

MEMORANDUM

DATE: May 1, 2015
TO: Members, Executive Committee
FROM: Juan Salgado, Executive Director
SUBJECT: Governance Policy Review

The Board of Directors amended the Governance Policies in April 2013, to ensure their review at least every 24 months.

The Policies currently set forth a procedure for the Board to approve, at least every 24 months, to “continue and/or amend, or terminate” the Governance Policies. Moving forward, staff recommends the following procedural change:

If after a staff review of the Policies, there are no recommended amendments or terminations to the Policies, document that a review was completed and that the Policies will continue in their current form and that no further action is required by the Board.

Amendments and/or terminations of Governance Policies will continue to require full Board approval.

The Policies are attached for your review with the proposed amendments redlined, and an effective date for the updates to the Policies following Board approval.

As part of the due diligence performed on this item, the Phoenix IDA’s general corporate counsel was consulted and concurs that the proposed procedural change does not pose any legal concern.



Governance Policies

Effective Date: ~~June 9, 2014~~ May 14, 2015

GOVERNANCE POLICIES HANDBOOK

Index

Effective Date: ~~5/29/2013~~ May 15, 2015

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The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 1004
SECTION 100	Original Effective Date: March 11, 2008
ETHICS	
SUBJECT	Page 1 of 8
GENERAL ETHICS POLICY	Effective Date: February 6, 2013

This document sets forth the general ethics policy (the "Policy") of The Industrial Development Authority of the City of Phoenix, Arizona (the "Phoenix IDA"). The Policy is intended to clarify our standard of conduct. It makes clear that the Phoenix IDA expects its Board of Directors, Executive Director, and employees to understand the ethical considerations associated with their actions and to conduct business with integrity and without deception.

~~The Industrial Development Authority of the City of Phoenix, Arizona ("the Authority") was established in 1981 by the City of Phoenix under the Industrial Financing Act, Arizona Revised Statute Section 35-701 et. seq. The Authority is an Arizona non-profit corporation and political subdivision of the State of Arizona possessing the corporate powers set forth in Section 35-706 of the Arizona Revised Statutes.~~

The City of Phoenix adopted the "City of Phoenix Ethics Policy" codified in the City Code, Ch. 2, Art. II, Section 2-52. Upon appointment to the ~~Authority~~Phoenix IDA, each member of the Board of Directors of the ~~Authority~~Phoenix IDA agreed to comply with the City of Phoenix Ethics Policy. The ~~Authority~~Phoenix IDA formally adopts the following policies:

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A. ATTENDANCE

If a member fails to attend three consecutive regular meetings, or more than 50% of all meetings of the Board of Directors held over a calendar year period, the City Council may declare the seat vacant and appoint a replacement. See City Code, Art. 1 § 2-40.

Comment: Members of the Board of Directors are expected to attend all regularly scheduled meetings and should make every effort to do so. The City Council appointed each member of the Board for each member's experience, background and perspective in a particular policy area, and wants the benefit of each member's consideration and judgment. Moreover, the Board of Directors shall not conduct any business unless a quorum is present. Accordingly, if a member of the Board of Directors must miss a meeting because of business, vacation or illness, please advise the chairperson of the Board of Directors or Committee of the Board of Directors and the Executive Director in advance of the meeting.

The Industrial Development Authority of the City of Phoenix, Arizona

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B. CONFLICTS OF INTEREST

As a political subdivision of the State of Arizona, the AuthorityPhoenix IDA is subject to and must comply with Arizona's Conflict of Interest Laws. Conflicts of Interest a very important ethical consideration that requires its own detailed policy. (See Governance Policy No. 101)

~~**Comment:** The Authority, members of the Board of Directors, the Executive Director and employees of the Authority must be constantly on guard against conflicts of interest. In short, a member of the Board of Directors, the Executive Director or an employee of the Authority should not be involved in any activity which might be seen as conflicting with the responsibilities of his or her position with the Authority. The people of Phoenix have a right to expect that members of the Board of Directors, the Executive Director and employees of the Authority act with independence and fairness toward all groups and will not favor a few individuals or themselves. The Authority considers Conflicts of Interest a very important ethical consideration that requires its own detailed policy.~~

C. CONTRACTS WITH THE CITY

Arizona law prohibits any member of the Board of Directors, the Executive Director or employee of the AuthorityPhoenix IDA who has, or whose relative has, "a substantial interest in any contract, sale, purchase, or service to" the AuthorityPhoenix IDA from participating in any way with the transaction. See A.R.S. § 38-503 (A).

Comment: As with other conflicts of interest, any member of the Board of Directors, the Executive Director or employee of the AuthorityPhoenix IDA in such a situation must (i) make known the substantial interest involved, and (ii) refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale.

D. DISCLOSURE OF CONFIDENTIAL INFORMATION

Arizona law provides that, during an individual's employment or service with the AuthorityPhoenix IDA and for two years thereafter, no such individual may disclose

The Industrial Development Authority of the City of Phoenix, Arizona

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or use confidential information without appropriate authorization. See A.R.S. § 38-504(B). "Confidential information" means any and all information which is not generally known but which becomes known as a consequence of the individual's employment or service with the [AuthorityPhoenix IDA](#), whether relating to the [AuthorityPhoenix IDA](#) or a third party, whether oral or in writing, and whether or not marked "confidential", "proprietary" or "private." "Confidential information" does not include: (i) information that was generally available to the public at the time of disclosure; (ii) information that later becomes publicly known other than through the individual's actions; or (iii) information that was already known to the individual before he/she learned it from or through his/her relationship with the [AuthorityPhoenix IDA](#). Moreover, if during the individual's employment or service with the [AuthorityPhoenix IDA](#), such individual learns information that constitutes a trade secret, he/she shall be obligated to maintain the secrecy of the information for so long as the information constitutes a trade secret, but in no case for less than two years after the employment or service ends, unless the [AuthorityPhoenix IDA](#) authorizes him/her to reveal information.

Comment: Members of the Board of Directors, the Executive Director and employees of the [AuthorityPhoenix IDA](#) may have access to important non-public information regarding the property, operations, policies or affairs of the [AuthorityPhoenix IDA](#) and/or of the City of Phoenix. Such information may concern real estate transactions, expansion of public facilities or other City projects. The leaking of this inside information may benefit a few at the expense of a possible monetary loss to the [AuthorityPhoenix IDA](#) or the City and a deterioration of public confidence. If a member of the Board of Directors, the Executive Director or employee of the [AuthorityPhoenix IDA](#) are privy to confidential information, such individual may not disclose that information to any private citizen and should disclose it to other public employees only on a "need to know" basis.

E. DISCRIMINATION

Chapter XI, Section 2 of the City Charter provides: "No person shall be appointed to, removed from or in any way favored or discriminated against with respect to any city position because of race, color, ancestry, national origin, sex, political or religious opinions or affiliations." Illegal discrimination on the basis of sexual orientation, age, marital status, pregnancy, disability, citizenship status, veteran

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status, or military obligation or any other basis prohibited by law is also forbidden. Harassment on the basis of sex is a violation of Title VII of the U.S. Civil Rights Act of 1964, as amended. The United States Equal Employment Opportunity Commission (EEOC) defines sexual harassment as “unwelcome” sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: 1) submission to such conduct is made wither explicitly or implicitly a term or condition of an individual’s employment; 2) submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or 3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive work environment.

Comment: All people must be recognized, honored and mutually respected. The United States and Arizona Constitutions, as well as numerous federal, state and local laws, outlaw various forms of discrimination. The [AuthorityPhoenix IDA](#) should make available to every person – whether they are applying for a Board position or employment position of the [AuthorityPhoenix IDA](#) – every consideration, treatment, and advantage or favor that is the general practice to make available to all citizens. The equality of opportunity to enter into public service, besides being the object of various federal, state and local laws, is a central factor in achieving efficient public service and good morale. The [AuthorityPhoenix IDA](#) promotes an environment where all members, employees and citizens are respected and valued.

F. EMPLOYMENT

1. Representing Private Interests Before the [AuthorityPhoenix IDA](#): For twelve months following the termination of a person’s service as a member of the Board of Directors, or employment with the [AuthorityPhoenix IDA](#), Arizona law prohibits such individuals from representing another person for compensation before the [AuthorityPhoenix IDA](#) concerning any matter with which that individual, during their time of service to the [AuthorityPhoenix IDA](#), was directly concerned and personally participated in by a substantial and material exercise of administrative discretion. See A.R.S. § 38-504(A).

Comment: Members of the Board of Directors, the Executive Director and employees of the [AuthorityPhoenix IDA](#) may appear before the [AuthorityPhoenix](#)

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IDA on behalf of constituents in the course of performing duties as a representative of the electorate or in the performance of public or civil obligations, as long as they are not representing any private person, group or interest for compensation that is contingent on such activity.

2. Employment of Relatives: Arizona law prohibits members of the Board of Directors, the Executive Director and employees of the AuthorityPhoenix IDA from being involved in the appointment, hiring or supervision of a relative. See A.R.S. § 38-481 and A.R. § 2.91.

Comment: Because hiring and supervising a relative is a special type of a conflict of interest, it must be avoided.

G. GIFTS, FAVORS AND EXTRA COMPENSATION:

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Neither any member of the Board of Directors, the Executive Director or any employee of the AuthorityPhoenix IDA shall accept any gift, service or favor that would lead toward favoritism or the appearance of favoritism in any way.

Comment: Board Members or employees of the AuthorityPhoenix IDA should not accept gifts (monetary or otherwise, such as a service, loan, thing or promise), gratuities, or favors from anyone for the performance of acts within the regular course of official duties. Board Members and employees of the AuthorityPhoenix IDA should refuse any gifts or favors that reasonably may be interpreted to have been offered in order to influence an AuthorityPhoenix IDA decision. Compensation for an AuthorityPhoenix IDA employee performing that employee's duty is limited to salaries, fringe benefits and any personal satisfaction that such person may derive from doing a good job. While a Board Member or employee of the AuthorityPhoenix IDA is the first to decide whether to accept any gift, such person must recognize that others will decide if there is "the appearance of favoritism" for such person having accepted a gift. Finally, Board Members and employees of the AuthorityPhoenix IDA should be wary of accepting any gifts or benefits from individuals doing business with the AuthorityPhoenix IDA or the City or whose financial interests are affected by AuthorityPhoenix IDA action.

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1. Board Members and employees of the [AuthorityPhoenix IDA](#) must consider ethical principles before accepting personal gifts of entertainment and sports/athletic activities.

Comment: After the above gift policy is applied, if a Board Member or employee of the [AuthorityPhoenix IDA](#) accepts the entertainment or sports/athletic activity gift and does not pay for it, such Board Member or employee must declare the gift with the President of the Board, within two working days, using a "Declaration Form." Gifts must be declared regardless of whether the gifts are actually used by the Board Member or employee. If the President of the Board accepts the entertainment or sports/athletic gift and does not pay for it, the President must declare the gift with the Vice President of the Board.

There are three examples of gifts that do not require declaration:

- a. A personal gift from a friend or relative, unless that friend or relative has done business with the [AuthorityPhoenix IDA](#), is doing business with the [AuthorityPhoenix IDA](#) or is seeking to do business with the [AuthorityPhoenix IDA](#).
- b. Winning or receiving a promotional gift from a community business, where the opportunity to win/receive the gift is open to the community in general.
- c. Board Members or employees of the [AuthorityPhoenix IDA](#) who pay for a ticket or elect to make a charitable contribution in the name of the donor for the face value of the gift do not need to file a declaration.
- d. Acknowledgements of voluntary service from the [AuthorityPhoenix IDA](#).
- e. All other gifts accepted must be declared regardless of whether the Board Member or employee of the [AuthorityPhoenix IDA](#) personally used the gift.

H. POLITICAL ACTIVITY

As citizens, Board Members and employees of the [AuthorityPhoenix IDA](#) can and should exercise their rights to register and vote in all elections including City elective offices. The City Attorney, in opinion No. 60-012, determined that the provisions of Chapter XXV, Section 11 of the City Charter, do not apply to citizen members of City

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boards and commissions and, therefore, Board Members may participate in political campaigns for City elective officials.

I. PUBLIC ACCESS: OPEN MEETINGS AND PUBLIC RECORDS

Numerous Arizona and City laws require that meetings of public bodies be open to the public and that public records be available for inspection. See Open Meeting Laws (A.R.S. §§ 38-431 through 431.09 and City Charter Ch. 4 & 5) and Public Records Laws (A.R.S. §§ 39-121 through 121.03 and City Charter Ch. 4 & 21).

Comment: As declared in state statute, it is the official public policy of Arizona that meetings of public bodies be conducted openly. Also, Arizona law allows broad access to public records. Open government gives the public confidence that public affairs are being performed properly.

J. USE OF EQUIPMENT, FACILITIES, OR PERSONNEL FOR PRIVATE GAIN

Members of the Board of Directors, the Executive Director and employees of the AuthorityPhoenix IDA should not use AuthorityPhoenix IDA or City facilities, equipment, personnel or supplies for private purposes, except to the extent they are lawfully available to the public.

Comment: Public respect for its government is weakened when AuthorityPhoenix IDA-owned or City-owned facilities and equipment are used by members of the Board of Directors, the Executive Director or employees of the AuthorityPhoenix IDA for personal gain. AuthorityPhoenix IDA or City office supplies, work materials and equipment are to be used only for the AuthorityPhoenix IDA work. Taking AuthorityPhoenix IDA or City goods for private use is not a “fringe benefit,” it is stealing. See A.R.S. §13-1802. Also, it is improper (and maybe unlawful) for supervisors to use subordinates for their personal benefit. Finally, members of the Board of Directors, the Executive Director and employees of the AuthorityPhoenix IDA should avoid waste of public supplies and equipment.

K. WHISTLEBLOWER POLICY

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The AuthorityPhoenix IDA promotes ethical conduct, transparency and compliance with the law. Should any individual know of, or have a suspicion about, illegal or unethical conduct in connection with the finances or other aspect of the AuthorityPhoenix IDA's operations, that individual should inform the President of the Board of Directors. If the alleged wrongdoing concerns the President, then another officer or director of the AuthorityPhoenix IDA should be notified instead.

Should the President or another officer or director of the AuthorityPhoenix IDA receive information regarding alleged illegal or unethical conduct in connection with the finances or other aspect of operations, those officers or directors shall inform the full Board of Directors. The Board of Directors shall investigate all credible allegations at all times respecting the privacy and reputation of individuals involved.

There will be no punishment or other retaliation for the reporting of conduct pursuant to this policy. If the person providing the information requests anonymity, this request will be respected to the extent that doing so does not impede any investigation.

L. PROCEDURES

~~Below is a key procedure to maximize the effectiveness of this policy:~~

- ~~• No later than 24 months after the last review period, the Board of Directors shall, upon action of the Executive Committee, review and act to continue and/or amend, or terminate this Policy.~~

APPROVED:

Sal Rivera
Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 1010
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT CONFLICT OF INTEREST <u>POLICY</u>	Page 1 of 3 Effective Date: February 6, 2013

This document sets forth the conflict of interest policy (the “Policy”) of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”). The Policy is intended to guide the Phoenix IDA’s Board of Directors, the Executive Director, and Phoenix IDA employees whenever a director, officer or management has a financial or personal interest in any matter coming before the board of directors, thus achieving the highest level of transparency and accountability.

A. CONFLICT OF INTEREST AND INDUCEMENT

Members of the Board of Directors of the ~~Industrial Development AuthorityPhoenix IDA, of the City of Phoenix, Arizona (the “Authority”)~~, the Executive Director, and employees of the ~~AuthorityPhoenix IDA~~ are prohibited from receiving compensation of any kind from vendors, realtors, brokers, contractors, mortgage lenders, clients, or any similar entities or individuals for the purpose of receiving preferential treatment of any kind.

“Kickback” means any money, fee, commission, credit, gift, gratuity, object of value, offer of employment, or compensation of any kind which is provided, directly or indirectly, to any member of the Board of Directors, the Executive Director or ~~AuthorityPhoenix IDA~~ employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with grant assistance programs, client referrals or contacts.

The ~~AuthorityPhoenix IDA~~ prohibits members of the Board of Directors, the Executive Director and any ~~AuthorityPhoenix IDA~~ employee from soliciting, accepting, or attempting to accept any kickbacks. The ~~AuthorityPhoenix IDA~~ also prohibits vendors, realtors, brokers, contractors, mortgage lenders, clients, or any similar entities or individuals from providing or attempting to provide any kickbacks to members of the Board of Directors, the Executive Director or ~~AuthorityPhoenix IDA~~ employees.

~~AuthorityPhoenix IDA~~ employees will be immediately terminated from employment if it is determined that they are soliciting, accepting, or attempting to accept any kickbacks. Any vendors, realtors, brokers, contractors, mortgage lenders, clients, or any similar entities or individual in violation of this ~~P~~policy will be prohibited from doing business with the ~~AuthorityPhoenix IDA~~. Finally, individuals or entities determined to be engaging in kickback practices may also be subject to additional

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 1010
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
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civil or criminal penalties as provided under Arizona State Revised statutes and U.S. law.

B. CONFLICT OF INTEREST

Situations of actual or potential conflict of interest are to be avoided by all members of the Board of Directors, the Executive Director and employees of the AuthorityPhoenix IDA. A conflict of interest may exist when any such individual's personal activities or financial affairs adversely influence such individual's judgment or performance of duties for the AuthorityPhoenix IDA. An actual or potential conflict of interest occurs when such an individual is in a position to influence a decision that may result in a personal gain for that individual or for a relative or friend as a result of the AuthorityPhoenix IDA business dealing. Personal involvement with a competitor, supplier or subordinate employee of the AuthorityPhoenix IDA, which impairs an employee's ability to exercise good judgment on behalf of the AuthorityPhoenix IDA, creates an actual or potential conflict of interest.

Except for gifts allowed under subsection G of the "General Ethics Policy: Gifts, Favors, and Extra Compensation," no gifts or gratuities, unless deemed to be of minimal value, shall be accepted by the Executive Director, staff or any member of the Board of Directors from any individual or businesses that is in any way associated with the AuthorityPhoenix IDA. For purposes of this paragraph, minimal value shall be deemed as \$25.00.

~~C. PROCEDURES~~

~~Below is a key procedure to maximize the effectiveness of this policy:~~

- ~~• No later than 24 months after the last review period, the Board of Directors shall, upon action of the Executive Committee, review and act to continue and/or amend, or terminate this Policy.~~

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 1010
SECTION 100 ETHICS	Original Effective Date: March 11, 2008
SUBJECT CONFLICT OF INTEREST <u>POLICY</u>	Page 3 of 3 Effective Date: February 6, 2013

APPROVED:

Sal Rivera
Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 200
SECTION 200 FINANCIAL, INVESTMENTS, AND LENDING	Original Effective Date: March 11, 2008 Effective Date: June 9, 2014
SUBJECT FAIR LENDING <u>POLICY</u> STATEMENT	Page 1 of 1 Review Effective Date: June 9, 2014

This document sets forth the fair lending policy statement (the "Policy") of The Industrial Development Authority of the City of Phoenix, Arizona (the "Phoenix IDA"). The inclusion of this Policy in our Governance Policies, reinforces our dedication to providing equal access to credit and equal treatment of all credit applicants.

A. OBJECTIVE

The ~~Industrial Development Authority of the City of Phoenix, Arizona~~Phoenix IDA is committed to ensuring that all loan applications are treated fairly, without unlawful regard to race, color, national origin, gender, religion, age, marital status, sexual orientation, disability, familial status, citizenship status, veteran status or military obligations or any other basis prohibited by law.

APPROVED BY:

Sal Rivera, Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 203
SECTION 200 FINANCIAL, INVESTMENT AND LENDING	Original Effective Date: June 14, 2012
SUBJECT COMMUNITY IMPACT FUND INVESTMENT POLICY	Page 1 of 3 Effective Date: May 29, 2013

A. PURPOSE

This document sets forth the community impact fund policy (the “Policy”) of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”). The Policy is intended to guide the Phoenix IDA’s Board of Directors, Community Impact Fund Committee (“Committee”) and management in investing the Phoenix IDA’s community impact funds and to guide the Phoenix IDA’s Board of Directors in the oversight of such investments, thus achieving the highest level of transparency and accountability with respect to the Phoenix IDA’s operations.

This Policy provides for investment in the community outside the Investment Policy. The scope of the Policy is limited to investment of the Phoenix IDA’s funds allocated from the administrative fund to the community impact fund (“Fund”) by the Board of Directors.

B.A. GENERAL

Community impact funds are to be directed for a public purpose to maximize community or social impact, while seeking a return on capital. Returns may be measured in traditional return on investment, such as interest on loans, or in other impacts, such as education, job creation, innovation, improving social services and similar non-traditional effects, or any combination of returns.

The Phoenix IDA may make impact investments directly or in collaboration with other lenders, nonprofit organizations, educational institutions, foundations, economic development groups or other governmental agencies. Recipients of community impact funds may be businesses, 501 (c) nonprofit corporations or other organizations whose mission is in keeping with the Policy.

C.B. GUIDELINES

Impact investments will follow these guidelines:

1. One hundred percent (100%) of the Fund's investments will be directed to organizations with projects in Arizona, at least 60% of which projects shall be in the city of Phoenix.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 203
SECTION 200 FINANCIAL, INVESTMENT AND LENDING	Original Effective Date: June 14, 2012
SUBJECT COMMUNITY IMPACT FUND INVESTMENT POLICY	Page 2 of 3 Effective Date: May 29, 2013

2. No more than 10% of the Fund's total allocation shall be actively invested with one organization.
3. Impact investments will be for no more than a seven (7) year period before the capital is to be returned.
4. Loan fees and interest rates are to be at market rates, with adjustment possible for social impact up to a 100% waiver of loan fee and/or a 50% reduction in the interest rate.
5. Collection of receivables and loan loss reserves for impact investments are governed by those provisions in the Financial Policy.
6. Proceeds from the Fund's impact investments will be treated as operating revenues and maintained in the administrative fund.
7. Exceptions to any requirements of the Policy may be made on a case-by-case basis by the Committee.

D.C. PROCEDURES

Below are key procedures to maximize the effectiveness of this Policy:

1. Multiple similar impact investments ("Programs"), such as the loan participation program, shall be approved by the Board of Directors. The Board of Directors may delegate approval of individual Program investments to the Committee or to the Executive Director.
2. The Board of Directors shall approve all individual non-Program impact investments over \$100,000.
3. The Committee may approve any individual non-Program impact investment up to \$100,000 and may delegate approval of individual non-Program impact investments up to \$50,000 to the Executive Director.
4. The Executive Director is delegated signing authority for all related documents on approved impact investments. No authorization is given in this Policy to conflict with the check signing authority provided by the Financial Policy.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 203
SECTION 200 FINANCIAL, INVESTMENT AND LENDING	Original Effective Date: June 14, 2012
SUBJECT COMMUNITY IMPACT FUND INVESTMENT POLICY	Page 3 of 3 Effective Date: May 29, 2013

5. Administration of impact investment relationships shall be handled by the Executive Director and his/her designee. The Executive Director and the Committee chairperson shall provide regular oversight of Fund impact investments. At least annually the Committee shall receive a written and verbal report on Fund impact investments from the Executive Director, or his/her designee.

~~6. Review: No later than 24 months after the last review period, the Board of Directors shall, upon action of the Community Impact Fund Committee, review and act to continue and/or amend, or terminate this Policy.~~

APPROVED:

Sal Rivera
Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 300
SECTION 300 BUSINESS AND TRAVEL EXPENSES	Original Effective Date: March 11, 2008
SUBJECT EXPENSE REIMBURSEMENT <u>POLICY</u>	Page 1 of 2 Effective Date: February 6, 2013

This document sets forth the financial policy (the "Policy") of The Industrial Development Authority of the City of Phoenix, Arizona (the "Phoenix IDA"). The Policy is intended to guide the Phoenix IDA's Board of Directors, Executive Director and employees in establishing financial goals and objectives, making financial decisions, reporting the financial status of the Phoenix IDA, and managing the Phoenix IDA's funds to achieve the highest level of transparency and accountability with respect to the Phoenix IDA's financial operations.

A. GENERAL POLICIES

The Industrial Development Authority of the City of Phoenix, Arizona (the "AuthorityPhoenix IDA") is made up of a Board of Directors (the "Board") which consists of not less than three or more than nine members with a term of six years each. The AuthorityPhoenix IDA also employs an Executive Director and additional employees.

All reasonable expenses incurred by the Executive Director or AuthorityPhoenix IDA employees while representing the AuthorityPhoenix IDA are reimbursable at the discretion of the AuthorityPhoenix IDA or appropriate officer. These include restaurant-type expenditures while meeting members of the Board, staff, or otherwise conducting AuthorityPhoenix IDA business. This also includes mileage for trips taken while acting on behalf of the AuthorityPhoenix IDA.

Travel expenditures are reimbursable for members of the Board, the Executive Director or AuthorityPhoenix IDA employees, and do not include any personal expenditures incurred while attending events on AuthorityPhoenix IDA business. Travel expenses for accompanying spouses, friends, etc. are not reimbursable.

Commuting expenses to AuthorityPhoenix IDA Board or Committee meetings or to the workplace are not reimbursable. Otherwise, mileage is reimbursable at the standard mileage rates published by the IRS from time to time. Members of the Board, the Executive Director and AuthorityPhoenix IDA employees are required to provide information about auto insurance coverage and update such information annually or whenever changes are made to such coverage. No reimbursement will be made for auto insurance expenses.

The Industrial Development Authority of the City of Phoenix, Arizona

GOVERNANCE POLICY	No. 300
SECTION 300 BUSINESS AND TRAVEL EXPENSES	Original Effective Date: March 11, 2008
SUBJECT EXPENSE REIMBURSEMENT <u>POLICY</u>	Page 2 of 2 Effective Date: February 6, 2013

Requests for travel advances may be made, but generally must be estimated by budget line item if in excess of \$500.00. To the extent advances exceed actual expenditures (receipts must be submitted upon return from the trip), the member of the Board the Executive Director or the AuthorityPhoenix IDA employee must reimburse the AuthorityPhoenix IDA the difference. Actual expenses incurred in excess of any advance will be reimbursed by the AuthorityPhoenix IDA.

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B. PROCEDURES

~~Below is a key procedure to maximize the effectiveness of this policy:~~

- ~~• No later than 24 months after the last review period, the Board of Directors shall, upon action of the Executive Committee, review and act to continue and/or amend, or terminate this Policy.~~

APPROVED:

Sal Rivera
Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona

Policy Review History

- May 6, 2015: Executive Committee reviews and approves minor revisions to policies: 100, 101, 200, 203 and 300
- May 1, 2015: Finance Committee reviews and approves minor revisions to policies: 201 and 202
- **June 9, 2014:** Executive Committee reviews and approves minor revisions to policy: 200
- **May 29, 2013:** Community Impact Fund Committee reviews and approves minor revisions to policy: 203
- **April 30, 2013:** Finance Committee reviews and approves minor revisions to policies: 201 and 202
- **February 6, 2013:** Executive Committee reviews and approves minor revisions to policies: 100, 101 and 300
- **June 14, 2012:** Board of Directors adopts new policy: 203
- **May 22, 2012:** Community Impact Fund Committee reviews draft of new policy: 203
- **February 9, 2012:** Board of Directors approves amended policies: 100, 101, 201, 202 and 300
- **February 1, 2012:** Executive Committee and legal counsel review policy changes. Committee recommends Board of Directors approval of amendments to policies: 100, 101, 200, 201, 202 and 300. No changes recommended: 200

PROCEDURES

Below is a key procedure to maximize the effectiveness of these policies:

- No later than 24 months after the last review period, administrative staff shall evaluate policy(ies) and make recommendations, if any, to the respective Committee(s) regarding amendments or terminations. Material amendments to, or termination of, policy(ies) require action of the assigned Committee(s) and ratification of the Board of Directors. Governance Policies shall remain in effect until terminated by the Board of Directors.

APPROVED BY:

Lydia Lee Date
Community Relations Administrator
The Industrial Development Authority of
the City of Phoenix, Arizona

Juan Salgado Date
Executive Director
The Industrial Development Authority of
the City of Phoenix, Arizona

Sal Rivera Date
Secretary
The Industrial Development Authority of
the City of Phoenix, Arizona