervisor to clearly communicate the needs of the ARC and what is expected of the employee in contributing to the success of the ARC for the coming year.

Both supervisor and employee should attempt to arrive at an understanding regarding the objectives for the coming year. This having been done, both parties should sign the performance review form, which will be kept as part of the employee's personnel record and used as a guide during the course of the year to monitor employee progress relative to the agreed upon objectives.

The Executive Director reviews the work of all supervisors. Work reviews for other staff are the responsibility of the appropriate supervisor, subject to confirmation by the Executive Director.

XI. ECONOMIC BENEFITS AND INSURANCE

The ARC shall provide a competitive package of benefits to all eligible full-time and part-time employees. The following outline of available benefits is provided with the understanding that benefit plans may change from time to time, and the plan brochures (known as Summary Plan Descriptions) or contracts are to be considered the final word on the terms and conditions of the employee benefits provided by the ARC. For eligibility requirements, refer to the Plan document for each benefit program. Continuation of any benefits after termination of employment will be solely at the employee's expense and only if permitted by policies and statutes. The Executive Director will determine levels of deductibility and co-payments for all insurance related benefits annually.

A. Health/Life Insurance

The ARC currently provides individual health and dental insurance benefits for eligible full-time and part-time employees except those who are insured through their spouse, retired military, or other plans, beginning after the first full month of employment. Eligible employees may elect to participate in available health plan(s) offered by the ARC. the ARC presently pays the individual insurance premium for all eligible employees. the ARC may require employees to pay a portion of insurance premium in the future. Information about the ARC's health plan(s) will be provided to the employee at the time of employment.

B. Social Security/Medicare/Medicaid

The ARC participates in the provisions of the Social Security, Medicare and Medicaid programs. Employees' contributions are deducted from each paycheck and the ARC contributes at the applicable wage base as established by federal law.

C. Workers' Compensation and Unemployment Insurance

Employees are covered for benefits under the Workers' Compensation Law. Absences for which worker compensation benefits are provided are not charged against the eligible employee's sick leave. To assure proper protection for employees and the ARC, any accident that occurs on the job must be reported, even if there are no injuries apparent at the time. Forms for this purpose are available from the ARC.

The ARC reserves the right to modify or terminate any employee benefits, at any time.

XII. LEAVE BENEFITS AND OTHER WORK POLICIES

A. Holidays

Full-Time Employees are eligible for 11.5 holidays per year as follows:

New Year's Day
Martin Luther King, Jr.'s Birthday
President's Day
Memorial Day
Independence Day
Labor Day Columbus
Day Veteran's Day
Thanksgiving Day
The Day After Thanksgiving Day
Christmas Eve (1/2 Day)
Christmas Day

Full-time employees (employees who regularly work at least 35 hours per week) receive one (1) paid day off for each full day of holiday time. Holiday benefits for Part-Time employees will be pro-rated in accordance with the hours regularly worked by the employee. Employees wishing to take religious holidays may substitute a religious holiday for one of those listed above, with advance approval from their supervisor and the Executive Director. Temporary employees are ineligible for holiday leave benefits. In those years when Independence Day, Christmas Eve and Christmas Day, and New Year's Day fall on Saturday or Sunday, the Executive Director will designate the work day that will replace the weekend holiday.

B. Vacation

During the first 90 days of employment full- and part-time employees will not earn Vacation benefits. During the remaining nine months of first year employment, a full-time employee will earn two weeks (10 days) of paid Vacation.

Full-time employees will continue to earn two weeks (10 days) of Vacation during the second year of employment. In their third year of employment, full-time employees will earn three weeks (15 days) of

Vacation. During the fourth year and thereafter, full-time employees will earn four weeks (20 days) of Vacation per year. Temporary employees are ineligible for Vacation benefits.

Vacation benefits are prorated accordingly for Part-Time employees. Use of Vacation is subject to approval by the supervisor and Executive Director and must be requested in hourly increments, using the appropriate leave request form.

Employees are expected to use Vacation benefits in the fiscal year in which Vacation is earned. Employees may carry over unused Vacation from one year to the next only with the approval of the Executive Director. Employees may not accrue more than the maximum leave they are allowed. Once an employee reaches his or her annual ceiling, the employee ceases to accrue any additional Vacation benefits. If an employee later uses enough Vacation benefits to fall below the ceiling, the employee starts to accrue leave again from that date forward until he or she reaches his or her Vacation ceiling. Accordingly, employees are encouraged to use all Vacation benefits in the fiscal year in which they are earned in order to avoid reaching the ceiling limit.

C. Sick Leave

Sick leave benefits are earned on a prorated basis of one day (7 hours) per month for full-time employees beginning at first day of employment. Part-time employees receive prorated sick leave benefits, (i.e., 3.5 hours per month if the Employee works 17.5 hours per week). Temporary employees are not eligible for paid sick leave benefits. Use of sick leave is subject to approval by the supervisor and the Executive Director and must be requested in hourly increments.

Unused sick leave can accumulate from year to year up to a maximum of 30 days (210 hours) for full-time employees. This limitation on accrual of sick leave benefits is prorated accordingly for part-time employees. No sick leave benefits are paid upon separation of employment from the ARC for any reason. If an employee's illness or injury requires a consecutive absence of five (5) days or more, physician documentation will be required. the ARC also may recommend that the employee apply for state disability insurance (SDI). If the employee receives SDI and the compensation does not equal the employee's sick leave accruals, the ARC will make up the difference until all sick leave benefits are used.

D. Personal Leave

The ARC provides three (3) days of personal leave per calendar year to all Full-Time and Part-Time employees who have completed six months of employment. Personal leave benefits are prorated accordingly for part-time employees. Temporary employees are not eligible for paid personal leave benefits. Personal leave is accrued at the beginning of each year and cannot be carried into the next year. Personal leave may not be taken in the first six (6) months of employment. All personal leave is subject to prior approval by the supervisor and Executive Director and must be requested in hourly increments. No personal leave benefits are paid upon separation from employment with the ARC for any reason.

E. Military Leave

Employees who are inducted into or enlist in the Armed Forces of the United States or are called to duty as a member of a reserve unit may take an unpaid leave in accordance with applicable law. The employee must provide advance notice of his or her need for a military leave and the ARC will request a copy of the employee's orders, which will be kept on record by the ARC.

The time an employee spends on military leave will be counted as continuous service for the purpose of determining eligibility and accrual for various benefit plans and policies.

For military leaves extending 30 days or less, the ARC will continue to pay the portion of the premium on health insurance, if any, that it was paying before military leave began. In order to continue such health insurance, the employee must continue to pay his or her portion of premiums during this period. For military leaves extending beyond 30 days, the employee will have the option to continue his or her insurance coverage at the employee's cost.

Upon return from military leave, employees will be reinstated as required by law and benefits will be reinstated with no waiting periods."

F. Civic Responsibility

The ARC believes in the civic responsibility of its employees and encourages this by allowing employees time off to serve jury duty when required and to serve as nonpartisan Election Day poll workers when appropriate and approved.

1. *Jury Duty.* For time served on jury duty, the ARC will pay employees the difference between his or her salary and any amount paid by the government, unless prohibited by law, up to a maximum of ten days. If an employee is required to serve more than ten days of jury duty, the ARC will provide the employee with unpaid leave. Employees must provide the ARC a copy of proof of service received by court in which they serve.
2. *Election Day Poll Workers.* the ARC will pay employees the difference between his or her salary and any amount paid by the government or any other source, unless prohibited by law for serving as an Election Day worker at the polls on official election days (not to exceed two elections in one given calendar year). While performing their official nonpartisan duties at the polls, Election Day workers may not engage in political activity or campaign for or against any candidate or ballot measure. the ARC requires that employees provide proof of service for their time at the polls. Employees interested in using this benefit, must have written approval from the Executive Director 30 days before the election. The Executive Director will assure that the employee's absence will not seriously interfere with the organization's operations.

G. Parental Leave

For purposes of this section only, the following definitions apply: (1) "parent" means the natural mother or father of a child; a person who has legal custody of a child or who acts as a guardian of a child regardless of whether he or she has been appointed legally as such; an aunt, uncle or grandparent of a child; or a spouse to the above individuals; (2) "school-related event" means an activity sponsored by either a school or an associated organization such as a parent-teacher association which involves the parent's child as a participant or subject, but not as a spectator, including a student performance, such as a concert, play or rehearsal, the sporting game of a school team or practice, a meeting with a teacher or counselor, or any similar type of activity.

A parent is entitled to a total of 24 hours of unpaid leave during any 12-month period to attend or participate in school-related events for his or her child. the ARC reserves the right, however, to deny such leave if such a leave would disrupt the ARC's operations. While parental leave is unpaid, employees may elect to use accrued vacation or personal leave.

If the need for parental leave is foreseeable, the employee must provide a written notice and request for parental leave at least 10 days prior to the event. If the employee's need for parental leave is not foreseeable 10 days prior to the event, the employee must provide a written notice and request for parental leave as soon as he or she learns of the need for such leave.

H. Bereavement Leave

Employees shall be entitled to bereavement leave with pay of five (5) days in the event of a death in the employee's immediate family (spouse/life partner, child or parent) and three (3) days for grandparent, sister or brother, father-in-law, mother-in-law, or grandchildren. If an employee wishes to take time off due to the death of an immediate family member, the employee should notify the Executive Director immediately. Approval of bereavement leave will occur in the absence of unusual operating requirements. An employee may use, with the Executive Director's approval, available paid leave for additional time off as necessary and in accordance with operating needs.

I. Extended Personal Leave

Employees who have been employed by the ARC for at least one year may apply for personal leaves of absence for up to eight weeks. Personal leaves are unpaid and are discretionary with the management of the ARC. When considering a request for a personal leave, the ARC will consider factors such as the employee's position, the employee's length of service, the employee's performance record including attendance, the purpose of the leave, the needs of the department in which the employee works, the effect of the leave on other employees, and the ARC's general business needs.

Personal leaves generally are unpaid. However, accrued vacation or personal time may be used to continue an employee's salary during the leave. Vacation and sick time will not continue to accrue during the leave of absence. Medical and life insurance benefits will continue on the same basis as if the employee were actively working.

The ARC cannot guarantee reinstatement upon return from a personal leave. the ARC will, however, make a reasonable effort to place the employee in an available position for which he or she is qualified. If such a position is not available, then the employee's employment will terminate. Even in that event, the employee may later apply for reemployment.

Employees who fail to report to work after an approved leave of absence are deemed to have voluntarily resigned. When an approved leave has been exhausted, the employee may request additional leave. The Executive Director must approve all unpaid leave.

J. Meetings and Conferences

Staff may be given limited time off by the Executive Director with pay to participate in educational opportunities related to the staff member's current or anticipated work with the ARC. An employee serving as an official representative of the ARC at a conference or meeting is considered on official business and not on leave.

XIII. SEPARATION

Either the ARC or the employee may initiate separation. The ARC encourages employees to provide at least two weeks (10 days) written notice prior to intended separation. After receiving such notice, an exit interview will be scheduled by the Executive Director or his or her designee. The Executive Director has authority to employ or separate all other employees.

Circumstances under which separation may occur include:

1. Resignation. Employees are encouraged to give at least 10 business days of written notice. Since a longer period is desired, the intention to resign should be made known as far in advance as possible. Employees who resign are entitled to receive accrued, unused Vacation benefits.
2. Termination or Lay-off. Under certain circumstances, the termination or lay-off of an employee may be necessary. Employees who are terminated or laid off are entitled to receive accrued, unused Vacation benefits.

The Executive Director has authority to discharge an employee from the employ of the ARC. As stated above, all employment at the ARC is "at-will." That means that employees may be terminated from employment with the ARC with or without cause, and employees are free to leave the employment of the ARC with or without cause. Reasons for discharge may include, but are not limited to:

- Falsifying or withholding information on your employment application that did or would have affected the ARC's decision to hire you (this conduct will result in your immediate termination);
- Falsifying or withholding information in other personnel records including personnel questionnaires, performance evaluations or any other records;
- Performance at work below a level acceptable to the ARC or the failure to perform assigned duties;
- Failure to complete required time records or falsification of such time records;
- Insubordination;
- Refusing to work reasonable overtime;
- Negligence in the performance of duties likely to cause or actually causing personal injury or property damage;
- Fighting, arguing or attempting to injure another;
- Destroying or willfully damaging the personal property of another, including the ARC's property;
- Breach of confidentiality;
- Using or appearing to use for personal gain any information obtained on the job, which is not readily available to the general public or disclosing such information that damages the interests of the ARC or its customers or vendors;
- Placing oneself in a position in which personal interests and those of the ARC are or appear to be in conflict or might interfere with the ability of the employee to perform the job as well as possible;
- Using the ARC property or services for personal gain or taking, removing or disposing of the ARC material, supplies or equipment without proper authority;
- Gambling in any form on the ARC property;
- Dishonesty;
- Theft;
- The possession, use, sale or being under the influence of drugs or other controlled substances or alcoholic beverages during working hours or on the the ARC premises at any time in violation of the ARC's policies.

- Carrying or possessing firearms or weapons on the ARC property;
- Excessive tardiness or absenteeism whether excused or unexcused;
- Unauthorized absence from work without proper notice; and
- Engaging in discriminatory or abusive behavior, including sexual harassment.

At the sole discretion of the Executive Director, the employee may be asked to leave immediately or be given a period of notice.

XIV. RETURN OF PROPERTY

Employees are responsible for the ARC equipment, property and work products that may be issued to them and/or are in their possession or control, including but not limited to:

- Telephone cards,
- Credit cards,
- Identification badges,
- Office/building keys,
- Office/building security passes,
- Computers, computerized diskettes, electronic/voice mail codes, and
- Intellectual property (e.g., written materials, work products).

In the event of separation from employment, or immediately upon request by the Executive Director or his or her designee, Employees must return all the ARC property that is in their possession or control. Where permitted by applicable law(s), the ARC may withhold from the employee's final paycheck the cost of any property, including intellectual property, which is not returned when required. the ARC also may take any action deemed appropriate to recover or protect its property.

XV. REVIEW OF PERSONNEL ACTION

Employees may request a review of a personnel action or an unsatisfactory performance review. Employees are expected first to discuss their concern with their immediate supervisor. If further discussion is desired, the employee may then discuss the situation with the Executive Director. The decision of the Executive Director is final.

XVI. PERSONNEL RECORDS

Personnel records are the property of the ARC, and access to the information they contain is restricted and confidential. A personnel file shall be kept for each employee and should include the employee's job application, copy of the letter of employment and position description, performance reviews, disciplinary records, records of salary increases and any other relevant personnel information. It is the responsibility of each employee to promptly notify his/ or her supervisor in writing of any changes in personnel data, including personal mailing addresses, telephone numbers, names of dependents, and individuals to be contacted in the event of an emergency.

All employees must complete, within two days of the end of each pay period, their time and attendance record for review and approval by the Executive Director. Accurately recording time worked is the responsibility of every employee. Tampering, altering, or falsifying time records, or recording time on another employee's time record may result in disciplinary action, including separation from employment with the ARC.

XVII. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

Any information that an employee learns about the ARC, or its members or donors, as a result of working for the ARC that is not otherwise publicly available constitutes confidential information. Employees may not disclose confidential information to anyone who is not employed by the ARC or to other persons employed by the ARC who do not need to know such information to assist in rendering services.

The protection of privileged and confidential information, including trade secrets, is vital to the interests and the success of the ARC. The disclosure, distribution, electronic transmission or copying of the ARC's confidential information is prohibited. Such information includes, but is not limited to the following examples:

- Compensation data.
- Program and financial information, including information related to donors, and pending projects and proposals.

Employees are required to sign a non-disclosure agreement as a condition of employment. Any employee who discloses confidential ARC information will be subject to disciplinary action (including possible separation), even if he or she does not actually benefit from the disclosure of such information.

Discussions involving sensitive information should always be held in confidential settings to safeguard the confidentiality of the information. Conversations regarding confidential information generally should not be conducted on cellular phones, or in elevators, restrooms, restaurants, or other places where conversations might be overheard.

XVIII. COMPUTER AND INFORMATION SECURITY

This section sets forth some important rules relating to the use of the ARC's computer and communications systems. These systems include individual PCs provided to employees, centralized computer equipment, all associated software, and the ARC's telephone, voice mail and electronic mail systems.

The ARC has provided these systems to support its mission. Although limited personal use of the ARC's systems is allowed, subject to the restrictions outlined below, no use of these systems should ever conflict with the primary purpose for which they have been provided, the ARC's ethical responsibilities or with applicable laws and regulations. Each user is personally responsible to ensure that these guidelines are followed.

All data in the ARC's computer and communication systems (including documents, other electronic files, e-mail and recorded voice mail messages) are the property of the ARC. the ARC may inspect and monitor such data at any time. No individual should have any expectation of privacy for messages or other data recorded in the ARC's systems. This includes documents or messages marked "private," which may be inaccessible to most users but remain available to the ARC. Likewise, the deletion of a document or message may not prevent access to the item or completely eliminate the item from the system.

The ARC's systems must not be used to create or transmit material that is derogatory, defamatory, obscene or offensive, such as slurs, epithets or anything that might be construed as harassment or disparagement based on race, color, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or religious or political beliefs. Similarly, the ARC's systems must not be used to solicit or proselytize others for commercial purposes, causes, outside organizations, chain messages or other non-job-related purposes.

Security procedures in the form of unique user sign-on identification and passwords have been provided to control access to the ARC's host computer system, networks and voice mail system. In addition, security facilities have been provided to restrict access to certain documents and files for the purpose of safeguarding information. The following activities, which present security risks, should be avoided.

- Attempts should not be made to bypass, or render ineffective, security facilities provided by the company.
- Passwords should not be shared between users. If written down, password should be kept in locked drawers or other places not easily accessible.
- Document libraries of other users should not be browsed unless there is a legitimate business reason to do so.
- Individual users should never make changes or modifications to the hardware configuration of computer equipment. Requests for such changes should be directed to computer support or the Executive Director.
- Additions to or modifications of the standard software configuration provided on the ARC's PCs should never be attempted by individual users (e.g., autoexec.bat and config.sys files). Requests for such changes should be directed to computer support or the Executive Director.
- Individual users should never load personal software (including outside email services) to company computers. This practice risks the introduction of a computer virus into the system. Requests for loading such software should be directed to computer support or the Executive Director.
- Programs should never be downloaded from bulletin board systems or copied from other computers outside the company onto company computers.
- Downloading or copying such programs also risks the introduction of a computer virus. If there is a need for such programs, a request for assistance should be directed to computer support or management. Downloading or copying documents from outside the company may be performed not to present a security risk.
- Users should not attempt to boot PCs from floppy diskettes. This practice also risks the introduction of a computer virus.
- the ARC's computer facilities should not be used to attempt unauthorized access to or use of other organizations' computer systems and data.
- Computer games should not be loaded on the ARC's PCs.
- Unlicensed software should not be loaded or executed on the ARC's PCs.
- Company software (whether developed internally or licensed) should not be copied onto floppy diskettes or other media other than for the purpose of backing up your hard drive.
- Software documentation for programs developed and/or licensed by the company should not be removed from the company's offices.
- Individual users should not change the location or installation of computer equipment in offices and work areas. Requests for such changes should be directed to computer support or management.

There are a number of practices that individual users should adopt that will foster a higher level of security. Among them are the following:

- Turn off your personal computer when you are leaving your work area or office for an extended period of time.

- Exercise judgment in assigning an appropriate level of security to documents stored on the company's networks, based on a realistic appraisal of the need for confidentiality or privacy.
- Remove previously written information from floppy diskettes before copying documents on such diskettes for delivery outside the ARC.
- Back up any information stored locally on your personal computer (other than network based software and documents) on a frequent and regular basis.

Should you have any questions about any of the above policy guidelines, please contact the Executive Director.

XIX. INTERNET ACCEPTABLE USE POLICY

At this time, desktop access to the Internet is provided to employees when there is a necessity and the access has been specifically approved. the ARC has provided access to the Internet for authorized users to support its mission. No use of the Internet should conflict with the primary purpose of the ARC, its ethical responsibilities or with applicable laws and regulations. Each user is personally responsible to ensure that these guidelines are followed. R epercussions, including termination, may result if the guidelines are not followed.

The ARC may monitor usage of the Internet by employees, including reviewing a list of sites accessed by an individual. No individual should have any expectation of privacy in terms of his or her usage of the Internet. In addition, the ARC may restrict access to certain sites that it deems are not necessary for business purposes.

The ARC's connection to the Internet may not be used for any of the following activities:

- The Internet must not be used to access, create, transmit, print or download material that is derogatory, defamatory, obscene, or offensive, such as slurs, epithets, or anything that may be construed as harassment or disparagement based on race, color, national origin, sex, sexual orientation, age, disability, medical condition, marital status, or religious or political beliefs.
- The Internet must not be used to access, send, receive or solicit sexually-oriented messages or images.
- Downloading or disseminating of copyrighted material that is available on the Internet is an infringement of copyright law. Permission to copy the material must be obtained from the publisher. For assistance with copyrighted material, contact computer support or the Executive Director.
- Without prior approval of the Executive Director, software should not be downloaded from the Internet as the download could introduce a computer virus onto the ARC's computer equipment. In addition, copyright laws may cover the software so the downloading could be an infringement of copyright law.
- Employees should safeguard against using the Internet to transmit personal comments or statements through e-mail or to post information to news groups that may be mistaken as the position of the ARC.
- Employees should guard against the disclosure of confidential information through the use of Internet e-mail or news groups.
- Employees should not download personal e-mail or Instant Messaging software to the ARC computers.
- The Internet should not be used to send or participate in chain letters, pyramid schemes or other illegal schemes.

- The Internet should not be used to solicit or proselytize others for commercial purposes, causes, outside organizations, chain messages or other non-job related purposes.
- The Internet should not be used to endorse political candidates or campaigns

The Internet provides access to many sites that charge a subscription or usage fee to access and use the information on the site. Requests for approval must be submitted to your supervisor.

Alliance of Rouge Communities

Timekeeping (Payroll) Policy

Adopted by the ARC on September 9, 2010

Revision: Draft 9/2/22

The Alliance of Rouge Communities (ARC) does not have employees. However, in the event employees are hired the following rules will apply.

These procedures are designed to assure that payroll is based on proper authorization and required documentation, is paid at the approved rate, is only paid to actual employees, and to assure that proper and timely reporting is made to federal, state, and local taxing authorities.

The ARC outsources its payroll to a payroll company.

- The ARC's payroll reporting system for time and attendance is processed on a bi-weekly basis for actual hours worked.
- Payroll is based on time sheets completed by employees and approved by supervisors. Each time sheet reflects the cost centers, including grant projects, to which the employees' time is charged.
- Funding and direct hours charged to a grant are reviewed and approved by both the Grant Representative and the Treasurer.
- Time sheets will reflect the use of sick, vacation, or other leave time, if applicable. Overtime for Non Exempt employees requires the prior approval of the employee's supervisor.
- Sick, vacation or other leave time will not be charged to any grant, only to general operating expenses, so all hours recorded for grant sources are actual hours worked.
- Time sheets must be completed in ink with no whiteout or correction tape. Changes are initialed by the employee. The time sheet will be signed by both the employee and the assigned supervisor.
- New hires and salary and/or benefit changes must be approved by the Chair. A Personnel Action Form authorizing the salary, wages and employee position is completed by the Executive Director and signed by the Chair and forwarded to the Administrative Coordinator for processing.
- Payroll records are maintained by the Administrative Coordinator in a confidential manner. Information regarding payroll will not be discussed with other staff. Files must be in locked cabinets with access limited to designated personnel.
- Documents that verify tax withholding and authorize other deductions such as health insurance premiums or voluntary contributions are filed in the payroll files by the Administrative Coordinator. A separate file contains the I-9 forms for each current employee and is maintained by the Administrative Coordinator.

ALLIANCE OF ROUGE COMMUNITIES
DRAFT RECORD RETENTION POLICY

Adopted by the Alliance of Rouge Communities on September 9, 2010

The Alliance of Rouge Communities (ARC) shall retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. The records will be retained in the office of the Alliance of Rouge Communities, which is currently located at: 719 Griswold, Suite 1040, Detroit MI 48226.

Records and documents outlined in this policy include paper, electronic files (including e-mail) and voicemail records regardless of where the document is stored, including network servers, desktop or laptop computers and handheld computers and other wireless devices with text messaging capabilities.

In order to eliminate accidental or innocent destruction, the ARC has adopted the following document retention policy:

TYPE OF DOCUMENT	RETENTION PERIOD
Accounts receivable and payable ledgers and schedules	7 years*
Annual audited financial statements, audit reports, general ledgers, internal audit reports, trial balance journals	Permanently
Memoranda of Understanding, Bylaws, policies and procedures, meeting summaries and other incorporation records	Permanently
Bank Reconciliation	3 years
Bank Statements, deposit records, electronic fund transfer documents and cancelled checks	3 years
Chart of Accounts	Permanently
Contracts (included expired contracts)	7 years*
Correspondence (general)	3 years
Legal Correspondence	Permanently
Correspondence (with members and vendors)	2 years
Insurance policies (still in effect)	Term of contract
Insurance policies (expired)	3 years
Invoices (to members or to granting agencies)	7 years*
Grant documents and notes	7 years*

TYPE OF DOCUMENT	RETENTION PERIOD
Miscellaneous documents	
• Expense reports	7 years*
• Personnel records	7 years*

*These records will be retained a minimum of 7 years or until closeout of any federal contract (grant) that provided funding for work completed during a given year, which ever is longer. Closeout requirements for a federal grant contract are defined within the grant agreement. For the federal grants providing funding to the ARC via the Rouge River National Wet Weather Demonstration Project, grant closeout is defined as 3 years after submittal of the final financial status report to the U.S. Environmental Protection Agency, which typically occurs three months after the grant end date specified in the grant agreement.

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ALLIANCE OF ROUGE COMMUNITIES (ARC)
PROPERTY MANAGEMENT POLICY

Adopted by the Alliance of Rouge Communities on September 9, 2010
DRAFT REVISION 9/2/22

The Alliance of Rouge Communities (ARC) does not own any real property or equipment. However, in the event any real property or equipment is procured with ARC funds or with grant funds from the U.S. Environmental Protection Agency (EPA), or other federal agencies, the following rules will apply and be maintained by the Executive Director.

INSURANCE

The ARC will acquire insurance coverage for all real property and for equipment whose purchase price exceeds $5,000. In the event the ARC uses federal funds to purchase any type of property, insurance coverage will be equal to what the ARC has for its own property.

ACQUISITION OF REAL PROPERTY

The ARC does not own any real property and does not anticipate owning any real property. However, if in the future the ARC purchases property with federal funds it will:

- Have the title for the property,
- Will not encumber the property without approval of the federal funding agency, and
- Will get written approval from the federal funding agency to use the real property in other federally-sponsored projects or in programs that are consistent with those supported by the federal funding agency, once it is determined that the property is no longer needed for the original project.

USE OF FEDERALLY-OWNED AND EXEMPT PROPERTY

If the ARC uses federally-owned property in any contract with the EPA or another federal agency, the following principles will be followed:

- Title to federally-owned property remains vested in the Federal Government;
- An annual inventory of federally-owned property in the ARC's custody will be sent to the property management staff of the federal funding agency;
- Upon completion of the contract or when the property is no longer needed, the ARC will report the property to the property management staff of the federal funding agency for further utilization; and
- If the federal funding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration.

If the ARC uses exempt property in its contract with a federal agency:

- The federal agency can choose to give the ARC title to property acquired with Federal funds without further obligation, when allowed by law; and
- If the federal agency doesn't establish conditions, the ARC will have the title upon acquisition without further obligation.

CAPITAL EQUIPMENT ACQUISITION AND MANAGEMENT

The ARC Purchasing Policy will be followed for acquisition of equipment with ARC funds. All costs associated with making assets serviceable are capitalized. Invoices substantiating the acquisition cost of each unit of property shall be retained for a minimum of three years. The ARC will maintain records for tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. The records will be maintained by ARC Staff and include the:

- Equipment description;
- Tagged with serial number, model number, or other identification number;
- Source of the equipment, including federal award identification number;
- Title holder;
- Identification as Federally-owned, if applicable;
- Acquisition date (or date received) and historical cost as of the date acquired including installation charges and freight;
- Information to calculate percentage of Federal participation in cost, if applicable;
- Location and condition of the equipment and date reported;
- Unit acquisition cost; and
- Ultimate disposition data, including date of disposal and sales price or method used to determine fair market value.

The ARC will take a physical inventory that is reconciled with equipment records every two years with any differences investigated to determine the causes. The inventory will include verification of the existence, current utilization, and continued need for all equipment. The ARC will establish an equipment control system to insure safeguards to prevent loss, damage, or theft. Any loss, damage, or theft of equipment will be investigated and fully documented and if owned by the Federal Government, notification will be provided to the federal funding agency. The ARC will employ proper maintenance procedures to keep the equipment in good condition.

If the ARC acquires equipment with federal funds, it will:

- Not use the equipment to provide services for a fee less than that charged for equal services while the Federal Government has an interest in the equipment, unless authorized.
- Use the equipment for the applicable project or program as long as needed, even if the project or program is no longer supported by Federal funds.
- Make the equipment available for other projects or programs during the original project or program, if it will not interfere with work on the original project or program. Give first priority to activities sponsored by the federal funding agency, then to activities sponsored by other Federal agencies.
- Use the equipment for other federally-sponsored activities if the equipment is no longer needed for the original project or program. Give first priority to activities sponsored by the federal funding agency, then to activities sponsored by other Federal agencies.
- Use equipment owned by the Federal Government for activities not sponsored by the Federal Government, if authorized by the federal funding agency. Any user charges will be treated as program income.
- Use the equipment as trade-in or sell it and use the proceeds to offset the costs of replacement, if approved by the federal funding agency.

Equipment with an economic useful life of 12 months or less are expensed for financial statement purposes, regardless of the acquisition or production cost. Equipment acquired with external support becomes the property of the organization unless restricted by the funding organization.

The organization will obtain prior approval from the awarding agency prior to purchasing capital equipment.

INTANGIBLE PROPERTY

The ARC may copyright any work that is subject to copyright. For ARC-copyrighted work that is developed under a contract with a federal funding agency, that agency can reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so. The ARC will follow any applicable regulations for patents and inventions.

If a Freedom of Information Act (FOIA) request is made to the federal agency that is funding work of the ARC, the ARC will provide research data within a reasonable amount of time for the federal funding agency to respond to the FOIA request.

The ARC will retain title to intangible property and debt instruments. For such property acquired using federal funds, the ARC will use that property for the originally-authorized purpose, and will not encumber the property without approval of the federal funding agency.

PROPERTY TRUST RELATIONSHIP FOR FEDERALLY-FUNDED REAL PROPERTY

The ARC will record liens, deed restrictions, or other appropriate notices of record to show that real property has been acquired with Federal funds and that use and disposition conditions apply to the property. In the event property is improved with ARC funds or federal funds, the ARC will file notices of record as deemed appropriate by the ARC and in accordance with federal requirements.

PROPERTY DISPOSITION

Real Property

If the property exceeds $5,000 and was purchased with federal funds and is no longer needed, the ARC will request disposition instructions from the appropriate federal agency to:

- The Executive Committee is notified prior to the disposal of an asset purchased with federal funds.
- Keep the title without further obligation after the Federal Government is compensated for its share of the current fair market value of the property;
- Sell the property under guidelines provided by the Federal Government and pay the Federal Government for its share of the current fair market value of the property (after deducting reasonable selling and fix-up expenses, if any, from the sales proceeds); or
- Transfer title to the Federal Government or an eligible third party after being compensated for the ARC's share of the current fair market value of the property.

Equipment

When equipment purchased by the ARC becomes obsolete or is no longer needed, it will be sold or otherwise disposed of properly. The current per-unit fair market value will be determined for each item prior to disposal. If the item is to be sold, the highest possible return will be sought, and sales procedures to provide for competition will be used where beneficial. All disposals will be recorded on the ARC equipment inventory.

For equipment purchased with federal funds that has a current per unit fair market value of $5,000 or more at the time of desired disposition, the federal funding agency will be contacted regarding disposition. One of the following disposal methods will be utilized in such cases:

- The equipment will be kept for other uses after compensation to the funding agency for the Federal share of the current fair market value of the equipment;

- The equipment will be sold, and the difference between the sales proceeds and the Federal share of the original project or program will be reimbursed to the funding agency. This is the default action if the ARC hasn't received disposition instructions from the funding agency within 120 calendar days after request. A deduction of $500 or ten percent of the proceeds, whichever is less, will be applied from the Federal share for selling and handling expenses.
- Ship the equipment elsewhere after federal reimbursement for the ARC share of the current fair market value of the equipment, plus reasonable shipping or interim storage costs.
- Otherwise dispose of the equipment after federal reimbursement for any costs incurred.
- Transfer the equipment title to the Federal Government or to an eligible third party if the equipment was identified in the federal contract or otherwise made known to the ARC in writing.

Supplies and other expendable property

If the ARC has unused supplies less than $5,000 they can be retained by the ARC. If the ARC has unused supplies worth more than $5,000 when a federally-sponsored project or program is over and the supplies are not needed for any other federally-sponsored project or program, the ARC can either keep the supplies or sell them, but the ARC will compensate the Federal Government for its share.

The ARC will not use supplies acquired with Federal funds to provide services to non-Federal organizations for a fee less than that charged for equivalent services if the Federal Government retains an interest in the supplies, unless authorized.

Alliance of Rouge Communities
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ALLIANCE OF ROUGE COMMUNITIES (ARC)
TRAVEL REIMBURSEMENT POLICY
Adopted by the Alliance of Rouge Communities on September 9, 2010

DRAFT REVISION 9/2/22

INTRODUCTION
This travel policy requires that sound business judgment is used in both determining the need for travel on behalf of the ARC, as well as in expending financial resources when travel is necessary. This travel policy will apply to any ARC-funded travel outside of the general boundaries of the Rouge River Watershed conducted by ARC members, staff or contractors.

1.0 APPLICABILITY
ARC contractors are entitled to reimbursement for travel if the contract or grant allows for travel. ARC members or staff who travel on ARC business may be reimbursed for eligible expenses as determined by the ARC Chair. All travel costs must be allowable, allocable, and reasonable.

2.0 TRAVEL AUTHORIZATION
The ARC Chair shall ensure that travel on behalf of the ARC is necessary and allowable under any contract or grant and shall authorize all ARC-funded travel prior to the beginning of the trip, with the exception of mileage reimbursement for contractor use of personal vehicles. Once travel is complete a travel voucher will be reviewed and approved by the ARC Treasurer and ARC Grant Representative if the costs claimed and billed are allowable and associated with a specific federally funded project.

3.0 AIR TRAVEL
Air travel should be in coach class only. Travel should be planned as far in advance as possible to take advantage of discounted fares, especially if reasonable certainty exists that the event will take place. If more than one carrier offers service, travel should be on the carrier that offers the lowest price.

4.0 RENTAL CARS
Generally no cars larger than a mid-size should be rented. The use of rental cars, even if authorized, must be justified in writing by the traveler and attached to the voucher. Claims for rental car gasoline must be supported by original receipts.

5.0 LODGING
ARC contractors are entitled to reimbursement for lodging if the contractor’s employee is on a temporary assignment that is at least 150 miles in distance from either his/her office or residence. If a temporary assignment concludes during the workday and is located within 150 miles of the contractor’s employee’s official station or residence, the contractor’s employee is expected to return to their residence, rather than remain at the temporary location overnight.

When overnight lodging is required, accommodations should be reserved that are reasonable but not extravagant. When applicable, government rates, corporate rates or other discounts should be obtained. Any hotel expenses considered excessive or unreasonable will not be reimbursed. Instead, in those cases, lodging reimbursement will be

limited to the General Services Administration (GSA) lodging rate for the location in question as per the following website:
http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC

6.0 SUBSISTENCE

Subsistence for those traveling on ARC-related business which requires an overnight stay is eligible for reimbursement on a per diem basis. Specific per diem rates for different localities may be found at the General Services Administration website as follows:
http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC

7.0 MILEAGE RATE FOR USE OF PERSONAL VEHICLE

ARC contractors are entitled to mileage reimbursement for use of a personal vehicle while on ARC-related business if the contract allows for mileage reimbursement. ARC members or staff who travel on ARC business may be reimbursed for personal vehicle mileage while on ARC-related business as determined by the ARC Chair.

The maximum reimbursement rate will be the rate stipulated by the General Services Administration as follows:
http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=9646

8.0 NON-REIMBURSABLE EXPENSES

Examples of expenses that will not be reimbursed include but are not limited to the following:

- Alcoholic beverages, entertainment;
- Laundry, dry cleaning and pressing of clothing;
- Travel insurance;
- Parking fines and traffic violations;
- Charges incurred because of indirect travel for personal reasons, and
- The cost of travel for spouses, other family members and friends is not reimbursable under any circumstances.

Additionally, ARC members, staff and contractors who travel on behalf of the ARC will not be reimbursed for excess costs caused by:

- An indirect route as a matter of personal preference
- Premature departure for personal reasons from a temporary location, or
- Extending a stay for personal reasons.

9.0 RECEIPTS

Except for per diem expenses, valid original receipts are required for all expenditures regardless of cost. If a receipt is not normally provided for the expense (bus tokens, etc), the certification signed by the traveler on the voucher will justify the expense. Receipts submitted with the voucher should be originals indicating the name of the payee, date paid, amount and the service rendered. This includes the original Passenger Receipt Coupon of the airline ticket. If an electronic ticket is used, the boarding passes for each flight must be submitted with the travel voucher.

10. TRAVEL VOUCHER COMPLETION

After completion of travel, a travel voucher must be submitted for reimbursement. Original receipts must be attached to all travel vouchers, along with the pre-travel authorization from the ARC Chair. Travel vouchers must be completed and submitted to the appropriate reviewer within twenty (20) business days after completion of the trip. Travel vouchers for contractors are submitted to a management official of the contractor for review and authorization for inclusion in an invoice submitted to the ARC. Travel vouchers for ARC members or staff are submitted to the ARC Treasurer for review and authorization for payment.

Dates and times of each departure from residence or office, arrival at and the name of the destination and arrival back to the residence or office must be shown on the travel voucher. A certification signed by the traveler must be included on the travel voucher that states that the trip indicated was actually taken and that all expenses are accurate and correct.

Adopted by the
Full ARC on 11/21/13

VENDOR MANAGEMENT POLICY
DRAFT REVISION 9/2/22

Purpose
The Alliance of Rouge Communities (ARC) relies on products and services provided by a variety of vendors, including consultants and contractors. A current list of the ARC's vendors shall be maintained online at www.allianceofrougecommunities.com consistent with this Policy.

It is the duty of the Executive Director Staff to ensure:

1. Each vendor relationship supports the ARC's strategic plan and meets the requirements and policies of the ARC;
2. The ARC has sufficient expertise to oversee and manage the relationship;
3. The ARC has evaluated prospective providers based on the scope and criticality of the outsourced services;
4. The risks associated with the use of vendors for the ARC's critical operations are fully understood; and
5. An appropriate oversight program is in place to monitor each vendor's risk management controls, financial condition and contractual performance.

In recognition of the ARC's reliance on vendor supplied products and services and the need to manage the attendant risks, the Executive Director Staff has prepared and the Full ARC has adopted this Vendor Management Policy governing the acceptance, maintenance and ongoing monitoring of contractual relationships with vendors.

Rationale
The Alliance of Rouge Communities (the "ARC") acquires services from third-party suppliers, vendors, consultants and/or contractors (the "Vendor" or "Vendors") which involve risks similar to those that arise when these functions are performed internally by ARC staff. These include such risks as threats to the availability of systems used to support these transactions along with the accuracy, completeness, integrity, security, and privacy of protected information and compliance with applicable regulations.

Under contractual arrangements, risk management measures commonly used by the ARC to address these risks, are generally under the control of the vendor, rather than the ARC. However, the ARC continues to bear certain associated risks of financial loss, reputation damage, or other adverse consequences from actions of the vendor or the failure of the vendor to adequately manage risk. Consequently, it is incumbent upon the ARC to evaluate the ability of existing and prospective vendors to fulfill their contractual obligations and to prepare formal analyses of risks associated with obtaining services from, or outsourcing processing to, third parties.

Applicability
This policy shall apply to ARC services including day-to-day operations and grant-funded projects that require services from Vendors for whom the ARC has oversight.

Custodian
The Alliance of Rouge Communities Executive Director Staff shall be the custodian of the Vendor Management Policy with oversight by the ARC Treasurer.

Classifications of Vendor Criticality
During the vendor selection process, the Executive Director will assess the risks associated with vendor inadequacy (e.g. quality of goods and services, delivery schedules, warranty assurances, user support, etc.). Prior to determining the risk, the ARC will consider the criticality of the services and apply a ranking according to the criteria below.

- **Highly Critical (3) -** Services in this category include those considered "mission critical" to the ARC's operations. The ARC would not be able to operate at adequate capacity without the availability of such services or deliver minimally acceptable levels of customer service.
- **Important (2) -** Services in this category include those considered of importance to the ARC's operations.
- **Incidental (1) -** Services of vendors in this category include those considered incidental to the ARC's operations or for whom the ARC would have an acceptable alternate vendor readily available or an alternative means to process.

Risk Management
Risk management is the process of identifying, measuring, monitoring and managing risk. Risk exists whether the ARC performs work internally or outsources work.

Executive Director Staff, with oversight from the ARC Treasurer, will consider some or all of the following factors in evaluating the quantity of risk at the inception of an outsourcing decision. The degree to which these factors will be considered will depend on the criticality rating of the function provided by the vendor.

<u>Risks pertaining to the function outsourced</u>

- Sensitivity of data accessed, protected or controlled by the vendor
- Volume of transactions
- Criticality to the ARC's business

<u>Risks pertaining to the vendor</u>

- Strength of financial condition
- Turnover of management and employees
- Ability to maintain business continuity
- Ability to provide accurate, relevant, and timely information systems
- Experience with the function outsourced
- Reliance on subcontractors
- Location, especially if foreign based
- Redundancy and reliability of communication lines

<u>Risks pertaining to the technology used by the vendor</u>

- Architecture
- Location (processing and data storage)
- Dependence on third parties
- Reliability
- Security
- Scalability to accommodate future growth

Vendor Procurement
Vendor Procurement will follow the ARC's Purchasing Policy.

Contracts
When contracts are required between the ARC and a vendor, the contract will be developed in accordance with the ARC's Contract Approval Procedure and the ARC Purchasing Policy.

For grant funded construction contracts the ARC uses the following: "Standard General Conditions Of The Construction Contract, Prepared By Engineers Joint Contract Documents Committee and Issued and published jointly by the American Council Of Engineering Companies, Associated General Contractors Of America, American Society Of Civil Engineers, Professional Engineers in Private Practice a Practice Division of The National Society of Professional Engineers and Endorsed by Construction Specifications Institute"

Under these documents the procedures for termination of the Contractor's contract are documented in Article 15 - Suspension of Work and Termination. The ARC allows our local community members to provide for additional allowances for termination based on their local governance in supplemental conditions to Article 15.

Vendor Contract Management
The Executive Director Staff will ensure vendors provide the goods and/or services in accordance with the vendor contract. Executive Director staff monitoring of contract performance will include but not be limited to review of the quantity and quality of goods and services, delivery schedules, warranty assurances and user support. The program shall monitor the vendor environment including its security controls, financial strength and the impact of any external events. The amount of review and documentation needed to support vendor contract management will vary depending on the criticality and complexity of the system, process or service being outsourced. The following documentation will be required from all vendors:

- Monthly invoices,
- Monthly financial reports,
- Project progress reports.

In addition, vendor monitoring may include periodic site visits as appropriate.

To increase monitoring effectiveness, the Executive Director Staff shall periodically, but at least annually, rank vendor relationships according to risk to determine which vendors require closer monitoring. Executive Director Staff, with oversight from the ARC Treasurer, shall base the rankings on the residual risk of the relationship after analyzing the quantity of risk relative to the controls over those risks. Relationships with higher risk ratings should receive more frequent and stringent monitoring for due diligence, performance (financial and or operational) and independent control validation reviews.

ECT

Adopted by the Full
ARC 8/19/26

Cybersecurity Policy

Client-Facing Version

Environmental Consulting & Technology (ECT)

Version 1.0

Contents

Document Control

Field	Value
Document Owner	Director of Technology
Executive Owner	Senior Management / Executive Leadership
Effective Date	5/21/2026
Review Frequency	At least annually and after major technology, regulatory, or risk changes

Version	Date	Owner	Notes
1.0	May 21, 2026	Director of technology	Review and approved

1. Purpose

This Cybersecurity Policy describes ECT governance-level cybersecurity commitments for protecting company systems, client data, employee information, intellectual property, project records, financial information, and business operations from cybersecurity threats.

This client-facing version is intended for security, privacy, contractual, and audit due diligence. It summarizes ECT policy expectations at a governance level and does not disclose sensitive architecture, security tooling details, internal playbooks, confidential implementation procedures, or information that could increase security risk.

This policy should be read together with the applicable agreement, data processing addendum, security addendum, statement of work, privacy notice, and any client-specific requirements. If this policy conflicts with an executed agreement, applicable law, or client-specific security schedule, the stricter requirement or executed agreement controls.

2. Framework Alignment

ECT uses recognized cybersecurity frameworks as practical reference points for program design, risk management, and continuous improvement. These references do not imply certification unless separately stated in an executed agreement or independent assurance report. This policy is informed by:

- NIST Cybersecurity Framework 2.0 functions: Govern, Identify, Protect, Detect, Respond, and Recover.
- CIS Critical Security Controls v8.1 for prioritized defensive safeguards.
- NIST SP 800-53 Rev. 5 control families where applicable to ECT operations.
- CISA Cyber Essentials and small-business cybersecurity guidance for leadership accountability and operational resilience.

3. Scope and Audience

This policy applies to ECT-owned, ECT-managed, or ECT-approved technology resources and to ECT workforce members and authorized third parties that access, process, transmit, store, support, back up, or dispose of ECT or Client Data.

- ECT employees, contractors, consultants, temporary workers, interns, officers, and other workforce members.
- ECT-managed or ECT-approved applications, repositories, endpoints, cloud services, networks, backups, collaboration tools, and business systems.
- Client Data, employee data, project data, financial data, business records, credentials, intellectual property, and confidential information handled by ECT.

- Authorized vendors, service providers, subcontractors, and subprocessors that support ECT operations or client services.
- Physical records, printed materials, removable media, exports, reports, screenshots, logs, support artifacts, and other records containing Client Data.

This policy does not replace a contract, privacy notice, data processing addendum, client-specific security schedule, or applicable legal obligation. Where requirements differ, ECT follows the more protective applicable requirement unless otherwise agreed in writing.

4. Governance Roles and Responsibilities

Role	Client-facing cybersecurity responsibility
Executive Leadership	Sponsors the cybersecurity program, allocates resources, reviews material risks and significant incidents, and accepts residual risk where appropriate.
Director of Technology	Maintains cybersecurity policy direction, oversees security strategy and controls, coordinates cybersecurity vendors, and reports material risk to leadership.
IT Technical Services	Implements and operates technical safeguards, supports identity and access processes, monitors alerts, maintains systems, performs recovery tasks, and assists investigations.
Managers	Identify business-critical systems and data, approve access based on business need, and support continuity and incident response activities.
ECT Workforce	Uses ECT systems responsibly, protects credentials and data, completes required training, follows secure work practices, and reports suspicious activity promptly.
Human Resources	Supports onboarding, offboarding, policy acknowledgment, employee communications, and personnel matters related to security events or policy violations.
Legal / Compliance / Insurance Contact	Advises on contractual, privacy, regulatory, litigation, insurance, and notification obligations when applicable.
Vendors and Third Parties	Protect ECT and Client Data according to contractual requirements, notify ECT of relevant incidents, and meet applicable security obligations.

5. Cybersecurity Governance and Risk Management

- ECT maintains a cybersecurity risk management process to identify, assess, prioritize, treat, and track material cybersecurity risks.
- Security risk is considered during technology purchases, system changes, vendor selection, new office openings, major operational changes, and material service changes.
- High-risk findings are tracked with ownership, treatment decisions, due dates, and remediation status as appropriate.
- Material risks, recurring control failures, significant incidents, and policy exceptions are escalated to leadership based on risk.
- Security policies and standards are reviewed at least annually and after significant incidents or material business, technology, regulatory, or contractual changes.

6. Client Data Classification and Handling

ECT protects data according to sensitivity, business value, client obligations, legal requirements, and operational impact. Client Data is treated as at least Confidential unless the client or ECT has explicitly approved it for public release. Client Data containing credentials, sensitive personal data, regulated information, security-sensitive artifacts, or strict contractual restrictions is treated as Restricted.

Classification	Examples	Client-facing handling expectation	Client impact if mishandled
Public	Approved marketing content, public website materials, approved press releases.	May be shared externally only after appropriate approval; integrity and brand accuracy are protected.	Unauthorized alteration could cause confusion or reputational impact.
Internal	Internal procedures, non-sensitive operational documents, general business communications.	Restricted to ECT personnel and authorized parties with a business need.	Unauthorized disclosure may cause operational or business inconvenience.
Confidential	Client data, project records, proposals, contracts, financial records, HR records, vendor terms, system diagrams.	Use approved storage; need-to-know access; authorized external sharing; secure transfer when shared outside approved platforms.	Unauthorized disclosure, alteration, or loss could cause business, contractual, privacy, legal, or reputational harm.
Restricted	Credentials, secrets, sensitive employee data, regulated data, incident evidence, privileged system data.	Strict need-to-know access; enhanced approval, logging, encryption where supported, and defined retention controls.	Unauthorized disclosure, alteration, loss, or unavailability could cause significant harm or legal, regulatory, contractual, or operational exposure.

Data sets containing multiple data types are protected according to the highest applicable classification. Client-specific requirements, contract terms, data volume, regulatory considerations, and business criticality may require stronger safeguards.

7. Acceptable Use and Authorized System Use

ECT systems are intended for authorized business purposes. ECT workforce members and authorized service providers are expected to use ECT resources in a manner that protects clients, systems, data, and business operations.

- Users must not bypass security controls, disable endpoint protection, install unauthorized software, share credentials, use unapproved remote access tools, or connect unauthorized devices to ECT networks.
- Users must not access, store, transmit, or create unlawful, harassing, discriminatory, offensive, or inappropriate content using ECT systems.
- Users must not use ECT resources for personal commercial activity, cryptocurrency mining, gambling, unauthorized political activity, or activities that create legal, security, or reputational risk for ECT or its clients.
- ECT may monitor, log, preserve, inspect, or disclose activity on company systems where permitted by law and necessary for security, operations, compliance, legal obligations, or investigation.

8. Identity and Access Management

ECT uses identity and access management controls to limit access to systems and data to authorized users and approved business purposes. Specific implementation may vary by platform, risk, and client agreement.

8.1 Access Principles

- Access is granted based on least privilege, business need, role, and management or data owner approval.
- Shared accounts are avoided unless specifically approved for a documented technical or business reason and protected with compensating controls.
- Privileged access is limited, reviewed more closely, and separated from standard user access where practical.
- Access rights are reviewed periodically, with priority on privileged access, financial systems, client data, and administrative systems.

8.2 Authentication

- Multi-factor authentication is required for remote access, Microsoft 365, administrative access, privileged applications, and other high-risk systems where supported.
- Users are trained not to approve MFA prompts they did not initiate and to report suspicious prompts promptly.
- Passwords must be unique to ECT systems, protected from disclosure, and not reused from personal accounts.
- Password managers may be used when approved and configured according to ECT standards.

8.3 Joiner, Mover, Leaver Process

- New access is requested through approved onboarding or access-request processes.
- Role changes trigger access review and adjustment.
- Departing users have access disabled according to HR and management notification timelines.
- High-risk terminations are coordinated with HR, management, and IT to protect systems and data before or at the time of notification.

9. Endpoint, Mobile, and Remote Work Security

- Company endpoints are managed, inventoried, protected by approved endpoint security controls, and configured according to ECT baseline standards.
- Users must not disable endpoint protection, security monitoring, encryption, firewall settings, or management agents.
- Operating systems, browsers, productivity tools, and business applications are patched using risk-based timelines.
- Devices accessing ECT or Client Data must use screen lock, strong authentication, encryption where supported, and current security updates.
- Lost or stolen devices must be reported promptly to IT and management.
- Remote work uses approved devices, approved access methods, and secure network practices. Public Wi-Fi should be avoided for sensitive work unless protected by approved safeguards.
- Personal devices used for ECT business may be subject to security requirements, access restrictions, and removal of ECT data when employment or authorization ends.

10. Network and Infrastructure Security

- ECT networks are protected using appropriate perimeter controls, secure configuration, logging, vulnerability management, and access restrictions.
- Wireless networks use strong encryption and separate guest access from internal resources.
- Remote access requires MFA and is limited to authorized users and approved use cases.
- Administrative interfaces are not exposed to the internet unless explicitly approved and protected by compensating controls.
- Network changes are documented, approved, and tested according to risk and business impact.
- Critical infrastructure configurations are backed up and protected from unauthorized access.

11. Cloud, SaaS, and Application Security

- New cloud services, SaaS applications, integrations, and external data-sharing platforms require review and approval before business use.
- Core business applications are configured with access control, MFA where supported, logging, retention, and backup or recovery capabilities appropriate to risk and service function.
- External sharing is restricted to authorized business purposes and reviewed periodically for sensitive repositories.

- Application administrators monitor for unauthorized forwarding, suspicious authorization grants, risky sign-ins, unusual file downloads, and other abuse patterns where capabilities exist.
- Custom applications, scripts, and integrations protect credentials, use secure authentication, and avoid storing secrets in source code or unsecured files.

12. Email, Messaging, and Collaboration Security

- Email, messaging, file sharing, and collaboration tools are used in accordance with data classification and client obligations.
- Users report suspected phishing, malicious attachments, suspicious links, unexpected MFA prompts, invoice changes, gift card requests, and unusual payment instructions promptly.
- Sensitive data must not be sent to unauthorized recipients or personal accounts.
- Automatic forwarding of business email to personal accounts is prohibited unless explicitly approved for a documented business need.
- Changes to payment instructions, bank details, wire transfers, ACH instructions, or vendor master data are verified using an independent, trusted communication channel.

13. Vulnerability, Patch, and Configuration Management

ECT maintains inventories and risk-based remediation processes sufficient to support vulnerability management, patching, recovery, and incident response for critical systems, applications, cloud services, endpoints, and infrastructure.

- Security updates are applied based on risk, severity, exploitability, exposure, and business impact.
- Critical vulnerabilities affecting internet-facing systems, identity systems, endpoint protection, remote access, or exploited software are prioritized for urgent remediation.
- Systems are configured using secure baseline standards where practical.
- Unsupported operating systems, applications, hardware, and services are removed, upgraded, isolated, or formally risk-accepted.

Risk Level	Target Remediation Guidance
Critical / Actively Exploited	As soon as practical; emergency change process may be used.
High	Within a defined short remediation window based on exposure and operational impact.
Medium	Address through regular patch and maintenance cycles.
Low	Address as resources permit or during planned lifecycle updates.

14. Logging, Monitoring, and Detection

- ECT maintains logging and monitoring appropriate to detect suspicious activity, investigate incidents, support recovery, and meet operational, legal, and contractual needs.
- Security alerts from approved monitoring and security tools are reviewed and escalated based on risk.
- Logs for identity, email, endpoint, network, cloud, and critical business systems are retained according to operational, legal, and contractual needs.
- Access to security logs is limited to authorized personnel.
- Alert tuning, false-positive review, and coverage gaps are addressed through continuous improvement.

15. Cybersecurity Incident Reporting and Response

ECT maintains an Incident Response Plan that governs incident triage, severity classification, containment, eradication, recovery, communications, documentation, and lessons learned. ECT workforce members and authorized service providers are required to report suspected security incidents promptly.

- Reportable events include suspected phishing, malware, ransomware, lost or stolen devices, unauthorized access, accidental data disclosure, suspicious login prompts, financial fraud attempts, and unusual system behavior.
- Users are instructed not to delete suspicious emails, wipe devices, reset systems, or conduct independent investigation unless directed by IT or incident response leadership.
- Incidents involving client data, employee data, regulated data, legal exposure, financial fraud, ransomware, or public reputation risk are escalated to leadership and legal/privacy review as appropriate.
- When ECT confirms a cybersecurity incident involving Client Data, ECT notifies affected clients in accordance with the governing agreement and applicable law.

16. Backup, Recovery, and Business Continuity

- Critical systems and data are backed up according to defined recovery requirements, including recovery time and recovery point expectations approved by leadership or governed by the applicable agreement.
- Backups are protected from unauthorized access, accidental deletion, ransomware, and environmental risk where practical.
- Restore testing is performed periodically for critical services and documented with results and corrective actions.
- The ECT Business Continuity and Disaster Recovery Plan governs disaster declaration, recovery teams, restoration priorities, vendor dependencies, alternate operations, and return-to-normal activities.
- Cyber incidents affecting availability, integrity, ransomware exposure, or critical systems are coordinated jointly through the Incident Response Plan and Business Continuity / Disaster Recovery Plan.

17. Third-Party and Vendor Security

- Vendors that access ECT systems, process ECT or Client Data, host critical services, or support business operations are reviewed based on risk before use and periodically thereafter as warranted by risk.
- Contracts with material vendors include confidentiality, security, incident notification, data return or destruction, access control, and service availability expectations where appropriate.
- Vendor access is limited to approved purposes, least privilege, and time-bound use where practical, and is removed when no longer required.
- Material vendor incidents that may affect ECT data, systems, clients, or operations are escalated through incident response procedures.
- Critical vendor dependencies are reflected in business continuity and disaster recovery planning where applicable.

18. Privacy, Client Data, and Contractual Obligations

- ECT protects personal information, client confidential information, and project data according to applicable laws, contracts, professional obligations, and business requirements.
- ECT workforce members access client and employee information only for authorized business purposes.
- Client-specific cybersecurity or data-handling requirements are communicated to relevant project teams and incorporated into project execution where applicable.
- Suspected unauthorized access, loss, disclosure, or misuse of personal information or client confidential information is reported promptly and reviewed for notification obligations.
- This policy is not a substitute for a privacy notice, data processing addendum, regulatory addendum, or client-specific contract terms.

19. Security Awareness and Training

- All users complete required cybersecurity awareness training at onboarding and at least annually thereafter.
- Training includes phishing awareness, password and MFA safety, data handling, remote work, incident reporting, business email compromise, and acceptable use.
- Users in privileged, financial, HR, IT, project management, or client-facing roles may receive additional role-based training.
- Phishing simulations or targeted awareness campaigns may be used to improve preparedness and identify training needs.

20. Physical and Environmental Security

- ECT offices, server areas, network closets, records storage areas, and restricted work areas are protected against unauthorized access.
- Visitors are managed according to office procedures and escorted where appropriate.
- Users secure laptops, mobile devices, printed confidential information, and removable media when unattended.
- Paper records containing confidential or restricted data are stored securely and destroyed using approved disposal methods when no longer required.

21. Artificial Intelligence and Automation Use

- Confidential, Restricted, client, employee, financial, credential, or non-public project information must not be entered into public AI tools unless approved by ECT and permitted by client or contractual requirements.
- AI tools used for business purposes are reviewed for data protection, privacy, intellectual property, retention, and security risks.
- AI-generated output used for business decisions, client deliverables, code, analysis, or communications must be reviewed by a qualified human before use.
- Automation scripts, bots, and integrations use approved accounts, protected credentials, logging where practical, and least-privilege permissions.

22. Exceptions and Risk Acceptance

- Exceptions to this policy require documented business justification, risk assessment, compensating controls where practical, owner approval, and expiration or review date.
- High-risk exceptions require approval from the Director of Technology and executive leadership or a designated risk owner.
- Expired exceptions are remediated, renewed, or escalated.
- Exceptions affecting Client Data, contractual commitments, regulatory obligations, or material security risk are reviewed with appropriate security, compliance, legal, and business stakeholders.

23. Enforcement

ECT may enforce this policy through access restriction, corrective action, vendor remediation, employee discipline, contract remedies, legal action, or other appropriate measures. ECT may take immediate protective action to disable accounts, isolate systems, block access, preserve evidence, or remove data access when necessary to protect systems, users, clients, or business operations.

24. Review and Maintenance

- This policy is reviewed at least annually.
- The policy is also reviewed after major incidents, major technology changes, material business changes, new regulatory or client obligations, or significant audit findings.
- Technical standards, procedures, and playbooks may be updated more frequently without requiring full policy reapproval unless they materially change user obligations or risk acceptance.

Appendix A - Client-Facing Minimum Cybersecurity Baseline

Control Area	Minimum Requirement
Identity	MFA for Microsoft 365, remote access, administrative access, and high-risk applications where supported.
Access Reviews	Periodic review of privileged access, critical systems, financial systems, and sensitive repositories.
Endpoint Protection	Managed endpoint security and monitoring on company endpoints.
Patching	Risk-based patching process with urgent treatment for critical and exploited vulnerabilities.
Backups	Backups for critical systems with periodic restore testing and ransomware-aware protections.
Logging	Security-relevant logs for identity, endpoint, email, network, cloud, and critical systems where supported.
Email Security	Phishing reporting, attachment and link protections where available, and verification of financial changes.
Data Protection	Approved storage locations, access control, encryption where appropriate, and external sharing restrictions.
Incident Response	Documented Incident Response Plan with roles, severity, containment, eradication, recovery, and lessons learned.
Business Continuity	Documented Business Continuity / Disaster Recovery Plan with restoration priorities, contacts, alternate operations, and testing.
Vendor Risk	Risk-based review of vendors with access to ECT data, Client Data, systems, or critical operations.
Training	Annual awareness training and role-based training for high-risk roles.

Appendix B - Client-Facing Control Reference Map

Policy Area	NIST CSF 2.0	CIS Controls v8.1 Examples
Governance and risk	Govern	Enterprise asset, governance, and service provider management
Asset and data management	Identify, Protect	Inventory and control of enterprise assets; data protection
Access control and MFA	Protect	Account management; access control management
Endpoint and network security	Protect, Detect	Malware defenses; secure configuration; network monitoring
Logging and monitoring	Detect	Audit log management; continuous vulnerability management
Incident response	Respond	Incident response management
Recovery and continuity	Recover	Data recovery and business continuity integration
Vendor security	Govern, Identify	Service provider management

Appendix C - References

- National Institute of Standards and Technology (NIST), Cybersecurity Framework 2.0, 2024.
- NIST Special Publication 800-53 Rev. 5, Security and Privacy Controls for Information Systems and Organizations.
- Center for Internet Security (CIS), Critical Security Controls v8.1.
- Cybersecurity and Infrastructure Security Agency (CISA), Cyber Essentials.
- CISA Cyber Guidance for Small Businesses.
- ECT Incident Response Plan and ECT Business Continuity and Disaster Recovery Plan, internal documents.