BINGHAMTON AUXILIARY SERVICES CORPORATION

RECORDS RETENTION AND DESTRUCTION POLICY

1) Policy

This Policy represents the policy of Binghamton Auxiliary Services Corporation (the “Corporation”) regarding the retention and disposal of records and the retention and disposal of electronic documents.

2) Purpose

The purpose of this Policy is to ensure that the Corporation’s necessary records and documents are adequately protected and maintained in compliance with federal, state and local laws, and to ensure that records that are no longer needed or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding officers, directors and employees of the Corporation in understanding their obligations in retaining electronic documents.

3) Administration

The administrator of this Policy shall be the President of the Corporation (the “Administrator”) or any other such person designated by the Board of Directors of the Corporation. The Administrator shall act as the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule, attached as APPENDIX A, is followed. The Record Retention Schedule is approved as the initial maintenance, retention and disposal schedule for physical records of the Corporation and the retention and disposal of electronic documents. The Administrator is authorized to: (a) make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for the Corporation; (b) monitor local, state and federal laws affecting record retention; (c) review the record retention and disposal program; and (d) monitor compliance with this Policy.

4) Document Destruction and Disposal

With respect to records disposal, it is the responsibility of each officer, director and employee to discard the Corporation’s business records in a manner consistent with the importance and secrecy of the particular record. Where appropriate to protect confidentiality, documents should be shredded prior to removal from the Corporation’s facilities.

5) Custody of Records

The Corporation shall retain direct physical or electronic custody over all records at all times or indirect custody pursuant to an agreement with a third party which reserves to the Corporation the right to access, add or remove records at its discretion. In no event
shall only one copy of a record be stored at business locations of volunteers or in electronic systems not owned and operated by the Corporation except as otherwise provided for by agreement as set forth above.

6) Suspension of Record Disposal in Event of Litigation or Claims

In the event the Corporation is served with any subpoena or request for documents or any officer, director or employee becomes aware of a governmental investigation or audit concerning the Corporation or the commencement of any litigation against or concerning the Corporation, the destruction of any documents designated as relevant shall be suspended immediately and until such time as the legal or other action is resolved and the Corporation’s counsel has been consulted and has authorized the reinstatement of this Policy with respect to the designated documents.

7) Applicability

This Policy applies to all records, including materials received from others. It covers both original and reproduced documents, as well as documents converted to microfilm, microfiche, CD ROM, thumb or zip drives, or similar formats. This Policy also applies to electronic documents or other compilations of information.

This Policy was adopted by the Corporation on ____________, 2014.
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<tr>
<th><strong>Type of Document</strong></th>
<th><strong>Minimum Requirements</strong></th>
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<td>Annual reports</td>
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<td>Articles of Incorporation and bylaws</td>
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<td>IRS Letter of tax exemption and original Form 1023</td>
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<td>Accounts payable ledgers and schedules</td>
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<td>Audit reports, including letters and internal year end financial statements</td>
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<td>Bank statements and reconciliations</td>
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<td>Contracts, mortgages, notes and leases (expired)</td>
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<td>Contracts, mortgages, notes and leases (in effect)</td>
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<td>Correspondence (general)</td>
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<td>Correspondence (legal and important matters)</td>
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<td>Correspondence (with customers and vendors)</td>
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<td>Depreciation schedules and fixed asset inventory</td>
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<td>Duplicate deposit slips</td>
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<td>Form 1099 tax statements</td>
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<tr>
<td>Insurance records, current accident reports, claims, policies, etc.</td>
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<td>Internal audit reports</td>
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<td>Invoices (to customers, from vendors)</td>
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<td>Leases</td>
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<td>Agreements with Binghamton University</td>
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<td>Software licensees and support agreements</td>
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<td>State Sales Tax exemption letter</td>
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<td>Tax returns and worksheets (federal and state)</td>
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<td>Tax grievance applications and supporting documentation</td>
<td>Permanently</td>
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<tr>
<td>Whistleblower files</td>
<td>7 years</td>
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BINGHAMTON AUXILIARY SERVICES CORPORATION

CONFLICT OF INTEREST POLICY

Article I PURPOSE

The purpose of the conflict of interest policy is to protect the interest of Binghamton Auxiliary Services Corporation (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, committee member or Covered Employee ("Covered Person") of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Article II DEFINITIONS

1. Covered Employee

Covered employee means an employee in a position to exercise substantial influence over the affairs of the Corporation (a "Key Employee").

2. Interested Person

Any Covered Person of the Corporation or any Affiliate of the Corporation, who has a direct or indirect financial interest, as defined below, is an interested person. Such individuals are subject to the provisions regarding conflicts set forth in this conflict of interest policy.

3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or any Relative:

a. An ownership or investment interest in any entity with which the Corporation or an Affiliate of the Corporation has a transaction or arrangement;

b. A compensation arrangement with the Corporation, an Affiliate of the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation or an Affiliate of the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or a committee decides that a conflict of interest exists.
3. Relative

“Relative” of an individual means any family member of the individual, including, but not limited to, his or her (i) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grand-children; or (ii) domestic partner as defined in section twenty-nine hundred ninety-four-a of the New York Public Health Law.

4. Affiliate

An “Affiliate” of the Corporation means any entity controlled by, in control of, or under common control with the Corporation.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or authorized committee thereof. Such disclosures shall be forwarded to Audit Committee.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists; provided, however, that if a transaction would constitute a related party transaction under Article V of this policy, a conflict of interest will be deemed to exist.

3. Procedures for Addressing the Conflict of Interest

   a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the deliberation of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

   b. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

   c. After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

   d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. Violations of the Conflicts of Interest Policy

a. If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the Board of Directors or a committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. Administration

This policy shall be administered by the Audit Committee of the Corporation.

Article IV Records of Proceedings

The minutes of the Board of Directors and all committees with Board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors’s or committee’s decision as to whether a conflict of interest in fact existed; and

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V Related Party Transactions

An interested person shall disclose and the Corporation shall address and document potential related party transactions in accordance with Section 715 of the New York Not-for-Profit Corporation Law and this policy. The Corporation shall, to the extent it enters into a related party transaction, in addition to ensuring compliance with this conflict of interest policy, determine that the transaction is fair, reasonable and in the best interests of the Corporation after due consideration of alternative transactions. This determination shall be documented in accordance with this policy. For purposes of this policy, a related party is a director, officer, Key Employee (or Relative thereof) of the Corporation or an Affiliate, or an entity in which such person has a 35% or greater beneficial interest (5% in the case of a partnership).

Article VI Compensation
a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member’s compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member’s compensation.

c. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VII. Annual Statements**

Prior to election Directors shall and each Covered Person annually shall sign a statement that confirms such Covered Person:

a. Has received a copy of the conflict of interest policy;

b. Has read and understands the policy;

c. Has agreed to comply with the policy; and

d. Understands that the Corporation is a tax exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Such statement shall identify to the best of each such person’s knowledge, all entities of which such is an officer, director, trustee, member, owner (either as a sole proprietor or a partner) or employee and any transaction in which the Corporation is a participant in which such person may have a conflicting interest. Such statement shall be submitted to the secretary of the Corporation who shall provide it to the Chair of the Audit Committee.

**Article VIII. Periodic Reviews**

To ensure the Corporation operates in a manner consistent with tax exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining; and

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax exempt purposes and do not result in inurement, impermissible private benefit or an excess benefit transaction.
Article IX  USE OF OUTSIDE ADVISORS

When conducting the periodic reviews as provided for in Article VIII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.
Adoption Date: 4/26/19

Binghamton Auxiliary Services Corporation

GENERAL INVESTMENT POLICY

PURPOSE:

To provide general guidance relative to the delegation of authority and responsibility, the policies needed, and the review requirements related to investment management.

BACKGROUND:

The Board has a fiduciary duty as trustee of invested funds and other liquid assets held by the Binghamton Auxiliary Services Corporation (BASC). BASC may employ Investment Consultants and Investment Managers to manage investments, trusts and other financial matters of BASC. The extent of the investment management responsibilities of the Corporation, however, is such that it is prudent that whenever possible, BASC must secure and operate with continuous professional supervision of investments.

BASC may maintain reserve accounts intended to be used for future planned activities (i.e. capital purchases, replacements, contingencies, etc.) and operating accounts for managing general administrative activities. It also may maintain various program accounts which help support campus activities. Since the balances in these accounts may be drawn on at any time, the investment objective is to preserve principal, provide liquidity, and provide a secure and stable investment return.

This policy provides the baseline authority and requirements for administration of all of BASC’s investment assets. Each investment pool is to be operated in compliance with this policy.

POLICY:

I. It is the policy of the Board of Directors that BASC’s investment program will be managed in conformity with established investment management principles and the laws of the State of New York governing commercial, donor, agency and fiduciary relationships. The Board delegates to the Director of Business Operations and Finance, under the oversight of the Executive Director, the implementation of the management of investments per this policy and related policies of the Board, and in accordance with New York and federal law.

   a. It is expected that the Director of Business Operations and Finance will seek and rely upon specialized expertise and guidance from a Finance and Operations Committee and other investment professionals as is reasonable and prudent. The Board retains ultimate responsibility to make investment program policy decisions.
GENERAL INVESTMENT POLICY

II. Director of Business Operations and Finance Duties and Reporting to the Board:

The Director of Business Operations and Finance will have primary responsibility for implementation of investment-related duties in accordance with policy. The Director of Business Operations and Finance will:

a. Provide accounting and reports related to investments to the Board periodically;
b. Ensure that annual reports are produced that detail the earnings and activity in all investment accounts, and distribute the reports to the Board.
c. Establish procedures regarding implementation of policy; and
d. From time to time provide recommendations to a Finance and Operations Committee for revisions to policy to be proposed to the Board; and
e. Consult with a Finance and Operations Committee regarding the hiring, monitoring, and termination of Investment Consultant(s) and Investment Manager(s).

III. Legal Assistance:

Legal counsel should be consulted, as prudent, by a Finance and Operations Committee and the Director of Business Operations and Finance.

IV. Investment Consultant(s) role:

The Director of Business Operations and Finance may allow Investment Consultants(s) to:

a. Implement Board approved investment-related policies through written procedures as provided by the Director of Business Operations and Finance; and
b. Recommend policy and procedure revisions to the Director of Business Operations and Finance for the review by a Finance and Operations Committee and Board approval; and
c. Report to the Director of Business Operations and Finance and the Finance and Operations Committee with respect to performance reviews of Investment Managers.

V. Investment Standard:

All investments must be in compliance with the New York Prudent Management of Institutional Funds Act (“NYPMIFA”).

VI. Allowable Investments:

a. Money market funds, certificates of deposits with maturities not to exceed 3 years, or short-term fixed income funds with average portfolio durations of 2 years or less may be examples of allowable investments.

VII. Investment Earning:

a. Investment earnings will be recorded in the general operating fund of BASC unless specific agreements have been established between the BASC Executive Director and a campus program account for the credit and/or use of investment income.

PROCEDURES:

The Director of Business Operations and Finance will establish written procedures for practical operations related to investment funds to implement this policy.
GENERAL INVESTMENT POLICY

COMPLIANCE:
All personnel involved in investment of any BASC-held funds must comply with this policy.

AMENDMENT TO POLICY:
This policy may be amended in whole or in part, upon review and recommendation from the Finance and Operations Committee. Such recommendation will be forwarded to the Board of Directors for approval, and passed by a vote of a majority of Directors present at a meeting at which a quorum is present.

REFERENCE:
New York Prudent Management of Institutional Funds Act (“NYPMIFA”)
https://www.charitiesnys.com/nypmifa_new.html
Adoption Date: 4/26/19
Binghamton Auxiliary Services Corporation
RISK POLICY

PURPOSE:
The purpose of this Policy is to provide steps to be taken for risk management. Risk Management guidance is designed to identify and evaluate risks to which Binghamton Auxiliary Services Corporation (BASC) may be exposed, reducing or eliminating losses from injury to persons, damage to property and cost incurred in the defense of lawsuits through appropriate management action. Risk Management is also concerned with preservations of assets and protection against loss of earning power.

The BASC risk management policy includes identification and evaluation of risk factors: 1) property (i.e., crime, fire and flood) and 2) casualty, (i.e. D&O professional, liability, general and excess liability). Insurance coverage may be purchased to establish a framework within which the Corporation’s services, programs and activities, can be effectively managed.

BACKGROUND:
The BASC has a conservative approach to risk management and transfers risk of identifiable hazards to insurers through purchase of comprehensive insurance coverage. This approach and the practices to implement it are integrated into the BASC’s corporate operations.

Exhibit B of State of New York Administrative Requirements for Auxiliary Services Corporations Document Number 9400 identifies the need for clarification of risk management policy and practices on the campus by and between the university and its auxiliary organizations, especially in the case of joint programs or activities.

On June 22, 2016, the Office of the Chancellor issued a Memorandum regarding the approval of amendments to the Auxiliary Services Corporations Guidelines Policy, which strengthens financial responsibility, accountability, transparency and oversight, and as such risk management is an essential program of Auxiliary Services Corporations as part of the SUNY system.

POLICY:
The BASC recognizes its role of stewardship over physical assets, which are used to establish trusts, as well as stewardship of BASC resources. This responsibility requires due concern for the safety of members of the public who make use of BASC services, projects or programs.

I. Loss Prevention
   BASC recognizes its responsibility to ensure appropriate deductibles are determined by the Executive Director with due consideration of insurance market conditions.
II. Insurance Acquisition
BASC practice is to review insurance coverage on an annual basis. The BASC is not obligated by operation of any statute or regulation to award contracts for insurance to any insurance underwriter, broker, agent, risk retention group or other similar group or organization. BASC will continue to purchase insurance from insurers who are financially sound with superior industry administrative ratings. Premium costs are an essential element in the evaluation of any proposal for insurance coverage.

III. Cooperative Programs
BASC is alert to opportunities for cooperative action with other entities when such cooperation is mutually beneficial in treatment of risks requiring special consideration, cost and service. Any such cooperative activity may be evaluated by the Campus Risk Manager and other staff as necessary. The final determination for the course of action shall be reviewed and approved by the Executive Director.

IV. Management of Risks
The management of risks of loss to BASC under the above policy shall be the responsibility of the Executive Director in consultation with campus and industry experts who will assist to identify risks, determine the means of eliminating, abating, transferring or accepting these risks.

When BASC cannot eliminate or economically withstand a risk of loss, insurance shall be purchased to cover the risk. The form and sufficiency of various policy limits for protection of BASC shall be determined by the Executive Director.

V. Management of Standards/Guidelines
The Risk Management program is implemented consistent with this policy statement. Written program guidelines include the following criteria to identify hazards and risks for analysis.

a. Annual review of scope of coverage and the limits of insurance policies in relation to activities and liability exposure; including annual review of Insurance Survey provided by broker;

b. Quantification of activities, services and support activities in which BASC is involved;

c. Minimum insurance coverage and limits by types of authorized activities; and

d. Activity relationships in which there is or may be joint or shared responsibility and liability with respect to contracts, employment, occupancy of premises, or oversight of facilities, programs or services between BASC and/or other entity.
RISK POLICY

e. The exclusion of risks or activities which BASC is clearly unwilling to undertake under any and all conditions, including those which may be prohibited or pose such a high degree of risk as to jeopardize the feasibility of the activity or constitute a threat to BASC.

The following program elements for risk management are integrated into BASC’s operations:

a. Annual review of scope of coverage and the limits of insurance policies in relation to activities and liability exposure;
b. The ability to partially or entirely self-insure risks, as areas of risks are discovered or determined;
c. Monitor and maintain insurance coverage as assets are acquired or disposed of and claims are processed;
d. Conduct routine inspections and inventory per property control policy;
e. Identify areas and activities involving joint/shared risk (i.e. pooling of risk); and
f. Conduct ongoing safe practice/risk avoidance training and reinforcement effort with employees covering all risks.

VI. Program Practices
BASC management shall establish and maintain the following documented risk management practices.

a. Analysis of new activities (especially assumption of contractual liability) in terms of risks;
b. Periodic review of risks, exposures, activities and properties;
c. Assessment of risk exposure on and off premises, in operations, through contracts, and with avoidance/prevention efforts;
d. Accident/loss monitoring;
e. Systematic claims assessment to insure claims are properly administered;
f. Information dissemination to BASC projects related to risks; and
g. Develop Emergency preparedness plan.

VII. Program Organization
The Executive Director in consultation with campus and industry experts may periodically identify how the Risk Management Program is to be organized including:

a. Appropriate delegation of authority;
b. Performance of program duties and task assignments;
c. Role of risk management; and

d. How risk management program/staff interacts with safety, security, legal and employee relations functions.

AMENDMENT TO POLICY:

This policy may be amended in whole or in part, upon review and recommendation, to be approved by the Board of Directors by a vote of a majority of Directors present at a meeting at which a quorum is present.
BACKGROUND AND PURPOSE:

The establishment of adequate reserve policies for Auxiliary Services Corporations requires auxiliaries to implement financial standards that will assure fiscal viability by the establishment of reserve funds for current operation, capital replacement, and new business ventures. This approach and the practices to implement it are integrated into the Binghamton Auxiliary Services Corporation’s (BASC) corporate operations.

Exhibit B of State of New York Administrative Requirements for Auxiliary Services Corporations Document Number 9400 identifies the need for clarification of the reserves policy.

On June 22, 2016, the Office of the Chancellor issued a Memorandum regarding the approval of amendments to the Auxiliary Services Corporations Guidelines Policy, which strengthens financial responsibility, accountability, transparency and oversight, and as such a reserves policy is an essential program of Auxiliary Services Corporations as part of the SUNY system.

POLICY:

This Reserves Policy is therefore established to provide the basis for the annual review of fiscal viability, to comply with accepted accounting principles relative to balance sheet presentation of reserves, and to provide the criteria for distribution of reserves.

TERMS AND DEFINITIONS:

I. Sources of Funds
BASC sources its operating capital from the following:
   a. Income from commercial operations
   b. Income from Grant/Contract expense recovery
   c. Investment income
   d. Unrestricted gifts
   e. Cost recovery fees charged to programs administered by BASC

II. Use of Funds
BASC expends funds for current business operations and designated programs in support of mission of the University.

III. Reserves
Reserves are generated from an excess of revenues over expenditures in BASC’s General Fund. Revenues from cost recovery fees, charges, or investment earnings applicable to programs accounted for by BASC in separate restricted or agency funds are recorded as income in the General Fund and charged to the appropriate agency or restricted fund.
IV. Appropriations

Appropriations are annual allocations of reserves to the following Board-designated provisions:

a. Working Capital & Current Operations
b. Capital Equipment Acquisitions
c. Lease and Contracted Obligations
d. Audit Disallowance
e. Commercial Operations
f. Capital Development (Facilities construction)

APPROPRIATION TO RESERVES:

Excess revenues will be allocated annually to the following reserve categories until such level of funding is attained according to the following requirements:

I. Working Capital and Current Operations
This appropriation will be maintained at a level sufficient to provide for at least 90 days of normal operating expenditures for all BASC operations.

II. Capital Equipment Acquisition
The amount of this appropriation will provide a sufficient amount of funds as determined by the Executive Director on an annual basis to meet strategic plan objectives for future acquisition or replacement of major equipment items.

III. Lease and Contracted Obligations
This appropriation will be maintained at a level sufficient to provide at least 3 months of lease and other contracted service obligations.

IV. Audit Disallowance
This appropriation will be maintained at a level sufficient to fund any potential disallowance as determined by grant and/or contracting agencies which provide funding to BASC. The amount to be maintained will be determined annually based upon a risk assessment of the types of grants and contracts administered by BASC. In general, the appropriation will be determined at a level equal to 5% of anticipated annual grant and contract expenditures.

V. Commercial Operations
The amount of this appropriation will provide a sufficient amount of funds for the operation of any commercial operations for a period of at least 3 months should there be an interruption in contracted services or shortfall in operating income.

VI. Capital Development
The amount of this appropriation will provide a sufficient amount of funds as determined by the Executive Director to meet strategic plan objectives for future capital development projects.

USES OF RESERVES:

All funding and expenditures from the above appropriations will be reviewed by the Executive Director and recommended for acceptance by the Board of Directors. Expenditures will be in accordance with the annual budget as approved by the Board.

AMENDMENT TO POLICY:

This policy may be amended in whole or in part, upon review and recommendation, to be approved by the Board of Directors by a vote of a majority of Directors present at a meeting at which a quorum is present.