

SYSTEMS POLICIES



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	C&R 103 Performance Reporting Noncompliance
Policy Owner:	Jake Kuester
Policy Author:	Jake Kuester

Summary:

This policy outlines the process by which WEDC works with our customers to collect on past due performance reports.

Standards:

30 Days Past Due

When a performance report is 30 days past due, a past due notice will be sent to the award recipient in the form of a letter. When the past due notice is mailed to the award recipient via USPS certified mail, a PDF version of the past due notice will be added to the project file, and an e-mail will be sent to the Account Manager.

If the performance report is received within 30 days of the date of the initial past due notice, the tracking software will be updated to reflect current reporting status.

60 Days Past Due

If no report is received within 30 days of the date of the initial past due notice, the Vice President Credit & Risk will be notified and will send a follow-up past due notice to the borrower. WEDC's Vice President Credit & Risk will be listed as the contact on the follow-up late notice letter. The follow-up past due notice will inform the award recipient that if the performance reporting delinquency is not addressed, WEDC may take action against any collateral or guarantor securing the contract between WEDC and the borrower.

When the follow-up past due notice is mailed to the award recipient via USPS certified mail, a PDF version of the past due notice will be added to the project file, and an e-mail will be sent to the Account Manager.

If the report is received within 30 days of the date of the follow-up past due notice, the appropriate tracking software will be updated to reflect current status.

90 Days or More Past Due

If no report is received within 30 days of the date of the follow-up past due notice, the Vice President of Credit & Risk and the Legal & Compliance Division will be notified that the account is in non-compliance. Those Departments will determine the next appropriate steps. Unless extenuating circumstances exist, the Legal & Compliance Division will then prepare a letter informing the award recipient of non-compliance status and advising that WEDC may pursue legal remedies if the non-compliance issue is not cured. WEDC Legal Counsel will be listed as the contact on the non-compliance notice.



When the past due notice is mailed to the award recipient via USPS certified mail, a PDF version of the past due notice will be added to the project file, and an e-mail will be sent to the Account Manager.

If the report is received within 30 days of the date of the non-compliance notice, the appropriate tracking software will be updated to reflect current status and a notification sent to the Vice President of Credit & Risk and the Legal & Compliance Division.

If a report is not received within 30 days of the date of the non-compliance notice, the Vice President of Credit & Risk and the Legal & Compliance Division will be notified. The Legal Department will work with the Vice President of Credit & Risk and the Finance Department to determine the appropriate next steps, which may include referral to the Department of Administration (DOA), external collections, or assessment of a penalty.

Attachments:

Not applicable.

Revision History:

Drafted by Jake Kuester 6/27/2013.

Approved by Policy Committee with requested changes 6/28/2013.

Removed references to specific titles; updated approval signature approval page 9/23/2013.

Approved by internal Policy Committee 9/24/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: 9/26/2013

Review by the Policy Committee of the Board of Directors:

Denied Date: _____

Forwarded to Board of Directors Date: _____

Approved by the Board of Directors:

Approved

Signature: _____ Date: _____

Denied Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	FIN 100 Corporate Credit Cards
Owner:	Gina M. Smetana
Author:	Gina M. Smetana

Summary:

This policy establishes the Wisconsin Economic Development Corporation's policy regarding the issuance and use of corporate credit cards.

Standards:

Eligibility:

Full-time, permanent employees of the Corporation may be issued a corporate credit card if it is necessary for the employee to carry out the duties of his or her job. Criteria that will be used to determine necessity include:

- whether the employee conducts frequent in-state travel that requires the employee to incur expenses for which payment by credit card is appropriate;
- the extent to which national and/or international travel is required as part of his/her regularly assigned duties; and
- the frequency with which the employee is required to purchase goods or services for the Corporation that cannot be easily procured through other methods.
- Limited-term employees are ineligible for corporate credit cards.
- No employee may be issued more than one corporate credit card without approval from the CEO.

In order for an employee to be issued a WEDC corporate credit card, the employee's manager must complete a "WEDC Corporate Credit Card Request" form and submit it to the controller's office for review and approval.

Requests will be reviewed by the controller and eligibility determinations will be made based on the above criteria.

Credit Limits:

Each corporate credit card will have a monthly limit set at an amount determined by the Controller. Requests for monthly credit limits in excess of \$5,000 must be approved by the CFO.

Appropriate Uses:

WEDC corporate credit cards shall be used only for official business of the Corporation and cannot be used for personal transactions or cash advances. Violations of this policy may result in an employee's corporate credit card privileges being revoked, cancellation of the card, disciplinary action. In cases of misuse, the Corporation reserves the right to recover any inappropriately charged amounts from the cardholder.



Monthly Statements and Approvals:

Corporate credit card expenditures must be reconciled with accounts payable and all receipts submitted to the finance department within 15 business days of the statement date. Cardholders who do not reconcile their monthly expenditures within this timeframe will be sent a reminder of their obligations under this policy. Continued or repeated non-conformance to this policy may result in cancellation of the card or other such actions as appropriate.

All employee expenditures must also be approved the employee's manager within 30 business days of the statement date.

Cardholder Responsibility:

Cardholders must submit transactional evidence to support all charges made to the card— preferably in the form of the original receipt—to the Corporation's finance department on a monthly basis as part of the reconciliation process described in the previous section.

On the rare occasion that a receipt is unavailable, then a missing receipt declaration form MUST be attached. There must be a missing receipt declaration form for each missing receipt. (See HR 400 Travel and Expense Reimbursement policy.)

Reimbursement for return of goods and/or services must be credited directly to the card account. No cash should be received by the cardholder.

Lost or stolen cards must be reported to the Corporation's finance department immediately.

Improper or unauthorized use of a WEDC-issued corporate credit card may result in the cardholder being held liable for expenditures, cancellation of the card and/or revocation of card privileges, or disciplinary action.

Record Management:

All documentation associated with the payment of corporate credit cards will be maintained within WEDC's finance department.

Audits of cardholder purchases will occur on a monthly basis by WEDC finance staff. In addition, WEDC compliance staff and external auditors may carry out audits from time to time.

Attachments:

Corporate Credit Card Use Agreement.
Corporate Credit Card Acceptance Form.
Corporate Credit Card Credit Limit Form.
Missing Receipt Declaration Form.

Revision History:

Approved by Policy Committee with requested changes 3/4/2013.



Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Read E. Hall

Date: 3-7-2013



Wisconsin Economic Development Corporation Corporate Policy	
Policy Attachment Title:	FIN 100 Corporate Credit Card Use Agreement (Attachment 1 of 4)
Owner:	Gina M. Smetana
Author:	Gina M. Smetana

**Wisconsin Economic Development Corporation
Corporate Credit Card Application and Use Agreement**

Instructions: Please complete and submit to the Finance Department.

Employee Cardholder's Name (as shown on payroll)	Department	Location	Credit Limit \$	Explanation
Business Mailing Address			Work Phone #	Home Phone #

- The Corporate Credit Card is intended for best judgment purchases (through \$5,000). Purchases made with this card must comply with Wisconsin Economic Development Corporation and Corporate Credit Card User Manual.
- The Corporate Credit Card **MAY NOT** be used for cash advances (ATM machines) or to purchase non-business / personal items / services.
- If the card becomes lost or stolen, the cardholder **MUST IMMEDIATELY NOTIFY** US Bank (1-xxx-xxx-xxxx) and the Corporate Credit Card Coordinator.
- When a cardholder terminates employment with the agency or transfers to another agency / division, the sponsor division shall reclaim Corporate Credit Card and return it to the Corporate Credit Card Coordinator.
- Non-adherence to any of the above procedures may result in revocation of individual cardholder privileges and potential discipline, and may result in revocation of all sponsor division.

As an applicant / cardholder of WEDC Corporate Credit Card, I understand the responsibility for the protection and proper use of this card as detailed above and in the Corporate Credit Card Policy and Corporate Credit Card User Manual.

Applicant / Cardholder Signature	Date Signed (nm/dd/ccyy)



I approve the issuance of Wisconsin Economic Development Corporation Credit Card to the above-named employee and acknowledge the overall responsibility for the use of the card.

Department Manager Signature	Date Signed (nm/dd/ccyy)
Corporate Credit Card Coordinator	Date Signed (nm/dd/ccyy)

Complete this section when the Credit Card is received and return this application / use agreement form to the Corporate Credit Card Coordinator.

Note: Sign your card immediately upon receipt.	
Cardholder Signature	Date Signed (nm/dd/ccyy)



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Attachment Title:	FIN 100 Corporate Credit Card Acceptance Form (Attachment 2 of 4)
Owner:	Gina M. Smetana
Author:	Gina M. Smetana

**US Bank Corporate Credit Card
Acceptance Form**

Employee Name _____

Employee Work Phone _____

Employee Work Address 201 W Washington Ave Madison, WI 53703

Monthly Credit Card Limit \$3,500.00

Credit Card # _____
has been issued to the employee shown above.

By accepting this card, I understand that the card

- is to be used for WEDC business purposes only
- must be returned to WEDC when employment is terminated
- may not be used for cash advances
- must be used in accordance with WEDC's travel policy
- must be used in accordance with WEDC's procurement policy
- if lost or stolen, will be reported immediately to the credit card company

In addition, I agree to use the electronic review process (instructions provided at HR orientation) on at least a monthly basis. I also agree to review the transactions charged to my WEDC credit card and/or WEDC credit cards assigned my staff (if applicable) for reasonableness; and, I will approve only appropriate transactions. Finally, I will keep all my original receipts for one year for audit purposes.

I understand my responsibility for the protection and use of the WEDC credit card.

Employee Cardholder

Date

NOTE: Your Social Security Number was NOT used for this card. If prompted for a SSN when you activate this card use all zeros. Also, please register your card online ASAP (using Quick Reference Guide #34).



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Attachment Title:	FIN 100 Corporate Credit Card Credit Limit Form (Attachment 3 of 4)
Owner:	Gina M. Smetana
Author:	Gina M. Smetana

**US Bank Corporate Credit Card
Limit Review**

Employee Name _____

Employee Work Phone _____

Employee Work Address: 201 W Washington Ave Madison, WI 53703

Credit Card # _____

Credit Card Expiration Date: _____

Monthly Credit Card Limit \$ _____

- Reason for Change:

- Requested Credit Card Limit: \$ _____

- Start Date: _____

- End Date: _____

- Comments:

Cardholder Signature: _____ Date: _____

Printed Name: _____

Supervisor or Manager Signature: _____ Date: _____

Printed Name: _____

Title: _____



Wisconsin Economic Development Corporation Corporate Policy	
Policy Attachment Title:	FIN 100 Missing Receipt Declaration Form (Attachment 4 of 4)*
Owner:	Gina Smetana
Author:	Gina Smetana

This form is to be completed as documentation only if the actual itemized receipt is not available. Use of this form in lieu of an actual receipt should be a rare exception, not the rule. The form must be filled out completely, signed by the Employee and approved by the Supervisor or Manager.

Vendor Name: _____
 Telephone Number: _____
 Address: _____
 Date Order Placed: _____
 Placed By: _____

Description/Items Purchased	Cost
Total	\$

Why is the original itemized receipt missing? _____

Business Purpose of Transaction: _____

Employee Signature _____ Date _____
 Printed Name _____
 Signature of Supervisor or Manager _____ Date _____
 Printed Name _____
 Title _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	FIN 101 Receivables
Owner:	Controller
Author:	Stephanie M. Walker

Summary:

The purpose for this policy is to ensure proper financial reporting over all receivable balances, provide staff with guidance for daily duties, ensure consistency between individuals, and document internal controls over this policy area. Examples of receivables include:

- Loans
- Interest on loans or investments
- Due from other governments
- Miscellaneous receivables

Regulatory Reference(s):

Accounting principles generally accepted in the United States as applied to governmental units.

Responsibilities:

The Controller's office is responsible for ensuring the implementation of all provisions of this policy. Account managers and managers with budget authority as defined by GOV ADM 101 are responsible for ensuring amounts to be billed are provided to the finance department for invoicing and tracking. Finance staff are responsible for billing and account reconciliation processes.

Standards:

This policy is designed to review financial statement and operational risks related to receivables and to outline WEDC's policy for mitigating these risks. It is WEDC's position that this policy be applied to all receivable balances over a de minimis level.

The financial statement assertion risks that relate to receivables include:

- Existence – this is the risk that a receivable will be reported in the financial statements when there is no receivable.

WEDC chooses to mitigate this risk in two primary ways. The first is by ensuring we have proper segregation of duties over the revenue/receivable cycle. This entails ensuring that one individual employee cannot authorize the extension of credit to an account, send bills/invoices to the account, and receive payments on individual account balances.

The second way WEDC shall ensure actual existence of receivables is by obtaining supporting documentation of the receivable prior to funds being disbursed or credit being extended. It is expected that this supporting documentation would include a signature and/or other supporting correspondence from the person owing funds such as a signed contract or investment description.



- Valuation – this is the risk that a receivable reported in the financial statements will not be collected in full.

WEDC will mitigate this risk through regular billing of aged receivable balances, monitoring of past due amounts and reducing the net receivable reported in the financial statements through the use of an allowance account as follows:

- WEDC has established a credit review process in making extension of credit determinations.
 - WEDC has established a collection policy that details the handling of past due balances.
 - The Controller's office will establish an allowance account. The methods used to calculate the balance will be reviewed at least annually. Calculation method should include:
 - Presumption that balances over 90 days delinquent will be included in the allowance account balance;
 - A portion of current receivables will be added to the allowance account balance; and
 - A portion, up to 100%, of forgivable loan balances will be added to the allowance account balance.
 - Write-off of loan balances will be done in accordance with the Awards Administration policy.
 - Write-offs of other receivable balances will be considered by the Controller's office or delegate on an individual basis.
- Presentation – this is the risk that the balances will not be properly reported in the financial statements and/or footnotes in accordance with financial reporting guidelines.

WEDC mitigates this risk in several ways:

- All receivables will be recorded in the accounting system. They will be recorded through the disbursement process, invoicing process or through the use of manual journal entries.
- The allowance balance will be adjusted at least annually and recorded in the accounting system.
- A subsidiary ledger of receivable balances will be maintained and reconciled to the general ledger accounts on a monthly basis.
- The accounting system will be used to complete the annual financial statements.

Attachments:

Not applicable.

Revision History:

Drafted by Stephanie Walker 7/5/2013; revised following internal policy committee meeting 7/8/2013.
Approved by internal policy committee 7/8/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hall Date: July 8, 2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____

**Wisconsin Economic Development Corporation
Corporate Policy**



Policy Title:	FIN 102 Disbursement Policy
Owner:	Controller
Author:	Stephanie M. Walker

Summary:

This policy serves as documentation of WEDC's controls over the disbursement cycle and as a communication device for disseminating the roles and responsibilities of employees over these processes. Internal controls over the disbursements process are designed to ensure:

- purchases were made in compliance with WEDC's procurement policy;
- expenditures and disbursements are properly recorded in the accounting system;
- disbursements are accurately and timely processed; and
- WEDC is in compliance with all applicable State and Federal regulations over disbursements.

This policy applies to all disbursement requests, including grant and loan award draws, typical business invoices and wire or ACH payments.

Regulatory Reference(s):

Accounting principles generally accepted in the United States as applied to governmental units.
WEDC's Procurement Policy
CEO Designation of Signatory Authorizations for Use of Funds and Executing Documents

Responsibilities:

The Controller's office has authority for the implementing and ensuring these procedures are followed and provides a secondary review of disbursement requests. The Controller's office may deny a disbursement request with cause. Appeals of a denial may be made to the CFO. The CFO may provide special exception from requirements within this policy. Any exceptions made will be documented by the CFO and provided to the Controller's office.

The employee requesting a disbursement is responsible for:

- Ensuring adequate supporting documentation accompanies the request;
- Providing description of the transaction and its purpose;
- Verifying sales tax was not included on the invoice;
- Ensuring payment requests are for goods/services or draws that have been received (excluding prepaids); and
- Collecting a completed a W9 form for new vendors.

It is the primary responsibility of the program/grant manager to ensure that costs charged to State or Federal grants are eligible costs and are made in accordance with those program guidelines.

The disbursement request approver, who will be an employee with budget authority, is responsible for reviewing all requests submitted by their employees and:

- Ensuring proper account coding of the payment request;
- Verify that employee requests were for authorized purchases in compliance with the procurement policy;



- For award draws, verifying that the payment request is in accordance with the contract provisions;
- For payments that are eligible for State or Federal grant reimbursement, ensuring expenditures meet the program guidelines and are eligible for reimbursement; and
- Monitoring their budget to actual results to ensure invoices were charged properly.

The accounts payable staff is responsible for:

- Reviewing documentation submitted includes proper source documentation, account number and documentation of approval;
- Payment of invoices received based on invoice due dates;
- Ensuring new vendors have completed W9s; and
- Vendor maintenance and year end 1099 filing in accordance with federal regulations.

Standards:

This policy is designed to review operational and financial statement risks related to the disbursement of funds and to outline WEDC's policy for mitigating these risks. Segregation of duties is a key control process that affects all risk areas. The Controller's office will ensure that WEDC's workflow includes adequate segregation of duties over the disbursement process by ensuring authorization for disbursement transactions, processing of disbursements and the reconciliation process are not all completed by the same individual. Check stock shall be maintained in a controlled physical location by an individual other than the one writing checks. ACH and wires will require at least two individuals to occur.

All payment requests will include adequate supporting documentation. Adequate supporting documentation will vary depending on the type and method of disbursement, but generally includes:

- Vendor invoice with receiving slip, if applicable (account statements will not be accepted).
- Certain payment requests are required to utilize the request for WEDC payment form.
- For reimbursements (for employee or travel reimbursements see separate policy): invoice, receipt and support showing original payment such as bank statement. For certain construction related reimbursements lien waivers may also be appropriate.
- Some award programs may also require documentation of matching requirements or specific actions or performance prior to funds disbursement.

The financial statements assertion risks that apply the disbursement process include:

- Existence – this is the risk that payments are made to non-existent vendors or for costs which are not WEDC's.

WEDC reduces this risk through the review of invoices by individuals not associated with the payment request and through use of the procurement process. All payment requests will be accompanied by adequate supporting documentation. New vendors can only be entered by the finance department and will only be entered upon receipt of a completed W9 form. WEDC will use the bank's Positive Pay system to verify that checks drawn on our accounts are authorized.

- Completeness – this is the risk that payments are not recorded in the accounting system or are not reported in the proper period.



All disbursements will be processed through WEDC's accounting system, including wire and ACH payments. Disbursements will be reported in the period the payment is made, with the underlying expenditure being recorded in the period incurred. The Controller's office will verify the expenditure is charged to the proper fiscal year through review of disbursement records.

- Accuracy – this is the risk that the calculation of the payment is incorrect.

The employee requesting the payment is responsible for ensuring sales tax is not included on payment requests and that the invoices/draws have not been previously requested for payment. WEDC will not process disbursements from accounts statements. Purchase orders (PO) will be used for all expenditures over \$10,000. The requirement for a PO does not apply for travel related expenses, employee benefits, or regular office costs such as rent and utilities.

- Presentation – this is the risk that the account balances are not reported in the financial statements, expenditures are incorrectly categorized or required footnote disclosures are missing.

WEDC mitigates this risk through controls over account coding. Employees with budget authority are responsible for providing the proper account code. This is reviewed by the Controller's office. Additionally, budget to actual results will be monitored and reviewed by the finance department and CFO periodically during the fiscal year to identify misclassified amounts. WEDC will also identify potential open contracts through the use of encumbrance accounting or the award management system. At year end this list will be reviewed by the Controller's office for proper inclusion in the financial statements and notes.

Attachments:

Not applicable.

Revision History:

Drafted by Stephanie Walker 7/5/2013; revised following internal policy committee meeting 7/8/2013.
Approved with requested changes by Policy Committee 7/8/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: 7-8-2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____

**Wisconsin Economic Development Corporation
Corporate Policy**



Policy Title:	FIN 103 Revenue Policy
Owner:	Controller
Author:	Stephanie M. Walker

Summary:

The purpose for this policy is to ensure proper financial reporting over revenue recognition, establish guidelines for grants administration and program income, and document internal controls over these policy areas.

Regulatory Reference(s):

Accounting principles generally accepted in the United States as applied to governmental units.
Office of Management and Budget Circular A-133 Compliance Supplement 2012
WEDC FIN 101 Receivables Policy

Responsibilities:

The Controller's office is responsible for ensuring the implementation of all provisions of this policy. Account managers and managers with budget authority as defined by GOV ADM 101 are responsible for ensuring amounts to be billed are provided to the finance department for invoicing and tracking.

Project managers applying for State or Federal grants are responsible for:

- Reading and understanding all applicable grant requirements, including an understanding of the Federal compliance requirements;
- Obtaining authorization from the CEO and Controller's office to file for a grant application;
- Providing copies of the grant award letter, grant agreement and any amendments to the Controller's office;
- Working with the finance staff to complete reimbursement requests; and
- Ensuring the program activities and costs are eligible for the grant program.

Finance staff is responsible for:

- Revenue account reconciliations;
- Completion of reimbursement requests on at least semi-annually with a strong preference toward quarterly;
- Completion of reimbursement requests for the end of fiscal year no later than by August 15; and
- Tracking grant request and payments and establishing the accounting records to proper tracking grant expenditures and revenues

The Controller's office is responsible for:

- Reviewing and authorizing all grant awards;
- Reviewing grant reimbursement requests and invoices; and
- ensuring segregation of duties exists over the revenue/receivable cycle. This entails ensuring that one individual employee cannot authorize the extension of credit to an account, send bills/invoices to the account, and receive payments on individual account balances.

Both the grant manager and the Controller's office should review the grant program prior to application to verify that the expected administrative burden of administering the grant program does not outweigh the potential funding to be received.



Standards:

This policy is designed to review financial statement and operational risks related to revenue and grants and to outline WEDC's policy for mitigating these risks. It is WEDC's position that this policy be applied to all revenue balances over a de minimis level. Some risks and the related controls are identified within the receivables policy.

- **Completeness** – this is the risk that revenue is not reported in the financial statements in accordance with accounting regulations.

Under governmental accounting regulations for fund accounting revenue is not recognized until it is both measurable and available. For financial statement purposes, revenue will be considered to be available if received within 60 days of year end. All invoices will be prepared by the finance department using the financial accounting system to ensure that revenue is recorded.

- **Presentation** – this is the risk that revenue will not be properly classified in the financial statements, or that required disclosures will not be made.

Revenue will be categorized in the financial statements by source. Revenue not received within the period of availability will be reported as unearned revenue.

Grants Administration

There are many components to a grants administration system. WEDC is committed to ensuring all State or Federal grant regulations are followed. Specifically there are two grant revenue policy related provisions that are discussed below.

Program Income (Excerpted from OMB Cost Circular A-133 Compliance Supplement section J. Program Income)

Program income is gross income received that is directly generated by the federally funded project during the grant period. Except as otherwise provided in the Federal awarding agency regulations or terms and conditions of the award, program income does not include interest on grant funds (covered under "Cash Management"), rebates, credits, discounts, refunds, etc. (covered under "Allowable Costs/Cost Principles"), or interest earned on any of them (covered under "Cash Management"). Program income does not include the proceeds from the sale of equipment or real property (covered under "Equipment and Real Property Management"). Program income may be used in one of three methods: deducted from outlays, added to the project budget, or used to meet matching requirements. Unless specified in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays. Unless Federal awarding agency regulations or the terms and conditions of the award specify otherwise, non-Federal entities have no obligation to the Federal Government regarding program income earned after the end of the grant period.

The grant manager is responsible for identifying any program income generated by the program and deducting those revenues from the expenditures claimed, unless otherwise noted in the grant agreement. The Controller's office will work with the grant manager to ensure that program income is easily identifiable for reporting purposes and to prepare the reimbursement requests. The Controller's office through their review of the reimbursement or payment requests will verify this has occurred in accordance with State or Federal guidelines.



Grant Administrative Charges

Administrative costs are allowable costs under most grant programs. The allowed amount may be capped at a certain dollar amount or a percentage of the total grant award. WEDC has not developed an indirect cost plan (nor is one required to be developed). Accordingly, we will convert indirect, or administrative, costs to direct costs through time reporting for staff salaries and benefits and by manual cost allocation of individual purchases when necessary.

Direct costs are those costs that can be identified to benefit a specific program

- A. Salaries and benefits of persons who provide direct services to program beneficiaries
- B. Travel costs that can be specifically identified to benefit a particular program
- C. Equipment purchased for a specific program
- D. Maintenance and/or insurance for the above
- E. Supplies which are used for only one program
- F. A contract for professional services which benefits a single program
- G. Printing and mailing which benefits a single program
- H. Telephone costs of programs
- I. Occupancy costs of programs

Administrative costs usually allocated to programs through costs allocation plans or approved indirect rates

- A. Salaries and benefits of the executive office, personnel administration, accounting, information technology, and other staff whose work benefits the agency on whole

Staff time to be charged to grants will be reported through time reporting.

Other Revenue

Consistent with Wis. Stat. § 238.04, WEDC may establish user fees to aid in revenue diversification, to cover the direct costs incurred during specific program activities (such as loan origination fees), to encourage timely action or repayment of funds, or to ensure the seriousness of applicants. User fees should be designed such that the collection efforts do not outweigh the fee and should take into account that one of our primary activities is to provide funding to other organizations. The establishment or increase in any new fees will be authorized by the CEO or COO and CFO.

Attachments:

Not applicable.

Revision History:

Drafted by Stephanie Walker 7/5/2013; revised following internal policy committee meeting on 7/8/2013.

Approved by internal policy committee on 7/8/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hall Date: July 8, 2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____

**Wisconsin Economic Development Corporation
Corporate Policy**



Policy Title:	FIN 104 Fund Balance Policy
Owner:	Stephanie M. Walker
Author:	Stephanie M. Walker

Summary:

The purpose for this policy is to document and communicate policies related to the categorization of fund balance and the management of fund balance reserve levels. The establishment of target fund balance levels is an important tool that helps WEDC ensure availability of funds for operations and programs, handling of contingencies, generate investment income, as well as setting the stage of long range financial planning. A written fund balance policy also helps build a shared understanding of the proper level and use of fund balance.

Regulatory Reference(s):

Accounting principles generally accepted in the United States as applied to governmental units.

Definitions:

Fund balance - The excess of assets over liabilities for governmental fund types, sometimes called surplus or reserves. Fund balance can also be thought of as the cumulative balance of revenues exceeding expenditures.

Categories of Fund Balance:

Non-spendable – Includes fund balance that cannot be spent because they are either a) not in spendable form (for example inventory, prepaids, or long-term receivables) or b) legally/contractually required to be maintained intact.

Restricted – unspent funds with constraints on their use. The constraints must be either a) externally imposed by creditors, grantors, donors or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action.

Assigned – these are amounts that are intended to be used for a specific purpose but that do not meet the definitions of restricted or committed. Intent should be expressed by either a) the governing board or b) another body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. For example: the amount of fund balance used in next year's budget, as expressed through the budget document, would be assigned fund balance.

Unassigned – The residual balance within the General Fund.



Standards:

Committed Fund Balance

If WEDC desires to set aside fund balance for specific purposes as committed fund balance, the governing body will establish the commitment through the adoption of a resolution, passed by the majority of the Board. Commitments made through this mechanism can only be released through the same action.

Assignment of Fund Balance

Through the adoption of this policy WEDC establishes an assignment of fund balance to be used as an allowance for loan guarantees. The exact amount to be included in this allowance will be determined annually, by the Chief Financial Officer (CFO) with recommendation from the Vice President of Credit and Risk through the review of outstanding loan guarantees on a case by case basis.

Under governmental accounting regulations assignments of fund balance are also established for any use of fund balance included in the subsequent year's budget. Governmental accounting regulations also consider open encumbrances, unless required to be reported as restricted or committed, to be assigned fund balance.

Through the adoption of this policy the WEDC board delegates authority to the Chief Executive Officer (CEO) or the CFO to establish other assignments of fund balance.

Unassigned Fund Balance

Unassigned fund balance provides funding for daily cash flow and operational needs. WEDC shall seek to maintain unassigned fund balance between 15 and 25% of total revenues. This target was developed by considering WEDC's daily cash flow needs; the timing of receipt of major revenue sources; the volatility of the timing of WEDC's programming expenditures; and the existence of the assigned fund balance levels.

If unassigned fund balance exceeds this target the CEO, CFO and Chief Operations Officer (COO) will develop a plan to utilize excess funds in a sustainable manner that does not result in future structural budget deficits.

If unassigned fund balance is below the target range the CEO, CFO and COO will develop a plan to rebuild fund balance to the target range.

Use of Fund Balance

The existence of adequate levels of fund balance is a key indicator of financial health. As such, fund balance should only be used in a planned, strategic manner. The use of fund balance to balance operating budgets creates a future structural deficit between available revenues and continuing/operating expenditures. The decision to use fund balance in the annual budget will be restricted to:

- fulfillment of previous years' program commitments that had been funded in the previous years' budget cycles;



- non-annually recurring capital purchases;
- non-annually recurring projects which will result in future operational cost savings;
- non-annually recurring program start-up or pilot program costs; or
- other non-annually recurring expenditures or special projects.

Any use of fund balance within the annual budget will be approved by the CEO, CFO and COO. This will also be approved by the governing board via the adoption of the budget.

Spending Order

When an expenditure is incurred for specific purposes for which multiple categories of fund balance are available for use, WEDC will use restricted funds first, followed by committed funds, assigned funds and then unassigned funds.

Responsibilities:

This policy must be approved by the Board of Directors.

The Controller's office is responsible for ensuring the implementation of all provisions of this policy.

Attachments:

Not applicable.

Revision History:

Drafted July 1, 2013 by Stephanie Walker; revised following July 8, 2013 internal policy committee meeting.

Approved at 7/8/2013 internal policy committee meeting.

Approved by Board of Directors with requested change 7/23/2013.



Approvals:

This policy is effective as of the date of signature by the Board of Directors.

Approved by CEO:

Signature: Reed E. Lee Date: July 24, 2013

Approved by the Board of Directors:

Approved

Signature: [Handwritten Signature] Date: July 31, 2013

Denied

Date: _____

**Wisconsin Economic Development Corporation
Corporate Policy**



Policy Title:	FIN 105 Financial Controls Policy
Owner:	Stephanie M. Walker
Author:	Stephanie M. Walker

Summary:

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework of, "Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance." (Commission, May 2013)

COSO also identifies the five integrated components of internal control as the control environment, risk assessment, control activities, information and communication and monitoring activities.

Internal controls exist at many levels and points throughout the organization, thus no policy could encompass of those individual policies and practices. Instead this policy is designed to provide an overarching summary of how WEDC will implement internal controls organization-wide.

Regulatory Reference(s) and Work Cited:

Accounting principles generally accepted in the United States as applied to governmental units. Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework Executive Summary May 2013

Responsibilities:

As internal controls permeate all levels and roles throughout the organization, all employees are responsible for the consistent implementation of this policy.

Standards:

Control Environment

The control environment affects all employees at WEDC and the effectiveness of all other parts of the internal control framework. "The board of directors and senior management establish the tone at the top regarding the importance of internal control including the expected standards of conduct." (Commission, May 2013)

WEDC management and board of directors are committed to:

- ensuring that WEDC has a positive control environment;
- providing the financial resources, staff time, and training to ensure WEDC's internal controls are established and functioning;
- attracting, hiring, developing and retaining competent individuals in alignment with objectives;
- the establishment of an internal control framework that will allow the organization to achieve its objectives; and
- holding individuals accountable for their internal control responsibilities.



Risk Assessment

A comprehensive risk assessment will help identify internal and external factors that could impair WEDC's ability to meet our operational, reporting and compliance objectives.

WEDC will conduct financial risk assessments on a periodic basis. This risk assessment will identify significant risks and evaluate how those risks should be managed. This assessment will also consider the potential for fraud. The risk assessment process will be overseen by the Audit Committee.

Control Activities

Control activities are established through policies and procedures in order to reduce or mitigate risks to a tolerable level. Control activities should also be balanced so that the cost of the control does not outweigh the benefit received.

WEDC has identified three key control activities that impact all financial transactions. WEDC's financial policies and procedures will be designed with specific key financial control activities in mind. These key financial controls are:

- segregation of duties
- periodic reconciliation of account balances, and
- periodic review of financial reports by those with knowledge about results

Segregation of duties means that one individual should not engage in all three primary parts of a transaction: 1. Custody of assets, 2. authorization for the transaction and 3. reporting or reconciling of the related account balances. WEDC will ensure that segregation of duties exists over the significant transaction cycles. If segregation of duties is not practical other mitigating controls will be developed.

Reconciliation of account balances involves:

- comparing the account balances as shown in the general ledger to a second source of information, such as a subsidiary ledger, bank statement, invoices, contracts or cash receipts,
- identifying any differences between the account balance and other source,
- making adjustments to the account balance as needed

The Controller will ensure that all balance sheet accounts are reconciled either monthly, or quarterly and that all reconciliations are reviewed by another individual. Significant income statement accounts may also be reconciled periodically, depending on type and amount.

Periodic review of financial reports involves reviewing individual account balances in comparison with an expected value. Balance sheet accounts will be compared to the previous year, month or quarter while revenues and expenditures will be compared to the established budget. This review will be completed by the Controller monthly and the CFO at least quarterly.

Financial reports, including revenues, expenditure, and balance sheet accounts will also be distributed to WEDC's Vice Presidents, Department Heads, COO, CEO and governing board on at least a quarterly basis.



Information and Communication

It is essential that all employees of WEDC understand the internal control system and procedures in place at the organization. In order for this understanding to occur, WEDC has established a process of documenting our policies and have adopted a policy dissemination and training policy. Additionally, all policies will be available to our employees through our electronic systems for easy reference.

Monitoring Activities

Monitoring activities encompass many practices, such as employee evaluations, an internal audit function, and certain board oversight procedures. These activities are essential in ensuring that the other parts of the internal control framework are functioning. WEDC employees will also communicate significant deficiencies in internal controls to those individuals responsible for taking corrective action on a timely basis.

Attachments:

Not applicable.

Revision History:

Drafted by Stephanie Walker 7/7/2013; revised following internal policy committee meeting 7/8/2013.
Approved by internal policy committee 7/8/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: July 8, 2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____



Wisconsin Economic Development Corporation Corporate Policy	
Policy Title:	FIN 107 Journal Entries
Owner:	Gina Smetana
Author:	Natalya Krutova

Summary:

The purpose of this policy is to ensure the Finance Department can manage the stewardship of the Wisconsin Economic Development Corporation's funds, produce financial statements pursuant to Generally Accepted Accounting Principles (GAAP), Financial Accounting Standards (FASB), and federal and state funding agency regulations.

Regulatory Reference(s):

Governmental Accounting Standards Board Statements
State of Wisconsin Uniform GAAP Conversion Policies and Procedures Manual

Policy:

The creation and approval of the general ledger journal entries is the responsibility of the Finance Department. Journal entries are created either manually or are system generated. Manual journal entries are entered either directly into Intacct General Ledger (GL) or electronically uploaded into the GL through the import process.

Procedures:

Finance staff creates required journal entry files with supporting documentation or reconciliation detail. The Controller approves manual journal entries prior to posting into the GL. System generated journal entries are automatically post to the general ledger and no approval is necessary. The following is a listing of the types of journal entries processed in the GL.

1. **System Generated Journal Entries:** Created automatically at regularly scheduled time intervals determined by the Finance Department to post the subsidiary ledger transactions (Accounts Payable, Cash Management, Employee Expenses, and Account Receivables) or recurring journal entries to the appropriate GL accounts.
2. **Manual Journal Entries:** Entered directly into the Intacct GL or through an electronic interface (such as credit card transactions and payroll) into the Intacct GL. These transactions are input by the Finance Department and reviewed and approved by the Controller for the purpose of posting accounting transactions or adjusting previously recorded GL transactions. All supporting documentations should be attached to the journal entry electronically and saved in the Finance electronic storage system in the period that the entry is posted.



Journal Entry Preparation:

- 2.1 The journal preparer is responsible for reviewing any supporting documents and assuring that they are accurate prior to preparation explaining why the journal entry has been created and the basis on which it is being made, including ensuring debits equals credits and are in balance on the journal entry.
- 2.2 The preparer of a journal entry cannot authorize that same journal entry for posting to the GL.
- 2.3 Authorization may take the form of online approval and may also be in the form of an attachment to the journal being processed containing evidence of approval.
- 2.4 Supporting documentation is required to ensure the purpose of the entry is understood by staff and auditors. A journal should clearly provide:
 - as much detail as needed to explain the purpose of the journal (e.g. reclassification of income/expense, reimbursement, correction, allocation, transfer, expense/revenue sharing);
 - sufficient detail to specifically identify original transactions impacted (e.g. unique reference number, time period, account string from/to, transaction source, vendor, amounts); and
 - Controller approval.

3. Definition:

Title	Symbol
Accounts Payable Adjustment Journal	APAJ
Accounts Payable Journal	APJ
Accounts Receivable Adjustment Journal	ARAJ
Accounts Receivable Journal	ARJ
Cash Disbursements Journal	CDJ
Cash Receipts Journal	CRJ
Employee Expenses Adjustment Journal	EEAJ
Employee Expenses Disbursements Journal	EEDJ
Employee Expenses Journal	EEJ
General Journal	GJ
Payroll Journal	PYRJ

Revision History:

Drafted by Natalya Krutova 4/24/2013. Approved by Policy Committee 5/15/2013.

Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Reed E. Hall Date: 5/20/2013



Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	FIN 109 Prepaid Expenses
Owner:	Gina Smetana
Author:	Natalya Krutova

Summary:

The Wisconsin Economic Development Corporation has established and maintains an effective accounting system to capture data regarding the financial activities of the Corporation. It follows the accounting and financial reporting standards for state and local governmental units as established by the Governmental Accounting Standards Board (GASB).

The Corporation follows accrual accounting as required by GASB Statement 34. Under accrual accounting, revenue is recognized when earned and expenses are recognized when incurred.

Management and WEDC's Board of Directors require accurate and timely financial reports in order to judge to financial performance of the Corporation and to plan for future activities.

Regulatory Reference(s):

Governmental Accounting Standards Board Statements
State of Wisconsin Uniform GAAP Conversion Policies and Procedures Manual

Responsibilities:

It is the responsibility of WEDC's Finance Department to ensure compliance with this policy and related procedures. The Finance Department is required to establish and maintain accounting systems to collect, record, and report on prepaid expenses. Departments that purchase goods or services in advance are responsible for maintaining adequate records showing dates of receipt and/or dates of service.

Procedures Related to the Policy:

- **Recording Prepaid Expenses:** Payments for goods or services to be received in future accounting periods will be recorded as prepaid expenses. Such amounts are not reflected in the department's expenses for the current fiscal year but are reported as assets in the WEDC financial statements. On July 1, a reversing journal entry will be made to charge the expenses to the next fiscal year.

In some instances, a payment for goods or services will need to be allocated between fiscal years based on the unused portion of the payment. The unused portion at the end of the first fiscal year is an asset of the WEDC to be expensed in subsequent periods as the benefits of the asset are derived.

- **Supporting Documentation:** The Finance Department is responsible for maintaining source documents, working papers, and files supporting prepaid expense transactions for internal and external audit and review. At a minimum, supporting documentation should include a description



of the prepaid expense, the amount expended, date of receipt for goods, and the contract terms for services.

- **Review and Reconcile Prepaid Expenses:** The Finance Department is responsible for reviewing and reconciling all prepaid expense accounts on a monthly basis. A complete review includes ensuring that supporting documentation is available and up to date for each item included in the account. The accounts should also be reviewed for reasonableness.

Revision History:

Drafted by Natalya Krutova 4/17/2013. Approved by Policy Committee 5/15/2013.

Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Reed Z Hall Date: 5/20/2013



Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____

**Wisconsin Economic Development Corporation
Corporate Policy**



Policy Title:	FIN 112 Cash and Investment Policy
Owner:	Stephanie M. Walker
Author:	Stephanie M. Walker

Summary:

The purpose of these investment guidelines is to formalize the framework for WEDC's daily banking and investment activities. The guidelines are intended to be broad enough to allow staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard WEDC's accounts. The primary objectives of this policy, in order of priority, are safety, liquidity and yield.

This policy shall apply to all cash and investments of WEDC. Funds subject to additional federal, state and/or contractual laws and regulations will be invested according to those laws and regulations. Investment returns will may be used for general operations, except when legal and/or program requirements dictate otherwise.

Regulatory Reference(s):

Accounting principles generally accepted in the United States as applied to governmental units.

Responsibilities:

Authority to manage WEDC's investments within the guidelines of this policy is delegated to the Chief Financial Officer and/or the Controller. All purchases and sales of investments will be authorized by the Chief Financial Officer, with funds transfers to be executed through WEDC's normal disbursement process, which require two employees' involvement.

The standard of prudence to be used by the Chief Financial Officer and Controller shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Chief Financial Officer or Controller acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All employees shall abide by WEDC's conflict of interest policy.



Standards:

I. SAFETY

Safety and preservation of principal in the overall portfolio is the foremost investment objective. To ensure the safety of WEDC's deposits and investments, this policy includes sections on what investments are suitable, on how cash and investment balances are to be protected and provides guidelines on what institutions can be used.

Credit Risk and Authorized Investments

Credit risk is the risk that WEDC would lose money due to the default of a bond or securities issuer. WEDC reduces our exposure to this risk by restricting our allowed investments. WEDC is not subject to Wisconsin statutes section 66.0603 regulating allowable investments. WEDC chooses to limit our cash and investments to the following:

1. Checking and saving accounts;
2. Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation, such as the Local Government Investment Pool and Wisconsin Investment Series Cooperative;
3. Certificates of deposits (fully FDIC insured for principal) and certificates of deposit purchased through the Certificate of Deposit Account Registry Service (CDARS);
4. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist of only of dollar-denominated securities;
5. Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government;
6. Bonds of any county, city, drainage district, technical college, WEDC, town or school district of this state;
7. Commercial paper if rated in the highest or second highest tier (e.g. A-1, A-2, P-1, P-2, F1 or F2) by a nationally recognized rating agency; and
8. Overnight repurchase agreements with a public depository as defined in statute 34.01 (5), provided that the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government and held by a third party custodian. WEDC shall be informed of the specific collateral and investments in the repurchase agreements and the agreement shall be collateralized at least 103% of the value of WEDC's investment.
9. Prohibited Investments - WEDC funds will not be invested in derivative type investments such as collateralized mortgage obligations, strips, floaters, etc. Certain types of such investments are not deemed appropriate for use by WEDC.

WEDC will engage in diversification of investments (type, length of maturity and institution) to the extent practicable considering yield, collateralization, investment costs and available bidders.



Concentration of Credit Risk

Concentration of credit risk is the risk that losses become substantial due to the magnitude of WEDC's investment in a single issuer. WEDC shall reduce this risk by limiting our investments in a single issuer to 10% of our total cash and investments balances.

Custodial Credit Risk

Custodial credit risk is the risk of default by the holding institution, i.e. the bank holding cash or securities. WEDC shall reduce this risk by ensuring substantially all funds are either insured, collateralized or registered to WEDC. The terms "substantially all funds" recognizes that there are times when minimal amounts may not be protected in this manner, such as with cash on hand or in cases where the market value exceeds the face value of an investment. This risk is also reduced through WEDC's selection of authorized financial institutions.

1. WEDC deposits will be protected through insurance:
 - a. The Federal Deposit Insurance Corporation (FDIC) currently protects deposits up to \$250,000 for checking and \$250,000 for savings accounts.
2. WEDC deposits in excess of insurance will be protected through collateral:
 - a. With a market valued of at least 103% of the uninsured balances;
 - b. Consisting of bonds or securities issued by the federal government, its agencies or instrumentalities; and
 - c. Held by an independent third party custodian with whom WEDC has a current custodial agreement.

Collateral agreements are to prohibit the release of pledged assets without WEDC's authorization, however substitution of like collateral (value and type) is allowed. The market value increases on certificates of deposit where the face value is FDIC insured are exempt from this requirement.

3. Proof of WEDC ownership of securities will be protected by:
 - a. Securities will be registered through the Direct Registration System in WEDC's name.
 - b. Securities Investor Protection Corporation (SIPC) protects investors by obtaining the securities registered in WEDC's name in the event of a failed brokerage firm. After securities have been obtained by the SIPC, other balances are covered through SIPC protection up to \$500,000 maximum per customer, including \$250,000 in cash balances.
 - c. Trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Authorized Financial Institutions

The Chief Financial Officer shall select and maintain a list of financial institutions to be utilized by WEDC. For a financial institution to be considered for use by WEDC, it must have:



1. Provided proof of state registration;
2. Completed a signed certificate of having read, understood and agreeing to comply with WEDC's investment policy (included in Appendix B)
3. Provide evidence of participation in FDIC and/or SIPC programs, such as FDIC certificate number and specific name of registration.
4. A Safe and Sound rating of 3 (performing) or better according to <http://www.bankrate.com/rates/safe-sound/bank-ratings-search.aspx>. Another industry used rating system may be substituted, with WEDC Board approval.
5. Meet the FDIC's threshold to be considered a well-capitalized bank:
 - a. Total risk-based capital ratio of 10% or higher and
 - b. Has a Tier 1 risk-based capital ratio of 6% or greater and
 - c. Has a leverage ratio of 5% or greaterThese benchmarks are available on the FDIC's website (<http://research.fdic.gov/bankfind/>) under latest financial information, all summary information report lines 105 -107
6. Broker/dealers will provide their most recent Brokercheck report from the Financial Industry Regulatory Authority, Inc (FINRA) along with all Central Registration Depository (CRD) numbers.
7. Safekeeping institutions will also provide a copy of their report on internal controls as applicable to custody procedures.

The items above will be obtained and reviewed by the Chief Financial Officer or Controllers office at a minimum of every three years for all authorized institutions.

WEDC may enter into a contract with an investment advisor. If used, the selection of an investment advisor will be based on the utilization of request for proposal, interviews and reference reviews. Advisory services will be re-bid at least every three years.

II. LIQUIDITY

The Chief Financial Officer or Controller shall ensure that we have adequate funds in usable form to be able to meet our ongoing business needs that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Interest Rate Risk

This is the risk that changes in the market interest rates will negatively affect the fair value of an investment. Generally, the fair value of longer maturity investments is more sensitive to changes in the market interest rate. WEDC shall mitigate this risk by:



1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Limiting the maturities of all investments when purchased to less than five (5) years.
3. Laddering investments to meet cash flow needs.

III. YIELD

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of WEDC's investment strategy is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. A security sale would improve the quality, yield, or target duration in the portfolio.
3. Liquidity needs of the portfolio require that the security be sold.

Given the passive nature of WEDC's investment strategy, appropriate benchmarks for comparison include: the average Federal Funds rate, local government investment pool rate, and average return on the U.S. Treasury Bills.

Policy Considerations

The CFO or Controller shall provide a cash and investment report to WEDC's Board at least quarterly. The report shall summarize investments held and transactions made. It shall also discuss the current portfolio in terms of maturity, rates of return, market values and other features.

All bank and investment accounts will be reconciled monthly. For the purposes of financial statements, all cash and investments with an original maturity of three months or less will be considered cash and cash equivalents. Investments will be reported as required by governmental accounting standards. The Controller and CFO will ensure that adequate segregation of duties exists over the bank reconciliation and funds disbursement process.

This policy will be reviewed at least every three years by the Policy Committee or sooner at the discretion of WEDC Board, Policy Committee, Chief Executive Office or Chief Financial Officer.

Glossary

Because this policy is to be available to the public as well as the governing body, it is important that a glossary of related terminology be part of the policy.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.



COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.

COMMERCIAL PAPER: An unsecured promissory note issued primarily by WEDCs for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit institutions and insurance companies. The mission of FHLB is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. FNMA's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FUNDS: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residuals or equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Examples of some of the funds used by WEDC include the General Fund (main operating fund), Capital Projects Fund, Water, Sewer or Parking Funds.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.



MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establish each party’s rights in the transactions. A master agreement will often specify among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

PRUDENT PERSON RULE: An investment standard that states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking preservation of capital and a reasonable income.

PUBLIC DEPOSITORY: Wisconsin State Statute 34.01 (5) definition: The governing board of each public depositor shall, by resolution, designate one or more public depositories, organized and doing business under the laws of this state or federal law and located in this state, in which the treasurer of the governing board shall deposit all public moneys received by him or her and specify whether the moneys shall be maintained in time deposits subject to the limitations of s. 66.0603 (1m), demand deposits, or savings deposits and whether a surety bond or other security shall be required to be furnished under s. 34.07 by the public depository to secure the repayment of such deposits. "Public depository" means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, federal or state savings bank, or national bank in this state which receives or holds any public deposits or the local government pooled-investment fund.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

U.S. INSTRUMENTALITIES: An organization that serves a public purpose and is closely tied to federal government, but is not a government agency. Many instrumentalities are private companies, and some are chartered directly by the federal government. Fannie Mae, Freddie Mac and Sallie Mae are all examples of federal instrumentalities and carry an implicit guarantee from the U.S. Treasury, not an explicit guarantee.

Attachments:

Cash and Investment Policy Compliance Certificate

Revision History:

Drafted July 1, 2013 by Stephanie Walker; revised July 8, 2013 following July 8, 2013 internal policy committee meeting.

Approved at 07/08/2013 internal policy committee meeting.





Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: July 8, 2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____

Wisconsin Economic Development Corporation Corporate Policy	
Policy Attachment Title:	FIN 112 Cash and Investment Policy Compliance Certificate
Policy Owner:	Stephanie M. Walker
Policy Author:	Stephanie M. Walker



Cash and Investment Policy Compliance Certificate

All financial institutions, broker/dealers, and/or investment advisors Wisconsin Economic Development Corporation (WEDC) conducts banking and investment activities with are required to have completed this certificate, prior to receiving WEDC funds or within 90 days of approval of this policy.

Please read the following statements and initial each individual item and sign below to indicate receipt, acknowledgment, understanding and agreement to comply with the statements and overall investment policy.

_____ I have received a copy of the cash and investment policy for WEDC.

_____ I have read the entire cash and investment policy for WEDC.

_____ I understand the rules, regulations and procedures in the cash and investment policy.

_____ I agree to abide by the rules, regulations and procedures in the cash and investment policy as they relate to any account opened with my institution.

_____ I agree to notify the Chief Financial Officer and the Controller if I believe WEDC is not in compliance with the rules, regulations and procedures established in the cash and investment policy.

_____ I understand that my signature below indicates that I have read, understood, and I agree to comply with WEDC's written policy.

_____ Institution Name

_____ Institution Representative Name (Printed) _____ Title

_____ Bank Representative Signature _____ Date



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	FIN 115 Capital Assets & Capital Expenditures
Owner:	Stephanie M. Walker
Author:	Ekta "Simi" Ragma

Summary:

The purpose of this policy is to ensure that the Wisconsin Economic Development Corporation's capital assets are acquired, safeguarded, controlled, disposed of, and accounted for in accordance with state and federal regulations, audit requirements, and Generally Accepted Accounting Principles (GAAP). This document is intended to describe the standard policies required for recording new and existing assets, changes in assets, and the methodology of record keeping.

Regulatory Reference(s):

Governmental Accounting Standards Board Statements

Roles and Responsibilities:

The major responsibilities each party has in connection with the Capital Assets Policy are as follows:

Employees are responsible for:

1. Reading and understanding the Capital Assets Policy.
2. Assuring property is given proper care and protection and is used for official purposes only.
3. Identifying and notifying to the appropriate Asset Manager (see "**Area of Responsibility**") about any surplus property which is useable but not needed in his/her area, or which is beyond economic repair and therefore to be disposed of.

Assigned Asset Managers (see "**Area of Responsibility**") are responsible for:

1. Maintaining current inventory records for all capital assets acquired and in use under their area of responsibility.
2. Notifying the Controller's Office whenever capital assets are acquired, transferred, sold, donated, destroyed, stolen, lost or otherwise disposed of.
3. Assisting in taking physical inventories, if necessary.

The Controller's Office is responsible for:

1. The establishment and maintenance of an adequate capital asset accounting system/listing that allows for the proper presentation of all assets in the financial statements.
2. Ensuring the capital assets listing is being properly maintained, including the identification of capital assets, accurate use of codes, determination of useful lives, and financial reporting.
3. Calculating and reviewing depreciation on annual basis for financial reporting purposes.



Area of Responsibility:

Facilities Manager – All leasehold improvements, furniture and fixtures, land and building and its related improvements, repairs and maintenance expenditures, and/or related supplies.

IT Director – All of WEDC owned computers, iPads, network printers, telecommunication equipment, software, and any other information technology related expenditures, repairs, or supplies.

Controller's Office – All of WEDC owned vehicles.

Definition:

Capital assets are:

1. Items with a purchase price (or assessable value) of \$10,000 or more and a useful life of two or more years;
2. New construction and renovations, with a cost of \$10,000 or more or (for renovations) a significant improvement of the existing asset or the extension of its useful life. Items representing construction in progress are not depreciated until the construction or renovation is complete.

Capital assets are acquired for use in normal operations and are not for resale or investment purpose.

Assets costing below \$10,000 are expensed in the fiscal year of purchase and are not capitalized. Costs incurred to keep a capital asset in its normal operating condition that do not extend the original useful life of the asset or increase the asset's future service potential are not capitalized. These costs are expensed as repairs and maintenance.

Acquisition/Addition of Capital Assets:

Capital assets can be acquired only by the appropriate Asset Manager. In exceptional cases, employees may engage in capital asset acquisition with prior approval and consultation from the appropriate Asset Manager.

The WEDC follows the same basic procurement policies and procedures for the purchase of equipment and other capital assets as it does for purchase of any other goods and services. Please refer to the WEDC's Procurement Policy for more information.

Classifications of Capital Assets:

Capital assets, which meet the appropriate cost and useful life criteria can be grouped in the following categories:

- **Land:** Real estate without any land improvements.
- **Land Improvements:** Include excavation, fill and grading, removal, construction of retaining walls, onsite sewer and water lines, paving of driveways, parking and other areas, curbs, sidewalks, retaining walls, fences, signs and yard lighting, etc.



- **Buildings (includes building components):** Buildings are roofed structures used for the permanent or temporary shelter of persons, animals, plants, or equipment. The buildings account includes the value of all buildings at purchase price or construction cost by location. When buildings are constructed, all identifiable direct costs are included in the valuation. Direct costs include labor, material, and professional services to construct the building, together with insurance, interest and other costs incurred during the period of construction to ready the building for its intended use
- **Building Improvements:** Improvements made to existing buildings. Any renovation or alteration to an existing building that adds useful space to the structure or extends the facility's useful life will be considered a capital asset. Conversely, improvements that do not add useful space to the structure, or extend the facility's useful life will be considered repair and maintenance.
- **Leasehold Improvements:** Improvements to buildings leased to the WEDC are capitalized if they meet capitalization standards applicable to such improvements.
- **Equipment:** Consists of property that does not lose its identity when removed from its location and is not changed materially or expended in use such as computer equipment, audio visual equipment, office equipment, athletic equipment, appliances, furniture and fixtures, medical equipment, food service equipment, heavy equipment.
- **Vehicles:** Motor vehicles owned by WEDC (Fleet or Personally Assigned) that are used for WEDC's business purpose.
- **Intangibles:** Consists of computer software, trademarks, copyrights, and others as required by GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets. Software training and certain data conversion fees should not be capitalized.

Valuation of Capitalized Equipment:

The valuation of equipment, whether purchased or fabricated, is based on unit cost. The total unit cost is based on historical cost or if the cost is not readily available, estimated historical cost. Donated capital assets will be valued based on estimated fair value at the time of acquisition. Historical cost includes:

1. Actual cash disbursed (purchase price less applicable discounts plus applicable transportation and installation charges) for each unit;
2. The net book value of any assets given in exchange;
3. The present value of any liability incurred; and
4. Additional costs need to place the asset into service.

Training costs are not considered part of the cost of the asset.

Construction-In-Progress (CIP):

CIP is the cost of buildings or other capital projects that are under construction as of the balance sheet date. CIP represents a temporary capitalization of labor, materials, and equipment of a construction project. When the constructed asset is substantially complete, costs in the CIP account are classified to one or more of the major asset categories and corresponding reductions must be made to the CIP account.



Depreciation Policy:

Depreciation represents the write-down or write-off of the cost of the asset over its estimated useful life. In general, the depreciation method/life for assets should be selected for consistent financial reporting. The following depreciation method and useful life should be used for the following asset classifications for financial reporting purposes:

Asset Class	Useful Life	Method
Land	Unlimited	Non-depreciable
Land improvements	10 – 20 years	Straight Line
Buildings	15 – 75 years	Straight Line
Building Improvements	5 – 75 years	Straight Line
Leasehold Improvements	Remaining life of Lease term (5 – 20 years)	Straight Line
Equipment	3 - 7 years	Straight Line
Vehicles	5 years	Straight Line
Intangibles	3 – 7 years	Straight Line

Certain intangible assets, such as permanent easements may also be considered non-depreciable.

Physical Inventory of Equipment:

The Capital Asset Coordinator from the Controller’s Office will provide the assigned Asset Managers with a listing of all reportable property by departmental area each year. Using the listing of reportable property as a basis, a joint inventory may be conducted by the Asset Manager and the Capital Asset Coordinator.

Disposition of Assets:

The Controller’s Office should be notified of the disposition of any asset. The Capital Asset Coordinator from Controller’s Office is responsible for changing the status of records when the disposition of assets occurs.

Revision History:

- Drafted by Ekta “Simi” Ragma 4/17/2013 and revised on 5/16/2013
- Approved by Policy Committee 5/29/2013
- Revised definition of Technology Equipment 6/6/2013
- Revised after CFO’s review 6/27/2013
- Approved by Policy Committee with requested changes 6/28/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hall Date: 6/28/2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors)

Approved

Signature: _____ Date: _____

Denied

Date: _____



Wisconsin Economic Development Corporation Corporate Policy	
Policy Title:	GOV ADM 100 Policy Development and Approval
Owner:	Hannah L. Renfro
Author:	Hannah L. Renfro

Summary:

The intent of this policy is to set forth the framework by which WEDC will ensure consistency and accountability in the development, implementation and maintenance of the Corporation's standard operating systems policies.

This policy was revised following the July 23, 2013 Board of Directors meeting during which it was decided that the full Board must approve new systems policies developed after the date of the meeting before the policy can be effective.

Definitions:

Policy: A statement or statements that set forth the framework by which WEDC makes decisions and operationalizes its mission, values, and principles.

Scope: A listing of the individual(s), division(s), program(s), or activities to which the policy applies.

Stakeholders: The individuals or groups directly affected by a policy, including those who are responsible for policy implementation, oversight, and compliance monitoring, as well as any individual whose work activities the policy impacts.

Responsibility: The position(s) or governing bodies that are tasked with the development, implementation, oversight, and compliance of policies and their associated procedures.

Responsibilities:

Internal Policy Committee:

It is the responsibility of the internal Policy Committee ("the Committee") to act as the governing body for WEDC's policy management program. The Committee will be comprised of the individuals that hold the following positions:

- Chief Operating Officer;
- Chief Financial Officer;
- Chief Legal Counsel & Compliance Officer;
- Office of Public Policy Director; and
- Risk Manager; and
- All Vice Presidents.

The Committee will be responsible for:

- Determining the need for both new systems policies and modifications to existing policies;
- Establishing agreement on the content of those policies;
- Identifying the appropriate owner for each policy;



- Determining the appropriate training appropriate for each policy; and
- Communicating approved policies to WEDC staff.

Chief Legal Counsel & Compliance Officer:

It is the responsibility of the Chief Legal Counsel & Compliance Officer to facilitate the development and implementation of WEDC policies by:

- Making recommendations to the Committee regarding the need for new policies or revisions to existing policies;
- Working with policy owners and authors to ensure that all policies comply with applicable statutory and regulatory requirements and satisfy their intended purpose;
- Reviewing new and revised policies to ensure they are not duplicative or contradictory and are formatted consistently with other WEDC policies; and
- Submitting policies to the Committee for recommendation to the CEO for approval and ensuring that, once approved, they are stored in a centralized policy directory and made available to all staff via the Corporation's intranet.
- Working with the Committee, Human Resources and other departments, as necessary, to develop effective processes for communicating and disseminating policy changes, implementing new or revised policies, and providing staff with any necessary training to achieve ongoing compliance. (See GOV ADM 108 Policy Dissemination and Training.)

Policy Owners:

Each policy will be assigned an owner by the Committee. Policy owners are responsible for:

- Making recommendations to the Committee regarding the need for new policies or revisions to existing policies;
- Determining the key stakeholders that should be consulted when a policy or procedure is being developed, reviewed, or revised;
- Establishing the intent and scope of the policies for which they are assigned ownership; and
- Developing policy training material and coordinate trainings for staff with Trainer. (See GOV ADM 108 Policy Dissemination and Training);
- Developing policy deployment strategy where applicable; and
- Utilizing the policy template when drafting policies (see Attachment 1 titled Policy Template).

Policy Authors:

Each policy will be assigned an author by the owner. Policy authors are responsible for drafting policies using the Corporation's standard template, format, structure and definitions and ensuring that policies are accurate, relevant and serve the purpose for which they were established.

Policy Review and Approval

- The Committee will meet regularly regarding the development, implementation and maintenance of WEDC's standard operating policies.
- Policies approved by Committee will be submitted to the CEO for review and approval. Policies approved by the CEO will be then submitted to the Board of Directors' Policy Committee for review. The Board's Policy Committee may direct changes to the policy or recommend



approval of the policy by the full Board. Unless extenuating circumstances arise, this approval process will be followed for all systems policies.

- Once approved by the Board, all systems policies and applicable supplemental training materials will be made available to WEDC staff. Systems policies will be deployed to staff for their review and acknowledgement.

Systems Policy Proposals

- If a member of the Committee or other staff want the Committee to determine whether a policy should be drafted on a topic, that staff member may draft a corporate policy proposal for submission to the Committee. (See Attachment 2 titled Systems Policy Proposal.) Completion of the policy proposal form is not mandatory. The Committee will determine whether the proposed policy should be drafted and assign owner.
- After the Committee has determined a policy is warranted, the policy author will be responsible for working with the Chief Legal Counsel & Compliance Officer and key stakeholders to draft or revise the policy.
- Once the policy has been drafted or appropriately revised, and comments from the Committee have been incorporated into the document, the Chief Legal Counsel & Compliance Officer or COO will submit it to the CEO for approval.

Policy Revisions

Policy revisions will fall into one of two categories – minor or substantive.

- Policies that require minor revisions will not need to be re-submitted for review or approval by the Committee. Staff will not need to re-read and acknowledge policies with minor revisions.

Minor revisions may include:

- Revisions that do not affect the policy rules or intent of the policy;
- Adding definitions to terminology to increase understanding;
- Rearranging information to improve reading flow; or
- Making corrections to spelling and grammar.

- Policies that require substantive revisions will be re-submitted to the Committee, CEO, Policy Committee, and Board for review and approval. The substantively revised policies will be re-disseminated to staff after the Board's approval. Staff will be required to re-read and acknowledge revised policies. Training on substantively revised policy will be provided to staff as necessary.

Substantive revisions may include:

- Revisions that alters the intent of the policy;
- Revisions that modify or add requirements to the policy; or
- Revisions made to comply with new regulatory requirements.

All policy revisions will be noted in the policy revision history.



Attachments:

Policy Template.
Corporate Policy Proposal.

Revision History:

Approved by Policy Committee with requested changes 2/18/2013.
Revised by Hannah L. Renfro to include requested changes 4/1/2013.
Revised by Hannah L. Renfro to reflect updated approval process including Board of Directors' Policy Committee and Board of Directors' approval 6/24/2013.
Revised 8/14/2013 to reflect updated approval process consistent with Board of Director's Policy Committee charter approved 7/23/13. Updated signature approval page 8/26/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: 7/3/2013

Review by the Policy Committee of the Board of Directors:

- Denied Date: _____
- Forwarded to Board of Directors Date: _____

Approved by the Board of Directors:

- Approved
- Signature: _____ Date: _____
- Denied Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title: [Enter Policy Number and Title]
Owner:
Author:

Summary:

[Enter Text]

Regulatory Reference(s):

[Enter Text]

Responsibilities:

[Enter Text]

Standards:

[Enter Text]

Attachments:

[Enter Text]

Revision History:

[Enter Text]



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and the Board of Directors.

Approved by CEO:

Signature: _____ Date: _____

Review by the Policy Committee of the Board of Directors:

Denied Date: _____

Forwarded to Board of Directors Date: _____

Approved by the Board of Directors:

Approved

Signature: _____ Date: _____

Denied Date: _____

*This template is to be used in conjunction with
GOV ADM 100 Policy Development and Approval Policy



WEDC CORPORATE POLICY PROPOSAL

This document is to be completed when a new policy needs to be developed or when there is a need for an existing policy to be substantially revised.

Proposed Activity: Development of New Policy

Revision to Existing Policy

Draft Policy Statement:

Reason for Policy and Anticipated Result:

Suggested Owner and/or Author:

Urgency:

Submitted by:



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	GOV ADM 101 Procurement
Owner:	Gina Smetana
Author:	Jennifer Hagner

Background

Chapter 238 of the Wisconsin Statutes grants WEDC's Board of Directors the authority to enter into contracts. Through the Bylaws, the Board has delegated that authority to the CEO or his/her designees. This document outlines the policy by which WEDC may procure goods and services and enter into contracts for goods and services.

The practices outlined here are intended to provide vigilant stewardship of resources, inspire stakeholder confidence through consistent and transparent processes, and ensure the vendor community has access to open and fair competition for WEDC's contracts. WEDC will consider all vendors of goods and services to ensure that small businesses, minority- and women-owned businesses, and Wisconsin businesses are used to the extent practicable. While WEDC's procurement of goods and services is not governed by state laws or guidelines, the same four major concepts that underlie the state's procurement system provide the foundation of WEDC's procurement activities: competition, consistency, integrity, and openness.

- *Competition* – To create a competitive environment, WEDC will develop solicitations with clear specifications that encourage bidding by multiple vendors. WEDC shall award contracts to the best value vendor, taking into account the cost and quality of the goods and services provided.
- *Consistency* – WEDC will provide fair treatment of all vendors. Bids and proposals will be compared and evaluated on an equal basis. The specifications in a solicitation will be clearly stated and relate to the deliverables provided in any resulting contract.
- *Integrity* – All decisions and activities will be measured against a standard of fairness that will withstand public and legal scrutiny.
- *Openness* – Solicitations and award decisions will be written in clear, understandable language. With limited exceptions, all records relating to a procurement activity are open to public inspection.

This policy applies to any purchase of goods or services paid from WEDC's accounts, with the exception of those items listed under "Items Not Covered" below. Purchases made using federally-awarded dollars may need to also comply with federal procurement regulations. Employees purchasing goods or services using federally-funded dollars must work with the Controller to discuss particular requirements. All vendors will be required to adhere to State of Wisconsin nondiscrimination laws.

Procurement Methods

Competitive bidding is the preferred method for selecting suppliers of goods and services. WEDC must use the following competitive methods based upon the value of the goods or services to be purchased.



Purchasing thresholds used in this policy apply to the total expenditure amount during the entire term of the contract.

Best Judgment Purchasing (Purchases less than \$10,000):

A purchase may be made from any vendor when the cost for the goods or services is \$0 - \$9,999. Price and quality review from multiple vendors is recommended, but not required. A written request for best judgment purchases over \$2,000 must be prepared and approved by the manager with budget authority. The request shall be either in memo format as illustrated in GOV ADM 101 Procurement Attachment 1 of 4 or submitted through an automated process as directed by the Executive Office. The written request must include a description of the need, justification for selecting the chosen vendor or product (i.e., quality, cost effectiveness, etc.), and the total cost of the contract. A copy of the approved memo must be submitted to the Controller for recordkeeping. If the cost is less than \$2,000, a written request is not required, but the manager with budget authority must be notified before the cost is incurred and will sign the invoice for the expense. A separate request must be made, and approval granted, for items not included in the original approval.

Simplified Bidding (Purchases from \$10,000 - \$99,999):

At least three quotes from viable vendors must be obtained when the cost of the goods or services is at least \$10,000 but does not exceed \$99,999. Quotes may be obtained by any WEDC employee via telephone, fax, catalog, e-mail, mail or the internet. One or more quotes shall be obtained from businesses located in Wisconsin whenever practical.

Written documentation of the quotes and the justification for the selected vendor must be provided either in memo format as illustrated in GOV ADM 101 Procurement Attachment 2 of 4 or submitted through an automated process as directed by the Executive Office. The award should be made to a vendor that meets all requirements and provides the best value to WEDC. The quotes and recommended vendor must be reviewed and approved by the manager with budget authority, the Management Review Committee, and either the CEO, COO, or CFO. A copy of the approved memo must be submitted to the Controller for recordkeeping.

In soliciting quotes from potential vendors, the employee must:

- Outline a clear and accurate description of the technical requirements for the goods or services being procured. A description shall not contain features which unduly restrict competition unless a documented need for that feature is provided;
- Describe to potential vendors form and substantive requirements quotes must meet to be considered and factors that will be used in evaluating the bid; and
- Make an effort to utilize small businesses and minority- and women-owned businesses whenever possible.

Formal Solicitation (Purchases at or above \$100,000):

Formal solicitations consisting of requests for proposals and, if desired, negotiations with top proposers, should occur for procurements at or above \$100,000. Formal solicitations will be noticed broadly and be issued as requests for proposals or requests for qualifications. The CEO has the authority to require a formal solicitation for any procurement of goods or services, regardless of the value. The formal solicitation will:



- Outline a clear and accurate description of the technical requirements for the goods or services being procured. A description shall not contain features which unduly restrict competition unless a documented need for that feature is provided;
- Describe to potential vendors form and substantive requirements quotes must meet to be considered and factors that will be used in evaluating the proposal; and
- Make an effort to utilize small businesses and minority- and women-owned businesses whenever possible.

Respondents to the formal solicitation will be required to provide information regarding their organization, staff, and approach to providing the goods or services in written form which will then be evaluated by WEDC staff. WEDC may, in its sole discretion, enter into negotiations with one or more vendors prior to making an award. Under no circumstances will a vendor's cost proposal be shared with any other vendors during negotiations. WEDC retains the right to reject any and all proposals in its sole discretion. The award should be made to a vendor that meets all requirements and provides the best value to WEDC. The formal solicitation process, evaluation and award decision must be documented either in memo format as illustrated in GOV ADM 101 Procurement Attachment 3 of 4 or submitted through an automated process as directed by the Executive Office. The award decision must be approved by the manager with budget authority, the Management Review Committee, the CFO, and the CEO or COO. Subsequent to an award decision being made, a notice of intent to award will be sent via e-mail to all proposers indicating the vendor that WEDC intends to contract with.

Waivers

Waivers from the competitive bidding requirements outlined in this policy may be granted when that one or more of the following circumstances exists:

- *Sole Source.* The purchase is for a unique or proprietary goods or services available from only one source.
- *Substantial Time Pressure.* The purchase must be made when substantial time pressure exists beyond WEDC's control. Administrative delays or delay in completing the necessary steps or paperwork for purchasing approval are not reason for a waiver.
- *State Contract.* The purchase is made from a current State of Wisconsin contract that provides the goods or services.
- *Intergovernmental Agreement.* The purchase is made directly from a federal, state, or local governmental or quasi-governmental agency or entity.
- *Emergency.* The purchase addresses a situation that (1) was unforeseen, (2) calls for immediate action, and (3) cannot be responded to using established procurement methods.

The Executive Office may waive the purchasing requirements for other reasons only in limited and extraordinary circumstances. All requests for waivers must be clearly documented using the Memo format found in GOV ADM 101 Procurement Attachment 4 of 4.



Approval Authority

Before a solicitation valued at \$10,000 or more occurs, the manager with budget authority shall verify with the Legal & Compliance division that they are utilizing the correct form of solicitation based on the contract amount and specifications.

Awards, contracts, and waivers will be reviewed and approved based on the dollar amount of the contract:

- \$0-\$9,999 – Manager with Budget Authority
- \$10,000 - \$99,000 – Manager with Budget Authority, the Management Review Committee and either the CEO, COO, *or* CFO
- \$100,000 and over – Manager with Budget Authority, Management Review Committee, CFO, and either the CEO *or* COO

The “manager with budget authority” means the head of the division out of which budget the purchase for goods or services is being made, specifically:

- The Chief Legal Counsel & Compliance Officer;
- The Vice President of Economic & Community Development;
- The Vice President of Entrepreneurship & Innovation;
- The Vice President of Business & Industry Development;
- The Vice President of International Business Development;
- The Vice President of Credit & Risk;
- The Vice President of Marketing;
- The Director of Information Technology;
- The Director of the Office of Public Policy;
- The Controller;
- The Human Resources Manager;
- The Executive Office Manager; and
- The Chief Financial Officer
- The Chief Operating Officer or the Chief Executive Officer (provided that, whichever signs off as the “manager with budget authority” is not permitted to also sign off as secondary approval for purchases of \$10,000 or more)

All contracts must be approved by the Legal & Compliance division prior to execution.

Conflicts of Interest

All potential vendors must disclose in writing any potential conflict(s) of interests according to WEDC's conflicts of interest policies.

Contracts must require that if a vendor fails to disclose a potential conflict of interest, and if WEDC determines such failure to disclose involves a material conflict of interest, the vendor's contract may be declared to be void by WEDC and any amounts paid under the contract may be recovered by WEDC. Vendors shall advise WEDC of any changes in potential conflicts of interest.



Items Not Covered

This policy shall not apply to investments, employee benefits, loans, loan guarantees, grants, tax credits, or other disbursements of economic and community development resources, including those to WEDC's Key Strategic Partners.

Additionally, this policy shall not apply to travel related expenses, subscriptions, sponsorships, professional development, business meals, and stock office supplies.

Record Keeping and Review

The manager with budget authority must retain the relevant procurement documents for purchased goods and services according to WEDC's record keeping policies, in adherence to WEDC L&C 104 Records Retention and Document Management Policy.

Revision History:

Drafted by Jennifer Hagner 5/9/2013.
Revised by Jennifer Hagner 5/22/2013.
Approved by Policy Committee with requested changes 5/29/2013
Revised by Jennifer Hagner to include requested changes 5/29/2013

Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Reed E. Hill Date: 5/29/2013



Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Attachment Title:	GOV ADM 101 Best Judgment Purchasing Request Memo (Attachment 1 of 4)
Owner:	Hannah L. Renfro
Author:	Hannah L. Renfro

MEMO

To: [Name]
From: [Name]
Date: [Date]

Re: Request for Purchase at least \$2,000 but not exceeding \$9,999.

Description of Need for Purchase:

Justification for Selecting Vendor and/or Product:

Total Cost of Contract(s):

Approval Signature by Manager with Budget Authority

Date

Please provide a copy of this form to WEDC's Controller upon approval.



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Attachment Title:	GOV ADM 101 Simplified Bidding Request for Purchase Memo (Attachment 2 of 4)
Owner:	Hannah L. Renfro
Author:	Hannah L. Renfro

MEMO

To: [Name]
From: [Name]
Date: [Date]

Re: Request for Purchases at least \$10,000 but not exceeding \$99,999

Description of Need for Purchase:

Quote 1 [Describe or Attach]:

Quote 2 [Describe or Attach]:

Quote 3 [Describe or Attach]:

Justification for Quote Selected:

Total Cost of Contract(s):

Approval Signature by Manager with Budget Authority

Date

Date of MRC Approval

Date

Approval Signature by CFO, COO or CEO

Date

Please provide a copy of this form to WEDC's Controller upon approval.





Wisconsin Economic Development Corporation Corporate Policy	
Policy Attachment Title:	GOV ADM 101 Formal Solicitation Request for Purchase Memo (Attachment 3 of 4)
Owner:	Hannah L. Renfro
Author:	Jennifer Hagner

MEMO

To: [Name]
From: [Name]
Date: [Date]

Re: Request for Purchases at or above \$100,000

Description of Need for Purchase:

Description of RFP Development: [include information on how the RFP was developed, who was involved, how it was noticed/distributed, and when it was issued, when questions were due and Q& A distributed]

Description of RFP Evaluation Process: [include information on how many proposals were received, who was involved in the evaluation, the initial score of the proposals, any follow-up/presentations of proposers, final scores of the proposals]

Award Recommendation: [describe the award recommendation including the recommended vendor and how this vendor represents the best value to WEDC]

Total Cost of Contract(s):

Approval Signature by Manager with Budget Authority

Date

Date of MRC Approval

Date

Approval Signature by CFO

Date



Approval Signature by CFO

Date

Approval Signature by COO or CEO

Date

Please provide a copy of this form to WEDC's Controller upon approval.



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Attachment Title: GOV ADM 101 Competitive Bidding Waiver Request Memo (Attachment 4 of 4)
Owner: Hannah L. Renfro
Author: Hannah L. Renfro

MEMO

To: [Name]
From: [Name]
Date: [Date]

Re: Competitive Bidding Waiver Request for Purchases of Goods and Services

[Please provide a description of the purchase and justification that one or more of the following circumstances exist: unique or proprietary, substantial time pressure, state contract, intergovernmental agreement, or emergency.]

Approval Signature by Manager with Budget Authority Date

Date Approved by MRC
Necessary only if purchase is \$10,000 or more _____
Date

Approval Signature by COO, CEO, or CFO Date
Necessary only if purchase is \$10,000 or more

Approval Signature by CFO Date
Necessary only if purchase is \$100,000 or more

Please provide a copy of this form to WEDC's Controller upon approval.



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	GOV ADM 121 Awards Administration
Policy Owner:	Jake Kuester
Policy Author:	Jake Kuester; Sara Anderson

Introduction

This awards administration policy (AAP) has been approved by the Board of Directors of the Wisconsin Economic Development Corporation (WEDC) and is to be followed by all executive officers, loan committees and WEDC staff members involved with awards management activities.

This policy is subject to the review and approval process as outlined in GOV ADM 100.

Objectives of the Awards Administration Policy

This policy is intended to govern all awards including loans, grants, and tax credits. This policy provides general direction to award management staff and outline specific authority and responsibility parameters in relation to awards administration, thereby assuring that sound awards management practices are being followed and that an acceptable award services portfolio is maintained. This policy establishes the personnel authorized to commit awards, and approve contracts and documents related to award contracts on behalf of WEDC.

This policy will be reviewed through WEDC's organizational systems policy process. However, the Board of Directors is responsible for establishing and maintaining this AAP and assuring that WEDC awarding practices are managed in compliance with this policy. Award transactions and reports will be reviewed to ensure compliance with this policy.

Administration of WEDC's award risk function shall be supervised by the CEO and the Vice President of Credit & Risk (VP C&R). It is the CEO's responsibility to implement this policy, and recommend award risk management strategies and revisions for review through the systems policy process. The CEO may delegate some of these responsibilities to other WEDC staff members, such as the VP C&R. The CEO and VP C&R shall make decisions and answer questions regarding any interpretation or application of this policy or its procedures.

The CEO will ultimately be responsible for all awards granted by WEDC and will see to it all awards granted are reported to the Board of Directors and Awards Risk Committee.

WEDC is expected to make sound and reasonable awards permitted by WEDC's resources and falling within the scope of its Operating and Strategic Plans.

The goal of this AAP is to balance the following objectives:

1. Award Quality

Awards will be granted on a sound and reasonable basis, consistent with the WEDC's operating and strategic objectives.



2. State Support

Because WEDC's statutory mission is to support the economic development of our State, WEDC will serve the State's needs through our awards.

3. Diversification of Risk

The granting of awards will complement WEDC's credit, geographic, or other risk positions. The awards administration staff will seek to diversify, when possible, risks among the different categories of awards.

4. Compliance

Laws and regulations that apply to our awards and the awarding process will be adhered to by all Directors, Officers and staff.

WEDC shall be guided by the following:

1. The granting of awards carries responsibilities. Proper and prudent use of this authority is expected of all personnel. The AAP exists to provide guidance and discipline to the granting process. Violations of the AAP, associated policies and sound credit principles may result in restriction of authority, or other disciplinary measures.
2. Awards should be approved on the basis of the client's ability to meet terms of a WEDC contract. The availability of collateral is seldom an effective substitute for a demonstrated lack of ability to perform.
3. Awards requests based on the projected performance of a client require evaluation. The assumptions underlying the projections should be obtained and analyzed for reasonableness.
4. The use of personal guarantors is encouraged, but strong reliance on personal guarantees as a source of repayment is not recommended. However, the major stockholders or partners (20% ownership or more will be considered "major") of closely held businesses shall generally be required to sign guarantees of loans granted to their business.
5. In the absence or unavailability of the CEO, the COO has authority to approve and sign any award or document for which the CEO has been given authority.
6. In the absence or unavailability of the VP C&R the CFO or COO has the authority to approve and sign any award or document for which the VP C&R has been given authority.

Board of Directors Awards Review and Approval

The Board of Directors shall meet at least quarterly and more often as necessary. Upon approval by the CEO and the Awards Risk Committee the board will have final approval for all new award requests and amendments of existing awards above the following aggregate amounts:



- \$10,000,000 for loans
- \$10,000,000 for tax credits
- \$ 2,000,000 for grants
- All Enterprise Zone Designations

These are in excess of the authority delegated to the (VP C&R), or the approval authority of the Awards Risk Committee.

The VP C&R will present to the Board a recommendation along with any significant comments or concerns of the WEDC originating staff member, the Financial Services Director (or designate) and the appropriate Division Vice President.

The CEO and VP C&R are authorized to sign contracts, and other documents related to the award if the award has been approved by the Board.

Awards Risk Committee Review and Approval

There shall be appointed by the Board of Directors an Awards Risk Committee (ARC) composed of the following:

- CEO
- VP of Credit & Risk (VP C&R)
- Two (2) WEDC Board Members*
- COO
- CFO
- Two (2) Citizen Members** (non-voting)

A quorum of any meeting of the Board Awards Administration Committee shall consist of one WEDC Board member, one citizen member and one WEDC staff member of the committee.

*May rotate among Board members.

**May rotate from a larger pool.

The ARC will have final approval on all new award requests and amended awards in the following, aggregate amounts:

- Loans between \$1,000,001 and \$10,000,000
- Tax Credits between \$5,000,001 and \$10,000,000
- Grants between \$500,001 and \$2,000,000

As with other committees of the Board, all meetings of the ARC will be subject to the open meetings laws. Attendance via teleconference is acceptable for all participants

Generally this committee will meet on a monthly basis, or as otherwise determined necessary by the committee. Minutes of the ARC will be kept and provided to the Board of Directors at the next regularly scheduled, quarterly Board meeting.

The CEO and VP C&R are authorized to sign contracts, and other documents related to the award if the award has been approved by the ARC.



CEO Award Authority

The CEO will have final approval authority of new award requests, and amended award requests up to an aggregate amount of:

- \$ 1,000,000 for loans
- \$ 5,000,000 for tax credits
- \$ 500,000 for grants

All award approvals or modification requests approved by the CEO must also have the prior approval of the VP C&R. Upon completion of underwriting, all awards requests will be forwarded to the VP C&R. The VP C&R will be WEDC's senior awards risk manager and will have significant award risk management and reporting responsibilities. The VP C&R will review all award requests for policy appropriateness, preliminary compliance, and adequate information and underwriting. The VP C&R has the authority to halt the processing of any size or type of award request if, in his/her opinion, it does not meet all the requirements for further processing and/or is lacking in necessary information/data.

Upon approval by the VP C&R the CEO may approve or deny award requests within his/her authority. Upon approval by the CEO requests in excess of the CEO's authority will be routed to the ARC, and/or WEDC Board of Directors as appropriate.

The tiered structure outlined here is designed to enhance the evaluation of awards requests via the submission of complete, informational, awards request presentations. This permits a thorough analysis and discussion of the risk in each request.

It is anticipated WEDC staff will submit all awards requests to the VP C&R, and will do so in a timely fashion. However, it is recognized that certain very urgent circumstances may prohibit the use of the normal request and approval process.

While the CEO has unlimited approval authority, this authority is to be used to approve award requests, without prior submission to the VP C&R, Awards Risk Committee, or Board in only the very most urgent of circumstances. In these circumstances, the CEO must obtain approval from the Chairperson of the Awards Risk Committee prior to award approval. Failure of WEDC staff or the requesting client to effectively plan in advance for an awards request will not constitute a matter of "urgent circumstances."

Approvals granted by the CEO, outside of the normal approval process, should only be for awards without any exceptions to underwriting guideline. Such approvals by the CEO will still require preparation of a written award request for the CEO's review and standard underwriting. Subsequent summary reporting to the Awards Risk Committee and Board will be submitted as soon as possible, but no more than 30 days after said approval.

NOTE: All awards once approved at the appropriate level may have a corresponding letter-of-intent that is signed by the CEO. The CEO has the sole authority to sign letters of intent after an award is approved at the appropriate level. However the CEO & VP C&R have the authority to sign all contracts and documents related to the contract once the award has been approved.



Reporting

Starting Q2 of FY14 on a quarterly basis the Board and ARC will be provided the following awards information:

1. Summary listing of dollar amounts and percentages of loans past due over 30 days.
 - a. By aging
 - b. By county
 - c. By industry (NAICS)
 - d. By program type
2. Clients who have substantially delinquent performance reports in categories of 30 days or more.
3. Clients who are not substantially meeting material performance requirements.
4. Amended awards report.
5. Awards origination report:
 - a. By county
 - b. By industry (NAICS)
 - c. By program type
 - d. By other criteria as directed by the Board
6. Trend Report (bar or line graph; previous years and by quarter for current year)
 - a. Total of all awards
 - b. Breakdown of awards by type
 - c. Total awards past due 30 days or more
 - d. Charge offs
7. Report on Denied loans
 - a. By program type
 - b. By County

Any other information the Board may find necessary and appropriate

Declaration of Non-Discrimination

WEDC will not discriminate against any applicants, discourage any application for an award, nor delay a decision upon any application on the basis of race, color, religion, national origin, sex, sexual preference, marital status, familial status, physical condition, developmental disability or age (provided the applicant has the capacity to contract); or because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act or any other applicable law.



Recordkeeping/Documentation

WEDC will comply with all applicable state and federal requirements regarding the retention of client records. Awards files will be maintained consistent with GOV ADM 104.

Files are to be maintained on each customer in sufficient detail to enable either internal or outside evaluators to determine the worthiness of the client, the status of the account and the adequacy of any security interest. WEDC will document at least the following information:

1. Awards application including, at a minimum, name, amount of award, purpose of award and expected outcomes.
2. Customer requests for amendments of executed contracts
3. Any applicable risk review documents.
4. Contract agreement, which contains the details of any commitment to extend credit, funds, or services over some future period.
5. Financial information on each party to the award.
6. Documentation supporting exceptions that were made for the award.

Types of Credit Services

WEDC extends credit through a variety of different programs and services. The financial assistance provided falls into the three categories of loans, grants, or tax credits.

Each of the programs that WEDC administers operates according to a program guideline that is approved by the Office of Public Policy, the VP C&R, the Controller, the Legal and Compliance team, and the CEO. The guidelines detail, among other things, each program's eligibility requirements, expected results, and underwriting considerations. These programs are designed to meet the current needs and demands of business and communities in the State of Wisconsin, as such, awards can be made with exceptions to these guidelines provided there are mitigating factors to make the exception. These guidelines are also subject to change with approval of the CEO and the Policy Committee of the Board of Directors.

Contracts with Employees, Directors, or Officers

All awards must adhere to WEDC's Conflict of Interest policy. WEDC may not execute a contract with an employee or any business with which an employee has a controlling interest.

Underwriting Guidelines

Applications are submitted to the Financial Services Director by the Account Managers with suggested funding amounts. The Financial Services Director in turn assigns projects to underwriters based upon workload and area of specialization. An underwriter receives notification of the application through the submission of a Salesforce (SFDC) opportunity to 'underwriting' status.



Upon receipt, an underwriter reviews the applications and supporting documentation for completeness. If required documentation is missing from the SFDC opportunity, including but not limited to documentation listed in the 'application/intake' portion of the underwriting documentation checklist, it is requested from the Account Managers to be submitted. When all applicable information has been submitted, the staff review process begins.

Only a checklist will be required for completion if the award or amendment is below the following thresholds:

- \$100,000 in loans
- \$25,000 in grants
- \$150,000 in tax credits

These awards will have the application and completed checklist submitted to the VP C&R for final approval. Checklists are defined within each program guideline. Awards exceeding the checklist format will have a full staff review completed.

The staff review is a document with predefined sections and required information, including but not limited to the project summary, company, management, market, job creation or retention, financial, budget, and competitor information, previous assistance, terms and conditions, county demographics, and a staff analysis of the projects strength and weaknesses. The underwriter supplements the staff review with information provided from the application, emails, memos, internet research, and Account Manager's notes. It is the underwriter's job to evaluate each project from all of the submitted information and provide a detailed funding recommendation which is eligible, feasible, compliant, and defensible.

This process may include but is not limited to financial and programmatic analysis to determine risk, need, viability as determined by the five C's of credit (Character, Capacity, Capital, Collateral & Conditions), economic analysis for impact on the area, background check, compliance with program statute and policy, environmental review, and level of public participation and at which agency level. The underwriter takes all of these aspects into considerations and recommends a level of funding for the project. The recommended funding amount includes terms and conditions for WEDC participation based upon applicable program, statutes, and policy requirements as well as WEDC fund balances.

The underwriter presents the review to the Underwriter Review Group (URG) for consideration and a final recommendation from the Group. During URG, the project is presented with a funding recommendation and justifications for participation or decline. At this time, URG members ask questions regarding the recommended amount, project, strength and weaknesses, and justifications, which should be answered by the presenting underwriter or followed up on prior to a decision. The goals of URG are to provide consistency, ensure accuracy, thorough review, and provide a broad spectrum of expertise. After discussion, a final funding recommendation will be agreed upon by the majority. The recommended amount could change from the initial funding recommendation based upon discussion or could be put on hold until further information is provided by the Account Manager/business.

The recommendation and review is presented to the VP C&R by the Financial Services Director. The VP C&R will ensure the award request is routed for proper approval as outlined in Exhibit 1. Upon approval, a letter of intent will be signed by the CEO and emailed to the business outlining WEDC's terms and conditions for participation in the project; however the letter will explicitly state that it is not a contract and one will be forthcoming. If accepted by the recipient, the letter of intent will be signed and returned within thirty (30) days from the letter of intent date to initiate the contracting process.



If WEDC declines to participate in the project, a decline letter will be sent to the business detailing the reasons for denial. The letter will also outline what steps the business needs to take to become eligible for an award with WEDC, which would not be limited to the award that they originally applied for.

Once the signed letter of intent is received by WEDC, a contract will be drafted and will need to be executed by the applicant within sixty (60) days from the letter of intent acceptance date.

- The contract shall include penalties for non-compliance and reporting requirements on at least one performance metric.
- Contracts for awards that present particular risks may include additional reporting requirements or more stringent default terms.
- Contracts must be fully executed by all parties before funds can be disbursed. If a loan, WEDC's security interest must also be perfected before any loan funds can be disbursed.

There are circumstances when WEDC will provide a letter of support to an organization. These letters outline WEDC's general support for a project, and potential assistance. Letters of Support are contingent upon approval, underwriting, and availability of funds. Letters of Support are provided generally before underwriting is completed. These letters must be approved by the CFO, Chief Legal Counsel, and signed by the CEO.

Award Amendments

Awards recipients will have the ability to request an amendment to the terms and conditions of their contract if a need to do so arises. All amendment requests must be submitted in writing by the company and include, at minimum, the following information:

- Item or terms requested for amendment
- Reason(s) for the request
- If a deferral of payment or anything related to the loan terms, a reasonable plan for repayment once amended and current financials

Amendment requests are subject to the Financial Services Director who in turn assigns to an underwriter based on area of specialization and workload. The underwriter will prepare a WEDC Amendment Authorization Form and review the request for amendment making a recommendation based on but not limited to the following factors:

- Original contract compliance
- Performance Reporting
- Payment Status
- Impact of Amendment
- Likelihood of a Successful Outcome

If the recommendation for approval will be made, the underwriter will draft the amendment which will be taken along with the amendment authorization to URG. During URG, the amendment request is presented along with a recommendation and justifications for amendment. At this time, URG members ask questions regarding the recommendation which should be answered by the presenting underwriter



or follow up on prior to a decision. The goals of URG are to provide consistency, ensure accuracy, thorough review, and provide a broad spectrum of expertise. After discussion, a final recommendation will be agreed upon by the majority.

The recommendation is presented to the VP C&R by the Financial Services Director. The VP C&R will ensure the amendment request is routed for proper approval as outlined in Exhibit 1. Upon approval, the draft amendment will be routed to Legal Counsel for review. Once recommended legal changes have been made, accompanying materials will be finalized and e-mailed to the business for review and signatures. Upon receipt of a signed amendment from the business, the CEO and VP C&R are authorized to sign the amendment and any documentation related to the amendment, notwithstanding the amount.

If WEDC declines to amend the contract, a decline letter will be sent to the business detailing the reasons for denial.

Charged-off Loans

All charge-off recommendations must be presented to the Awards Risk Committee for discussion and further recommendation.

Credits secured by commercial collateral such as general business assets, endorsement of principal owners, pledge of commercial real estate and the like, which are delinquent 90 days or more should be reviewed as to the adequacy of their respective collateral and written down, if necessary, to the likely liquidation value of that collateral. Remaining balances of credits which are the subject of active legal collection action and which are adequately collateralized may remain on the books of WEDC until such time as a final resolution of the situation is reached. Credits, which become part of a bankruptcy proceeding, should be written down to the liquidation value of the collateral regardless of the length of any delinquency within 60 days of receipt of notice, unless the credit will be reaffirmed and/or paid through a payment plan approved by the bankruptcy court.

On a quarterly basis, the VP C&R will prepare a summary of the activity as well as credits charged off, for the quarter just completed. This report will be provided to the Board of Directors, and additional information provided to that group when requested.

WEDC will continue to accrue interest on loans until the entire loan balance is determined to be uncollectable. We will maintain a reserve for loan losses that is adequate, given the overall quality of the loan portfolio, general economic conditions, expected future losses and the level of problem credits in the portfolio. Management will recommend an adequate level for the provision, given losses that can be reasonably expected and will accrue for these.

The Board will ultimately be responsible for assuring an adequate reserve is maintained.

Extension of Additional Credit to Past Due Borrowers Greater than 30 days

Additional credit may not be extended to clients with delinquent loans for the purpose of paying principal or interest payments, without prior written approval of the Awards Administration Committee. The Awards Administration Committee shall not authorize said loans unless there is a certain, identifiable source of repayment for said loans, WEDC can control the source of repayment and repayment is not solely dependent on collateral available or to be pledged.



Attachments:

Not applicable.

Revision History:

Drafted by Jake Kuester and Sara Anderson 6/26/2013.

Approved by internal Policy Committee 7/8/2013.

Revised by Jake Kuester 7/24/2013. Changes include revised definition of Awards Risk Committee quorum, clarification on CEO award approval process, and clarification on underwriting guideline exceptions.



EXHIBIT 1

The following action authorities are to be approved by the Board of Directors and changed as the Board may deem necessary:

1. CEO

Loans up to \$1,000,000

Tax Credits up to \$5,000,000

Grants up to \$500,000

NOTE: These amounts can be exceeded in emergency circumstances

2. Award Risk Committee

Loans \$1,000,001 to \$10,000,000

Tax Credits \$5,000,001 to \$10,000,000

Grants to \$500,001 to \$2,000,000

3. Board of Directors

Loans > \$ 10,000,000

Tax Credits > \$10,000,000

Grants > \$2,000,000

** All approval limits aforementioned, whether for a committee or an individual shall apply to aggregate of awards, excluding bonding authority, and for a client relationship.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hall Date: July 26, 2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	GOV ADM 126 Program Guidelines Approval and Revision
Owner:	Amy Young
Author:	Amy Young

Summary:

In Act 7, WEDC was given statutory authority to develop and implement economic development programs. This policy intends to clarify and establish internal procedures as to how specific programs are developed and approved by executive leadership as part of operations planning. This policy will accomplish three internal operational needs:

- 1) Establish a clear pathway for program development, approval, and quarterly modifications as part of annual operations planning.
- 2) Provide a consistent format for all program information and procedures that can be reviewed as an entire portfolio of WEDC program offerings.
- 3) Establish timelines for modifying and creating programs such that WEDC reviews programs comprehensively on an annual basis and provisions are made for critical mid-year program creation or modification.

This policy creates the following:

- 1) **WEDC Program Guidelines** - Document providing all information on individual programs, including summaries, operations, budget, goals, and supporting forms. This program guideline is not in lieu of the comprehensive Operations Plan (documenting the strategy and goals for a functional area), but is in addition. Division VPs will still submit the Operations Plan for their division as well as a Program Guideline for each individual program operated under their division. The intention of the operating procedures is to provide the instructions as to how we are implementing WEDC's policy directives.
- 2) **WEDC Program Guidelines Manual** - Document comprised of all approved WEDC Program Guidelines. The manual is a supporting document for the Operations Plan and is an official record of program approval and operating instructions.

Regulatory Reference(s):

Wisconsin Statutes Chapter 238.

Responsibilities:

The process for developing and approving Program Guidelines is as follows:

- 1) In consultation with their team, stakeholders and clients, where appropriate, Division Vice Presidents will complete the WEDC Program Guidelines template (Attachment A to this policy) for each program in their division as part of operations planning in the Spring of each year for review and approval at the Annual WEDC Board Meeting.



- 2) All new or revised program guidelines proposals must be submitted to the Director of Public Policy.
- 3) The Director of Public Policy will then solicit feedback on the program guidelines proposal from the Chief Legal Counsel & Compliance Officer, Vice President of Credit & Risk, and the Controller, or others if applicable.
- 4) The Director of Public Policy will compile the input into a memo to be submitted to the respective Vice President along with the applicable program guidelines for further revision, if necessary.
- 5) As part of WEDC's annual operations planning, the CEO and COO will review the program guidelines and accompanying memos, if any, for approval by the COO and CEO.
- 6) The Board of Directors will review the annual operations plan, which will incorporate the program guidelines.
- 7) Vice Presidents are responsible for storing their approved program guides in the "Program Guidelines" Salesforce library.

The approved Program Guidelines will be compiled by the Office of Public Policy into a Program Guidelines Manual. This is a supplemental document to the WEDC Operations Plan which is a more technical reference guide for how programs operate and along what guidelines. The Program Guidelines Manual will be published annually along with the Operations Plan and Strategic Plan.

Midyear Revisions. Once the WEDC Operations Plan is approved by WEDC's CEO and Board, programs may undergo revisions only with a demonstrable critical need. Any and all changes must be approved as follows:

- 1) Division Vice President will resubmit the new or revised program guidelines proposal to the Directory of Public Policy.
- 2) The Director of Public Policy will then solicit feedback on the revised guideline from the Chief Legal Counsel & Compliance Officer, Vice President of Credit & Risk, and the Controller or others where applicable. The Director of Public Policy will compile the input from these individuals into a memo to the CEO and COO.
- 3) The Director of Public Policy will then submit the memo and program guideline to the CEO and COO for review and approval.
- 4) Changes are considered fully approved with signature of CEO.
- 5) The Office of Public Policy will add the approved program guidelines proposal to the Program Guidelines Manual.
- 6) Substantive changes, as determined by the CEO and COO, may require WEDC Board approval.

Statutory Revisions. WEDC's economic development programs may be altered by statute over time. When statutory changes are made to WEDC's economic development programs, WEDC has 180 days from the effective date of the legislation to update any affected program guidelines to be compliant unless the statute includes a specific effective date. During the 180 day period, WEDC will continue to comply with existing policies, which will be considered still in effect.

Standards:

- 1) All new programs or existing program modifications will be submitted on the approved Program Guidelines template according to the schedule outlined in this document.



- 2) Any new or revised programs must be developed and submitted by Division Vice Presidents to the Director of Public Policy.
- 3) The aforementioned administrative managers are responsible for reviewing all submitted procedures and providing modifications or approval.
- 4) Accuracy, implementation, and compliance with approved program guidelines are the responsibilities of division Vice Presidents.
- 5) The Office of Public Policy is responsible for compiling all approved programs into a Program Guidelines Manual.
- 6) Division Teams are responsible for tracking program performance, according to budget and goals provided in the approved templates.
- 7) The following are definitions of programs for the purpose of this policy:
 - a. An **Aid Program** is defined as a program in which WEDC provides funds directly to a business, community, or consortia. For example, providing Economic Development Tax Credits to an eligible company, a Brownfields grant to a community, or a Target Industry award to a consortia are Aid Programs. It also includes pass-through projects or programs.
 - b. A **Pass-through Aid** is defined as a project or program in which WEDC provides funds to an organization within our Extended Enterprise to distribute in sub-awards.
 - c. A **Technical Assistance Program** is a program where there is no direct financial award, but there are specific criteria for WEDC's provision of assistance and/or the eligibility of the client to receive WEDC services.

Attachments:

WEDC Program Guidelines Template.

Revision History:

Drafted by Amy Young 3/26/2013; revisions 4/2/2013 following Policy Committee meeting.

Approved by Policy Committee 4/5/2013.

Updated signature line added 6/24/2013.

Updated version approved by Policy Committee 7/8/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and, if referred by the Policy Committee, the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: 7-8-2013

Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year (Insert)**

Program Name:

Team and Division Lead:

Document Owner:

Date Created:

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Description:

Brief summary of the program design highlighting the key program points, who can participate, what are they receiving and what are they delivering in return

Program Goal:

Write a thoughtful narrative about what the program is trying to accomplish and how it ties to the WEDC core strategies located in the strategic plan.

Eligibility Requirements:

Please specify what requirements there are for participation (for example – fewer than 500 employees, new to exports, etc.) and if there are any regulatory factors.

Incentives and Available Funding (FY INSERT DATE): INSERT BUDGET

What is the range of offerings a business can receive – direct lending up to \$50,000, loan guarantees, export training grants – and at what dollar amounts. Also, lay out what the expected budget is for this program in the field provided above.

Expected Outcomes and Deliverables:

What is this program going to accomplish? Create 2,000 jobs? Bring 50 new companies to export? Every program must have 1 quantitative outcome for each goal.



Performance Metric/Benchmark:

How is success being measured and where is the "official" data coming from? Self-reports from businesses? Pre-approved deemed values?

Application and Awards Process:

How does a business participate – what is the application process, is it online or paper, what notification do they receive? All application and award process should refer to the WEDC Awards Administration Policy (GOV ADM 121). Any deviations should be explained in this section

PROGRAM REVIEW:

This document has been reviewed by the following parties (Check all that apply):

- Chief Legal Counsel & Compliance Officer
- Director of Public Policy
- VP Credit and Risk Management
- Controller or Chief Financial Officer
- Other _____

Dir of Public Policy: _____

Date: _____

Division Vice President: _____

Date: _____

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	HR 400 Travel and Expense Reimbursement
Owner:	Lyra Trapp
Author:	Lyra Trapp; Gina M. Smetana

Summary:

The purpose of this policy is to provide specific guidelines for travel costs and expense reimbursements. Many of the principles included also apply to purchases made with Corporation credit cards issued in the name of the employee. Other Corporation policies, division policies, federal and state authority may impose additional restrictions but cannot supersede those required in this policy.

What is a business expense? In order to be reimbursed, a business expense must be the type of expense that would be deductible in the eyes of the IRS on one's income tax return. The base rule is that the business expense must be both "ordinary" and "necessary" and be directly connected with or related to your profession. The expense cannot be regarded as lavish or extravagant.

The term "ordinary" refers to an expense connected to a common and accepted practice in the Corporation's activities. The term "necessary" refers to an expense that is appropriate and helpful in developing or maintaining your profession and the Corporation's activities. The IRS does not consider all business expenses to be "ordinary" and "necessary". Please note that if a employee expense is deemed non-business (personal) it must be reimbursed to the Corporation within 30 days of the expense. If it is not reimbursed timely, it will be included as taxable income on your W-2 and may result in further consequences.

Regulatory References(s):

IRS Code 162, Trade or business expense
US General Services Administration (www.gsa.com)
US Department of State Maximum Travel Per Diem allowance for Foreign Areas
(http://aoprals.state.gov/web920/per_diem.asp)

Responsibilities:

Employees should familiarize themselves with the types of expenses that are/are not eligible for reimbursement prior to incurring such expenses. Employees may not authorize reimbursement of their own expenses or expenses of supervisors, department heads, etc.

Authorized signers must confirm that expenses and reimbursement requests meet the following criteria:

- The expense meets the IRS guidelines of a business expense
- The travel expense was incurred while conducting Corporation activities
- The information contained in the reimbursement module and the documentation attached is accurate and in accordance with Corporation policy
- Expenses incurred meet applicable authority guidelines (grant related expenses)



- Expenses are coded to the appropriate General Ledger account number, division, location, and program, if appropriate
- Original receipts are maintained in accordance with this policy

Documentation

A properly completed and approved transaction in the reimbursement module must be submitted to Accounts Payable Finance Department within 30 days after the expense has been incurred.

Expenditures or requests for reimbursement must be accompanied by original, detailed documentation to support the expenditure. This may consist of an invoice, original receipt, or other notification, such as an e-ticket or e-mail receipt. Additional information such as a brochure, a flyer or an email can be helpful in explaining the nature of the expenditure.

Each receipt must be scanned and uploaded to the reimbursement module or scanned and attached to the transaction in the credit card website prior to the period end associated with the purchase.

Each receipt must be *individually listed* on the reimbursement request.

Notations should be made on receipts and other documentation to substantiate the expense and indicate the business purpose and U.S. dollar amount if in foreign currency.

On the **rare occasions** that a receipt is unavailable, then a missing receipt declaration form **MUST** be attached. There must be a missing receipt declaration form for each missing receipt.

All Expense Reimbursement Forms must be completed by the individual making the request and approved by his or her supervisor and must include the appropriate General Ledger account number, division, location, and program to be charged.

Reimbursable Business Expenses

- Travel, including
 - (a) Travel considered to be Away from Home Overnight (as defined by IRS Guidelines);
 - (b) Day trips/ Local Travel
- Business Meals and entertaining
- Selected Goods and Services that are not associated with meals or travel
- International travel expenses

If you are unsure if an expense is reimbursable please check with the Finance Department or manager.

Can I obtain a Cash Advance for reimbursable expenses that I expect to incur?

Yes. The Corporation will provide you with a Cash Advance for the estimated amount of your expenses no earlier than 30 days prior to the date of your departure, unless it is to reimburse for an airfare in which case the Cash Advance may be obtained 60 days prior to the date of your departure. The advance amount requested should not exceed the estimated amount of expenses to be incurred while traveling and must be approved by employee's supervisor. Requests and approvals for cash advancement are performed through the finance modules. Questions regarding this process can be answered by the finance department. The advance is considered a personal debt owed by you to the Corporation. It is expected that you will submit your Expense Reimbursement Form to reconcile the advance and repay



any unused amount within 45 days of your return, however we recommend advances are cleared within 30 days after the completion of the event. In our experience, we have found that the longer an advance is outstanding, the more likely receipts will be lost, and therefore funds will have to be returned to the Corporation.

How do I substantiate my reimbursable expenses and what approvals are needed?

You will need to provide written evidence that explains the nature of the business expense and proves that you paid it. The nature of the expense is explained by answering the questions Who? What? Where? When? Why? Substantiating how you paid the expense (proof of payment) is explained under the supporting documentation directly below.

Whether your reimbursement is for travel or other items, you must enter your information into the reimbursement module and attach the appropriate supporting documentation as described in this policy, have your submission approved by your supervisor which will then be submitted to Accounts Payable. This must be completed within 30 days of incurring the expense.

Please double check to make sure that your documentation includes the correct General Ledger account number, division, location, and program to be charged. Please also note that the reimbursement must be charged to the proper fiscal year. As an example, expenses incurred by you on or prior to June 30th must be charged to that fiscal year. Expenses cannot be held for the next fiscal year, even if your budget or other account is overspent in the current year.

What supporting documentation is necessary for reimbursement?

For all items you will need an original scanned and attached receipt that includes information about the purchase and also provides proof of payment.

In all cases, the **receipt needs to be sufficiently detailed (amount, date, place, type of expense – Who, What, Where, When, Why)**. A hotel bill should segregate valid reimbursable charges for lodging, meals, related taxes and tips, etc. from personal charges (personal phone calls, movies, health club, dry cleaning etc.) All itemized restaurant receipts must accompany a credit card receipt. When the restaurant only accepts cash, a detailed receipt from the restaurant will be required – the tear-off guest check typically issued by restaurants is not an acceptable receipt.

Purchases made electronically (via the internet) must be substantiated with a hard copy receipt.

If your receipt does not indicate how you paid the expense, you must also provide additional documentation to show proof of payment (such as canceled check, copy of your credit card statement, cash receipt from vendor). If you are submitting your credit card statement as proof of purchase, please block out your account number and, if you wish, any charges/credits that do not apply. Do not block out your name.

If you did not pay for the expense then you will not be reimbursed for it. Incentives such as frequent flyer miles, vouchers, coupons, gift cards and other non-cash payments do not constitute and will not be accepted as proof of payment because these are not “out of pocket” for the expense. Items such as gift cards or gift certificates will not be accepted as proof of payment even if you purchased the gift card or certificate from personal funds.



On the **rare occasions** that a receipt is unavailable, a missing receipt declaration form **MUST** be attached for each missing receipt.

Please ensure that all paperwork is turned in to the Finance Department with all appropriate approvals and documentation attached to ensure that your expense reimbursement is not returned or deemed taxable W-2 income.

Which specific business expenses qualify?

1. Travel – Away from Home Overnight

You are away from home overnight if

- (1) your duties require you be away from the general area of your home substantially longer than a normal workday and
- (2) you need to get sleep or rest to meet the demands of your work while away from home or
- (3) you are traveling outside of the state or country.

All travel must be pre-approved by employee's supervisor. Any travel not approved in advance means the expenses risk not being approved for reimbursement.

Employees should use the most appropriate form of transportation, book the lowest appropriate fares, and stay in and eat at moderately priced establishments.

For additional guidelines regarding reimbursement amounts consult the US General Services Administration for Per Diem rates for US travel: <http://www.gsa.gov/portal/content/104877>

OR

US Department of State Maximum Travel Per Diem allowance for Foreign Areas:
http://aoprals.state.gov/web920/per_diem.asp

Reimbursable **Away from Home** Overnight travel expenses include:

- **Lodging** – both en route to/from and at your destination. An original hotel bill with detailed charges and proof of payment is required even if you booked a room through an internet site. Express check-out receipts are acceptable if the receipt shows the complete itemized detail of charges and the method of payment.
- **Meals** – taken both en route and at the destination are reimbursable at 100% of their costs including tax and reasonable tip.

Meals (including all beverages with meals) are reimbursable up to Federal per diem rates per day. This is not a per diem amount and must be substantiated.

Please note: The Corporation will not reimburse employees for any snacks or beverages between meals. However, reasonable reimbursements for bottled water is acceptable if on international travel status.

All restaurant receipts must be included. It is not enough to just include the credit card portion – the detailed receipt of items ordered must also be attached. Where the itemized receipt is not



available an explanation must be provided and this expense specifically acknowledged by the authorized approval signature.

- **Transportation** – This includes costs to get to/from your destination and local travel costs while at your destination.

Air travel

Air travel is reimbursed for coach travel, or lowest possible available airfare only. Exceptions require prior approval from a division Vice President or CEO.

Air travel reimbursement will not include additional fees for priority check-in or Economy Plus seating.

Travelers may retain frequent flyer miles earned while traveling on Corporation business. However, travelers must book airfare based on the most cost effective rate whenever possible, irrespective of any frequent flyer mile benefit. Excess costs resulting from the use of a traveler's preferred airline will not be reimbursed. IRS regulations require that the Corporation reimburse only actual costs to the traveler; therefore the use of frequent flyer miles for Corporation purposes is not eligible for reimbursement.

Fees for changing airline tickets will not be reimbursed unless such a change results in an employee arriving home sooner and expenses equal to at least the additional amount charged by the airline being saved, or is due to changing business needs.

The Corporation will reimburse baggage fees for the first two pieces of personal luggage only.

Reimbursement for airline travel will be made only after the trip is completed. All airline charges must be supported with original documentation. A copy of the "ticketless confirmation" must be attached to the expense report if that method was used by the employee.

Please note: If the employee wishes to be reimbursed for mileage to or from the airport, only the difference between base mileage and the airport is reimbursable. The IRS requires that the employee show total mileage for the day less base mileage. Base mileage is defined as the round trip between the employee's home and office (e.g.: if an employee lives 9 miles from the Corporation, the base mileage is 18 and reimbursement would be for only for business mileage in excess of 18 miles for that day).

Any mileage calculations must be included on the expense report with an online mileage calculator such as MapQuest or other electronic verification of miles driven. Please include a verification of your base mileage (home to WEDC).

Car rental

All car rentals must be supported by a rental agreement. Reimbursement will be made for compact and mid-size automobiles only, unless specials are available at a lower price. For business use in the continental USA all optional coverage must be rejected, that means that WEDC will not reimburse for any additional insurance coverage offered by the car rental agency.

Express check-out receipts are acceptable if the receipt shows the complete itemized detail of charges and the method of payment.



The Corporation will not reimburse for coverage of personal possessions and you are advised not to leave any items in the rental car (see insurance requirements outlined below).

Every attempt should be made to fill the rental car with gasoline prior to turning it back in to the rental agency.

Personal Vehicle

If driving your personal vehicle, you may be reimbursed for mileage driven, at the maximum IRS prevailing rate only for the miles driven. Tolls and parking are also reimbursable. Please see notes above under air travel regarding deducting base travel from the total miles driven that are eligible for reimbursement.

Should an employee decide to drive, the mileage reimbursement cannot exceed the cost of the least expensive means of alternate transportation.

Under no circumstances will reimbursement be made for items such as oil changes, repairs, insurance, towing, motor club, parking tickets or other expenses relating to operating your personal vehicle (see insurance requirements outlined below).

The mileage calculation must be included on the expense report with a MapQuest or other electronic verification of miles driven.

See HR Section 401 – AUTOMOBILE USAGE for additional guidelines.

- **Phone, Internet and Fax Charges** - Business related phone and fax charges incurred while doing business away from home overnight are reimbursable as long as they are reasonable and not excessive.
- **Cost of Currency Exchange:** The employee will be reimbursed for the actual cost of converting from US dollars to the local currency and from the local currency back to US dollars. A receipt documenting the cost of the currency exchange must be submitted with the travel voucher.

If you do not have a receipt showing your foreign currency conversion (credit card statement, bureau de change receipt) then foreign currency should be converted to US dollars using the website www.oanda.com. This website will convert foreign currencies into US dollars based on historical foreign exchange rates.

- **International Travel Costs:** Information regarding international travel insurance is available by contacting the Chief Financial Officer. The employee will be reimbursed for the cost of obtaining a passport, visa, inoculations, vaccines or others as necessary.

2. Travel for non- WEDC Employees

TRAVELING WITH SPOUSE OR OTHER NON-EMPLOYEE

Expenses (i.e. airfare, lodging, meals, etc.) incurred by non-employees who accompany Corporation employees on out-of-town travel will not be reimbursed. The only exceptions are those instances in which a non-employee will be assisting a Corporation employee to perform



duties or if the non-employee's attendance is mandatory. In both instances, the approval of the appropriate Vice-President, or in certain cases, the Chief Executive Officer, is required in advance of incurring such expenses.

It is the employee's responsibility to reimburse the Corporation within 30 days for any Corporation expenditures made on behalf of a family member.

BUSINESS PROSPECTS

It is the policy of WEDC to provide up to first class accommodations on a case by case basis for foreign governmental delegations and foreign and domestic business executives who, at our invitation, visit Wisconsin to learn about our economy, state programs, and business opportunities.

In carrying out this policy the following guidelines will apply:

1. **Lodging** - Single rooms will be provided for each member of a visiting party. In addition, when deemed appropriate by the WEDC, double accommodations will be provided when spouse accompanies an executive.
2. **Meals** - The WEDC will cover the cost of all meals consumed during the period of the visit. It is expected that meals will be provided at first class restaurants and will be priced accordingly. The WEDC will cover the cost of all beverages consumed with the meals.
3. **Other expenses** - WEDC will provide transportation, as appropriate, within the state and may cover the cost of transportation to Wisconsin.
4. **Expenses of hosting staff** - The cost of meals comparable to those of the guests will be reimbursed.
5. **Receptions** - At the discretion of management, WEDC will pay for food and refreshments, including alcoholic beverages, at receptions sponsored by the WEDC to introduce visitors to Wisconsin's business and government leaders.
6. **Entertainment** - The quality of life in Wisconsin is an important asset that the state has to offer. WEDC will pay for admission to appropriate cultural, recreational and entertainment events for visitors and hosting staff.
7. **Other costs** - WEDC will pay for translators when required. WEDC may offer welcoming gifts such as fruit baskets, cheeses, candy or wine.

CANDIDATES

Reimbursement may be made to certain applicants for all or part of reasonable and necessary travel expenses actually incurred in connection with oral examination and employment interviews. All reimbursement actions under this provision shall be documented in writing and subject to review by the appropriate authority.

3. Travel – Day Trips/Local Travel

Employees will be reimbursed for transportation costs. If driving a personal vehicle, the employee will be reimbursed for the actual miles driven. Oil changes, repairs, insurance, towing, motor club, parking



tickets or other expenses relating to operating your personal vehicle will not be reimbursed. Base mileage will not be included and will not be reimbursed.

If the employee travels directly to or from an off-campus appointment from home, only the difference between base mileage and the appointment location is reimbursable. The IRS requires that the employee show total mileage for the day less base mileage. Base mileage is defined as the round trip between the employee's home and office (e.g.: if an employee lives 9 miles from the Corporation, the base mileage is 18 and reimbursement would be for only for business mileage in excess of 18 miles for that day).

Any mileage calculations must be included on the expense report with either an online mileage calculator such as MapQuest or the vehicle odometer reading at the start and end of travel. Please include a verification of your base mileage (home to WEDC)

Commuting from home to work is not reimbursable, even if the employee works on an unscheduled workday.

Non-reimbursable items for Day Trips are snacks, bottled water, soda, coffee, etc. Meals are not reimbursable if they do not qualify as business meals (see section on Business Meals below).

See HR Section 401 – AUTOMOBILE USAGE for additional guidelines.

4. Business Meals When Not in Travel Status

Most meals involving only Corporation employees will not be reimbursed as most Corporation business should be able to be accomplished during normal business hours. Exceptions may be made if one of the following elements is true:

- (1) the meal is between employees who would not otherwise meet during the course of the day; or
- (2) attempts to meet in Corporation offices have failed.

Business purpose and list of attendees **MUST** be listed on all meal reimbursements.

All restaurant receipts must be included. It is not enough to just include the credit card portion – the detailed receipt of items ordered must also be attached. When the itemized receipt is not available, an explanation must be provided and this expense specifically acknowledged by the authorized approval signature.

The Corporation will not reimburse employees for snacks/water/coffee/soda etc. between meals.

5. Business Entertaining

Employees may entertain business associates on behalf of WEDC only if they have been authorized to do so by the COO or CEO. Authorization should define the general circumstances and expense limits of the approved forms of entertainment.

Employees who have special entertainment needs, which do not fall within the boundaries for normally authorized expenses, must obtain prior approval for the entertainment from COO or CEO.



Employee entertainment expenses will be paid or reimbursed if they are reasonable, are directly related to or associated with WEDC's business, and are properly approved by the supervisor. Employees who incur entertainment expenses which do not meet these standards will be personally responsible for them.

6. Alcohol

Alcohol is not a regularly reimbursable employee travel expense.

While hosting business prospects or participating in sponsored business related receptions, WEDC may pay for food and refreshments, including alcoholic beverages when introducing visitors to Wisconsin's business and government leaders.

7. Other Expenses

- Tips for baggage handling, bellman service, etc. are required to be individually recorded on the expense report. Reasonable amounts for tips are reimbursable. If tips are paid in cash and no receipt is available, in this instance only, you do not have to fill out a missing receipt declaration form.
- Clothes cleaning charges are reimbursable if a business trip exceeds six consecutive days and five nights.
- Charges for movie channels, airline headsets, personal toiletry items and hotel spa/health club charges will not be reimbursed.
- Replacement costs for lost personal items and other similar charges will not be reimbursed.
- Charges for flight life and travel interruption insurance will not be reimbursed.
- Membership in airline/travel clubs will not be reimbursed.

8. Insurance

Adequate personal automobile insurance must be carried for one's financial protection. Corporation policy requires that each employee or authorized driver have a current valid driver's license in good standing and personal automobile insurance not below the minimum legally required coverage in the State of Wisconsin. See SECTION 401 AUTOMOBILE USAGE for additional guidelines.

Because of the excessive cost, the Corporation does not carry insurance to protect valuables transported in vehicles (e.g. briefcases, clothing, etc.) and auto theft insurance policies do not cover such items. The Corporation recommends that homeowner's or renter's household goods insurance be obtained by the employee to cover the employee's exposure.

By submitting for mileage reimbursement or rental car reimbursement, the employee is confirming, in writing, that they understand the SECTION 401 AUTOMOBILE USAGE and are adhering to it.



Attachments:

Missing Receipt Declaration Form.

Revision History:

Drafted by Lyra Trapp and Gina M. Smetana 2/28/2013.

Revised by Lora Klenke and Gina M. Smetana and approved by Policy Committee 3/14/2013.

Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Reed Z. Hall Date: April 10, 2013



Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____

*This form is to be used in conjunction with the HR 400 Travel and Expense Reimbursement and FIN 100 Corporate Credit Card Policies.



MISSING RECEIPT DECLARATION FORM

This form is to be completed as documentation only if the actual itemized receipt is not available. Use of this form in lieu of an actual receipt should be a rare exception, not the rule. The form must be filled out completely, signed by the Employee and approved by the Supervisor or Manager.

Vendor Name: _____
 Telephone Number: _____
 Address: _____
 Date Order Placed: _____
 Placed By: _____

Description/Items Purchased	Cost
Total	\$

Why is the original itemized receipt missing? _____

Business Purpose of Transaction: _____

Employee Signature _____ Date _____

Printed Name _____

Signature of Supervisor or Manager _____ Date _____

Printed Name _____

Title _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	L&C 100 Acceptance of Items of Value
Owner:	Hannah L. Renfro
Author:	Revised by Hannah L. Renfro

Summary:

The purpose of this policy is to document WEDC's policies regarding the acceptance of items of value.

References

- WEDC Personnel Administration and Procedure, Section 807-Conflicts of Interest
- Article IV, Sections 10(b)(4) and (5) of the Bylaws of the Wisconsin Economic Development Corporation
- Wis. Stat. § 19.56(3)(e) Wis. Stat. § 19.57
- Wis. Stat. § 238.04(5)

Standards:

Although generally intended as a kind gesture to show appreciation, giving or receiving anything of value—items, lodging, meals, discounts, prizes, travel, money, stock, tickets—can also create a conflict of interest or the perception of a conflict. As outlined in WEDC's Employee Handbook and WEDC's Personnel Administration and Procedure, Section 807-Conflicts of Interest, employees may not accept gifts except under the exception when the CEO (or an employee on the CEO's behalf) accepts gifts for the benefit of WEDC. This means an employee may not accept for him or herself any gifts, including gift certificates, airline tickets, hotel stays, or other items of value. However, an employee may accept food and refreshments at an event if the employee is presenting at the event and the food or refreshments are part of the event. For example, an employee invited to speak on a panel as part of an event during which lunch is served may accept lunch as one of the speakers.

If an employee is uncertain how to handle an offer of a gift or a received gift, the employee should speak with the CEO, COO, or Chief Legal Counsel. A violation of WEDC's conflict of interest policy may subject an employee to discipline, up to and including immediate termination.

There are certain circumstances in which it may be acceptable for WEDC employees to accept gifts for the benefit of the Corporation, including:

- a) In accordance with Wis. Stat. § 238.04(5), the CEO of the Corporation may accept gifts, contributions, donations and bequests—collectively referred to as "gifts"—from private and public sources, respectively, for the benefit of the Corporation. Under the Bylaws, the authority of the CEO to accept such gifts is limited to gifts of up to \$25,000 in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10 percent of the outstanding equity, voting rights or indebtedness. The Board may accept gifts amounting to more than \$25,000.
- b) Under Wis. Stats. § 19.56(3)(e), a state public official who is an officer or employee of the Wisconsin Economic Development Corporation may solicit, receive and retain on behalf of the state anything of value for the purpose of any of the following:
 1. The sponsorship by the Wisconsin Economic Development Corporation of a trip to a foreign country primarily to promote trade between that country and this state that the Wisconsin



Economic Development Corporation can demonstrate through clear and convincing evidence is primarily for the benefit of this state.

2. Hosting individuals in order to promote business, economic development, tourism or conferences sponsored by multistate, national or international associations of governments or governmental officials.

In the event a WEDC employee receives an item of value and cannot or it is not advisable to return the gift, it is the policy of WEDC that the item be donated to a charitable organization, such as Partners in Giving. If the item is perishable, WEDC policy requires that it be placed in a common area for shared consumption.

Wis. Stat. § 19.57 requires WEDC to file an annual report with the Government Accountability Board by April 30 on anything of value received by WEDC staff during the preceding calendar year. To comply with this statute, employees must record the following information for anything of value they receive:

- the source of the item;
- the amount or value of the item;
- the program or activity in connection with which the item was received; and
- the location and date of that program or activity.

The vice president, manager or director for each division or department shall designate a staff person responsible for tracking items of value—both cash and in-kind—received by staff within that division throughout the year. Those designations will be tracked in the attached document titled "Designations for Tracking Items of Value." Similarly, the Chief Operating Officer shall designate a staff person responsible for tracking items of value received by staff within the executive office. The compliance officer will compile and report this information to the Government Accountability Board as specified in state statute and may also request this information periodically for the purposes of internal audits or risk assessments.

Attachments:

Designations for Tracking Items of Value document.

Revision History:

Revised by Hannah L. Renfro 2/25/2013.

Approved by Policy Committee 3/4/2013.

Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Reed Z. 7/11 Date: 3-2-2013



Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____



Wisconsin Economic Development Corporation Corporate Policy	
Policy Title:	L&C 100 Designations for Tracking Items of Value (Attachment 1 of 1)
Owner:	Hannah L. Renfro
Author:	Hannah L. Renfro

DIVISION	DESIGNATION	DESIGNATED BY
Executive Office (CEO, COO, CFO, and Assistant to CEO)		
Legal Services & Compliance		
Credit and Risk		
Office of Public Policy		
Information Technology		
Human Resources		
Finance & Administration		
Process Improvement		
Economic & Community Development		
Entrepreneurship & Innovation		
Business & Industry Development		
International Business Development		
Marketing & Communication		



Wisconsin Economic Development Corporation Corporate Policy	
Policy Title:	L&C 105 Conflicts of Interest
Owner:	Hannah L. Renfro
Author:	Hannah L. Renfro

I. **Generally**

WEDC is committed to operating and administering its economic development programs with the highest ethical standards. The guiding principle underlying this policy is that WEDC's Board of Directors, employees, and vendors with which WEDC contracts must exercise the utmost good faith in all their actions related to their work for and with WEDC.

WEDC is well-served by individuals who have diverse experiences and are actively involved in their communities and the State. Their experiences and involvement enhance the expertise they bring to WEDC. However, these experiences and involvement may interrelate with their work for WEDC, giving rise to circumstances whereby a Board member, employee, or vendor has a duality of interest or an actual or perceived conflict of interest.

A duality of interest exists when a Board member, employee, or vendor is affiliated with an organization that has received or is seeking financial or other assistance from WEDC. The affiliation exists if the person is an employee, owner, officer, director, or may also exist if the person serves a more unofficial role such as a volunteer or advisor. A conflict of interest exists in any instance where the actions or activities of Board members, employees, or vendors results in an improper gain or advantage or will have an adverse effect on WEDC. A duality of interest or conflict of interest is usually financial, but it may be present in other forms.

This policy outlines disclosure of dualities, and potential or actual conflicts of interest through reporting to management or external agencies. Disclosure is the key to monitoring dualities of interest and avoiding conflicts of interest. Many times, a duality of interest is harmless to WEDC and the interests of the State of Wisconsin. With disclosure, WEDC can evaluate the pertinent circumstances and minimize the likelihood of a conflict occurring.

Definitions for terms used here are included in this Policy's supplement.

II. **State of Wisconsin's Ethics Code**

WEDC's Board and employees are subject to ethics laws in Chapter 238 of Wisconsin Statutes and the State's ethics code found in Wisconsin Statutes §§ 19.41-19.59. The policy underlying the ethics code is broad:

It is declared that high moral and ethical standards among state officials . . . are essential to the conduct of free government; that the legislature believes that a code of ethics for the guidance of state public officials . . . will help them avoid conflicts between their personal interests and their public responsibilities, will improve standards of public services and will promote and strengthen the faith and confidence of the people of this state in their state public officials



Wis. Stat. § 19.41(1). This policy statement serves as the framework for the State's ethics code and WEDC's conflict of interest policy as a whole.

The ethics code precludes state public officials from:

- Entering into contracts for state funds without notice.
- Using their public position for private benefit.
- Soliciting or accepting rewards or items or services likely to influence their official duties.
- Accepting transportation, lodging, food, or beverage except as specifically authorized.
- Using confidential information to receive anything of value.
- Using their public position to obtain unlawful benefits.
- Acting officially in a matter in which they are privately interested.

For purposes of the ethics code, an official is "associated" with an organization when the official or a member of the official's immediate family is a director, officer, or trustee, or owns or controls, directly or indirectly, at least 10% of the outstanding equity, or the officer or a member of the officer's immediate family is an agent or representative of the organization.

Board members and employees are responsible for understanding all provisions of the statutes' ethics code. A summary is provided here.

Board Member and Employee Contracts for State Funds. Unless a Board member or employee has first notified the Government Accountability Board (GAB) and the contracting agency, no WEDC representative, his or her immediate family members, nor any organization with which the representative or an immediate family member has at least a 10% interest may enter into a contract for State funds if the contract obligates the State to pay more than \$3000 over a 12-month period. Wis. Stat. § 19.45(6).

WEDC Board members and employees must notify WEDC's CEO or Chief Legal Counsel if considering a contract that falls within the scope of this rule. The Legal & Compliance team will maintain a report on all such notifications.

Private Benefit. WEDC Board members and employees may not use their position with WEDC for financial gain or anything of substantial value for the official, his or her immediate family, or an organization with which he or she is associated. Wis. Stat. § 19.45(2).

Acceptance of Gifts or Rewards. Board members and employees may not accept or solicit anything of value from a person or entity if it could be reasonably expected to influence their actions related to their position with WEDC, or be construed as a reward for their actions.

In the event a WEDC Board member or employee receives an item of value that cannot be reasonably expected to influence or be construed as a reward, and it cannot or should not be returned (e.g, for reasons of professionalism, customs of other countries, cost, the item is perishable), the item must be donated to a charitable organization, such as Partners in Giving or, if appropriate based on the gift, displayed in WEDC's offices. If the item is perishable, WEDC policy requires that it be placed in a common area for shared consumption. For example, food should be left in a common area to be shared with colleagues.



In compliance with the L&C 100 Acceptance of Items of Value policy, each member of the executive team must designate a staff person responsible for tracking items of value—both cash and in-kind—received by staff within his or her division throughout the year. The designee will report items to the Legal & Compliance team, which tracks all items of value received.

Athletic Events. WEDC Board members and employees may not accept or purchase a ticket or admission to an event or access to a loge, skybox, or premium area unless the ticket, admission, or access (1) cannot be reasonably expected to influence his or her vote, judgment, or any official action; (2) cannot be reasonably considered a reward for any official action or inaction; and (3) is offered for a reason unrelated to his or her position at WEDC, or is available to the general public on the same terms and conditions.¹

There are exceptions to these restrictions. WEDC Board members and employees may attend an athletic event at no cost or on terms not available to the public if his or her participation in the event is for the benefit primarily of the state as demonstrated by the Board member's or employee's furtherance of a substantial, well-articulated government purpose, or if the event is a prominent, public ceremonial activity appropriate to the Board member's or employee's position and any private benefit is merely incidental to the government purpose. In addition, Board members and employees may accept a ticket, admission, or access when, in the rare event, it is of no pecuniary value.

WEDC Board members and employees must include in their Statement of Economic Interests each organization or person that provided to him or her a ticket, admission, or access valued at more than \$50.

Transportation, Lodging, Food, and Drinks. WEDC Board members and employees may not accept transportation, lodging, meals, food, or drinks unless one of the following exceptions apply:

- the items (or payment) are related to expenses for a speaking engagement or other event, or a publication about the operations of and issues related to state government; and the items (or payment) are provided by the organizer of the event or the publisher;²
- the activity for which the items are provided or reimbursement is received is entirely unrelated to the WEDC official's position with WEDC and payment did not arise from the WEDC official's position;
- the items are accepted on behalf of the State and are for the State's benefit; or
- the items are provided by a campaign committee in compliance with Chapter 11 of the Wisconsin Statutes.

Wis. Stat. §§ 19.45(3m), 19.56.

¹ Complimentary or reduced price tickets for University of Wisconsin System athletic events also must be permitted by the rules of intercollegiate athletics conferences of the institution participating in the event and approved by the chancellor.

² These requirements are not intended to dissuade individuals from engaging with the public. In fact, the ethics code specifically encourages officials to meet with and speak to special interest groups, political groups, school groups, clubs, and other public organizations and meetings to discuss official business. Wis. Stat. § 19.56.



Disclosing Confidential Information. WEDC Board members and employees may not use or disclose confidential information in any way that could result in a benefit gained by the official, his or her immediate family, or an organization with which the official is associated. Wis. Stat. § 19.45(4).

Campaign Contributions. WEDC Board members and employees may not offer a vote or influence on a matter in exchange for a contribution or service for the benefit of a candidate, political party, or any person making a communication that contains a reference to a clearly identified state elected official or candidate for public office. Wis. Stat. § 19.45(13).

Unlawful Benefits. WEDC Board members and employees may not use their position to influence or receive unlawful benefits, advantages, or benefits for him- or herself, nor anyone else. Wis. Stat. § 19.45(5).

Private Interests. Similar to the requirements outlined below under Section III on WEDC Contracts with Which Board Members or Employees Have a Financial Interest, the ethics code precludes Board members and employees from involvement in any official action on matters that could be reasonably expected to result in a substantial benefit for the official, the official's immediate family, or an organization with which the official is associated. Wis. Stat. § 19.46.

III. WEDC Contracts with Which Board Members or Employees Have a Financial Interest

Under Wis. Stat. § 238.046, Board members and employees are precluded from any involvement with an award, in their capacity as a WEDC Board member or employee, if the Board member or employee has a direct or indirect financial interest in the contract for that award. In addition, WEDC is precluded from executing a contract with an organization with which an employee maintains a controlling interest.

All WEDC Board members and employees must disclose their dualities of interest. Notwithstanding this disclosure, it is still incumbent upon WEDC Board members and employees to promptly notify WEDC's Chief Legal Counsel or CEO upon discovering that he or she has a duality of interest in a contract contemplated by WEDC.

The Chief Legal Counsel and CEO will determine whether the disclosed duality of interest is one that precludes the Board member or employee from involvement in a contract with the organization with which there is a duality. If it does, the Chief Legal Counsel and CEO will report the duality to the Board and ensure appropriate measures are taken for recusal.

The Chief Legal Counsel's disclosures will be reviewed by staff counsel and the CEO. The CEO's disclosures will be reviewed by the Chief Legal Counsel and the COO.

In the event of a duality of interest or conflict of interest falling within the scope of the statute, the Board member or employee must refrain from any discussions or actions on the award at issue. Affected individuals must recuse themselves from meetings when the award is discussed. If at a Board or committee meeting, the minutes will reflect the director's departure and abstention from voting.



IV. Statement of Economic Interest

WEDC Board members and employees are required to file an annual Statement of Economic Interest with GAB. For Board members and the CEO, the first year's Statement is due to GAB within 21 days of nomination (unless a Statement has been filed previously by the nominee) and must cover financial information as of the date of nomination. For staff of WEDC employed as of July 2, 2013, the first year's statement was due to GAB by July 31, 2013 and must cover financial information as of the effective date of the new law (July 2, 2013).³ For staff hired after July 2, 2013, the statement is due within 21 days of assuming employment at WEDC and must cover financial information as of the date of assuming employment. After the first year, Statements are due by Board members, the CEO, and other employees, to GAB by April 30 and must cover financial interests as of December 31 of the preceding year. Questions about statements of economic interest must be directed to GAB.

V. Contributions

Distinct from gifts, discussed above, are contributions to WEDC from donors. Under Wis. Stat. § 238.04(5), WEDC's CEO may accept gifts, contributions, donations and bequests—collectively referred to as "gifts"—from private and public sources for the benefit of WEDC. WEDC Bylaws limit the CEO's authority to accept gifts to those amounting to \$25,000 or less in a twelve-month period by any one individual, an individual and his or her immediate family, or an individual and any organization in which the individual (or a member of the individual's immediate family) owns or controls at least 10% of the outstanding equity, voting rights or indebtedness. The Board may accept gifts amounting to more than \$25,000 for the benefit of WEDC.

The Legal & Compliance team tracks these contributions for monitoring, and internal and external reporting.

VI. WEDC Sponsored Economic Development Events

Under Wis. Stat. § 19.56(3)(e), WEDC Board members and employees may solicit and receive, on behalf of the State, anything of value if related to sponsorship of a trip to a foreign country primarily to promote trade and is for the benefit of the State; or to host an event to promote business, economic development, tourism, or governmental conferences sponsored by multistate, national, or international associations. Public officials may, in turn, accept from WEDC anything of value that WEDC is authorized to provide under this particular statutory exception.

WEDC annually reports to GAB on any funds received for economic development activities under Wis. Stat. § 19.56(3)(e).

VII. Vendor Agreements

All vendor contracts – for goods or services – must include a conflicts of interest provision. In addition, prior to executing a contract with a vendor if it is determined that the vendor will be evaluating or auditing WEDC's operations or programs, staff with decision making authority related to that contract will be asked if they are aware of any known conflicts.

³ GAB extended the original July 23 deadline to July 31.

If a duality of interest, or conflict of interest is disclosed or discovered, a determination will be made as to the nature of the interest and what action needs to be taken to alleviate the conflict.



VIII. Lobbying Regulations

WEDC is an “agency” under Chapter 13 of the Wisconsin Statutes but neither Board members nor employees are “agency officials.” This means the only lobbying regulation that applies to WEDC is the requirement to file a Legislative Activities Statement. The Legislative Activities Statement identifies WEDC’s employees who engage in lobbying. Wis. Stat. § 13.695. WEDC Board members employed by the State may be subject to additional lobbying restrictions.

Revision History:

Drafted by Hannah L. Renfro 7/3/2013; Revised and signature approval page updated 8/13/2013.
Approved by internal Policy Committee 8/27/2013.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Policy Committee of the Board of Directors and the Board of Directors.

Approved by CEO:

Signature: Reed E. (Tel) Date: Sept 3, 2013

Review by the Policy Committee of the Board of Directors:

Denied Date: _____

Forwarded to Board of Directors Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied Date: _____



Wisconsin Economic Development Corporation Corporate Policy	
Policy Attachment Title:	L&C 109 Internal Audit Policy
Owner:	Sara Anderson
Author:	Sara Anderson

Summary:

The Internal Audit Policy represents an internal appraisal activity established to evaluate the effectiveness of processes, internal control, and systems, and identify opportunities for improvement. One of the major objectives of the internal audit function is the prevention and detection of non-compliance with WEDC's policies and state statutes.

Risk Manager reports to the Chief Legal Counsel & Compliance Officer.

Employees will be required to provide all assistance needed to cooperate with the internal audit function.

Responsibilities:

WEDC policies reflect external requirements, state statutes, and operational best practices. Adherence to these policies will ensure compliance, and provide necessary transparency and accountability. WEDC will monitor and respond to financial and statistical risk identified by staff aligned with their delegated authority. By monitoring the adherence to policies, WEDC will determine if the policies and enforcement mechanisms provide the compliance, transparency, and accountability intended.

The Risk Manager will use the Audit Plan to evaluate policies for effectiveness via the internal controls within each department affected by the policy. Violations of the policy will be recorded and evaluated to determine why the violations are occurring and how they can be eliminated in the future to ensure operations are in compliance. This may include a change in the current process or a change in the policy.

A simple random selection will be used to determine the sample used for a particular audit. A simple random sample is a subset of statistical population in which each (member of) the subset has an equal probability of being chosen. A simple random sample is meant to be an unbiased representation of a group.

An internal audit plan for each FY will be written with the guidance (or approval) of the WEDC Audit Committee. All internal and external audits will be considered when writing the internal audit plan. A sample of FY14 internal audit plan is provided below.



FY14 Internal Audit Plan (Draft)

1. Reviewing each policy and identifying the population of transactions that relate;
2. Developing a testing plan based on the population and time period to be covered;
3. Test individual transactions;
4. If instances of nonconformance exist, determine why. Depending on the why do one of the following:
 1. if it is a training issue, provide that additional training on the policy
 2. if it is a resource issue, determine how to best provide the resources to provide the proper level of service
 3. if it is a lack of individual adherence, take the appropriate disciplinary measures, or
 4. if parts of the policy need to be changed, get those changed so we can comply
5. Continue to review transactions to ensure 4 a-d have resulted in adherence to the policy;
6. If the policy is being properly followed:
 - a. Establish regular monitoring of these to ensure compliance on a go forward basis; and
 - b. Review the policy to identify if there are other areas that could be addressed in the policy.

Priority Policy Identified for FY14

1. GOV ADM 101 Procurement
2. GOV ADM 102 Delegation of Authority
3. GOV ADM 121 Award Administration
 - a. *Each program will be reviewed for consistency with Wisconsin State Statute § 238.03(2)(e) at least once a year. (this is a statutory requirement)*
4. FIN 100 Corporate Credit Cards
5. FIN 102 Disbursement Requests
6. FIN 105 Internal Control Policy
7. HR 400 Travel and Reimbursement
8. IT 300 Mobile Device Management
9. MAR 100 Sponsorship and Membership Funding



Reporting:

1. Regularly (monthly or quarterly) report to both internal management and the audit committee on the what policies have been reviewed, any findings, changes that have been made, and the plan for continued monitoring of that policy
2. When necessary, managers will be advised of any violations and the violations will be reflected in performance reviews.
3. Violations are subject to disciplinary action up to and including termination.

Revision History:

Drafted by Sara Anderson 7/7/2013.

Approved by internal Policy Committee 7/8/2013.

Revised 9/5/2013 by Sara Anderson and Stephanie Walker with non-substantive changes to better reflect the process being employed.



Approvals:

This policy has an interim effective date as of the date of CEO signature below subject to subsequent review by the Audit Committee of the Board of Directors, the Policy Committee of the Board of Directors and the Board of Directors.

Approved by CEO:

Signature: Reed E. Hill Date: Sept 5, 2013

Review by the Audit Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Review by the Policy Committee of the Board of Directors:

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____



**Wisconsin Economic Development Corporation
Corporate Policy**

Policy Title:	IT 300 Mobile Device Management
Owner:	Greg Beach
Author:	Greg Beach

Summary:

This policy establishes rules for the proper use of mobile devices, such as tablets and smartphones, in order to protect the confidentiality of sensitive data, the integrity of data and applications, and the availability of services at WEDC.

Standards:

- The IT department must ensure that all employees (regular employees, interns, externals) using mobile devices that access WEDC systems have acknowledged this security policy and the associated procedures before they are allowed to use corporate services using mobile devices. Acknowledgement is signified by signing the System Access on Personally Owned Devices form.
- All mobile devices accessing WEDC systems, whether personally owned or supplied by WEDC, must be enrolled in the WEDC Mobile Device Management System (currently: MaaS360), and adhere to the security standards incorporated in that system.
- Whenever possible, business communications should be conducted through WEDC phone numbers and through WEDC email accounts so that records of these transactions are maintained.
- Employees must abide by the terms of the IT 100 Acceptable Use when using a personally owned mobile device to access network or internet resources through the WEDC wireless network.
- The use of a camera is strictly prohibited in areas where privacy would be expected.
- Devices accessing WEDC systems will be erased (wiped) if the device passcode is entered incorrectly 10 times.
- Employees must take all reasonable and prudent measures to physically secure mobile devices that are connected to WEDC systems.
- Lost, stolen, or replaced devices must be reported to the WEDC IT Department immediately.
- WEDC holds no liability, nor will it reimburse, for any data charges, data overage charges, taxes or fees associated with use of WEDC data on personal devices. Employees must consult with their wireless provider regarding the appropriate usage plan.
- Only personal devices that meet IT Department standards will be accepted. No "jailbroken" or "rooted" devices will be eligible for use with the WEDC Systems.
- Employees supplied with mobile devices by WEDC must not attempt to "jailbreak", "root", or otherwise subvert manufacturer or WEDC security processes and procedures.
- Capabilities of the Mobile Device Management system, such as location monitoring, application visibility and hardware feature management, will not be accessed by IT staff unless requested by WEDC Human Resources, Legal Department, the Chief Executive Officer, or the Chief Operating Officer.



- When employees wish to stop accessing WEDC systems on mobile devices, are separated from their position, or acquire a new personal device, all WEDC data will be wiped from the device. WEDC supplied phone numbers will be disassociated with the device.
- The IT Department will support the connection of mobile devices to corporate resources. On personally owned devices, IT will not support hardware issues or non-corporate applications.
- Mobile Device use while driving:
 - Employees are strongly encouraged to defer cell phone conversations until the vehicle can be brought to a full stop in a safe location.
 - Employees may engage in brief conversations while driving only when safety is not compromised.
 - The use of hands-free systems for communicating such as built in car systems or headsets that do not require use of the hands for dialing are encouraged.
 - At no time is it acceptable to use a mobile device while moving to read information or take notes.
 - The use of mobile devices is prohibited in heavy traffic situations, an area of road construction, or when road conditions are poor.

Employees that do not adhere to the Data Classification policy will be subject to discipline up to and including termination.

Attachments:

Not applicable.

Revision History:

Approved by Policy Committee 2/5/2013.

Approvals:

This policy is effective as of the date of CEO signature below.

Approved by: Reed E. Hill Date: 3-7-2013



Review by the Policy Committee of the Board of Directors:

Approved

Signature: _____ Date: _____

Denied

Date: _____

Forwarded to Board of Directors

Date: _____

Approved by the Board of Directors:

(Applicable if forwarded by Policy Committee of the Board of Directors.)

Approved

Signature: _____ Date: _____

Denied

Date: _____