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January 28, 2013

The Honorable Mark W. Eves, Speaker of the House of Representatives
2 State House Station
Augusta, ME 04333-0002

The Honorable Justin L. Alford, President of the Maine Senate
3 State House Station
Augusta, ME 04333-0003

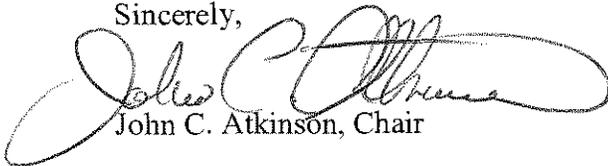
Re: Maine Educational Loan Authority's Report to the Legislature in Compliance with
Public Law 2011, chapter 616

Dear Speaker Eves and President Alford:

Pursuant to 5 MRSA, chapter 379, subchapter 3, §12023, enclosed is the Maine Educational Loan Authority's (MELA) report to the Legislature on the adoption and implementation of written policies and procedures required by Public Law 2011, chapter 616: An Act to Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-Independent State Entities. MELA's policies and procedures were written consistent with MELA's authorizing law.

If you have any questions or need additional information, please contact me at 729-5897 or via e-mail at jchris203@gmail.com.

Sincerely,



John C. Atkinson, Chair

Enclosures

Maine Educational Loan Authority

Report to the Legislature in Compliance with
Public Law 2011, chapter 616

January 28, 2013

Introduction

The Maine Educational Loan Authority (MELA or Authority) is a quasi-governmental agency that was created and established by the Legislature in April of 1988 (20-A M.R.S.A., §11414). MELA functions as an administratively independent authority within the current organizational structure of State government, and receives no appropriation from the Legislature for its operation. MELA is governed by a seven-member board appointed by the Governor and confirmed by the Legislature, except for the State Treasurer who serves as an *ex-officio* member. Under the broad guidance of the MELA Members, a full-time Executive Director organizes and coordinates the activities of the Authority.

Pursuant to 5 MRSA, chapter 379, subchapter 3, §12023, MELA is providing this report to the Legislature on the adoption and implementation of written policies and procedures required by Public Law 2011, chapter 616: An Act to Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-Independent State Entities. This law amends 5 MRSA, chapter 379 to include a new subchapter 3 which primarily focuses on the financial policies and procedures of existing and future quasi-independent State agencies.

Adoption of MELA's Policies and Procedures

During a MELA meeting held on October 24, 2012, the Authority adopted written policies and procedures for: 1) the selection of vendors; 2) contributions; 3) travel, meals and entertainment; and 4) lobbyists. For the selection of vendors, MELA engaged in the rule-making process to amend Chapter 3: Rules for the Award of Contracts for Services to comply with the new statutory requirements. Copies of these policies and procedures are enclosed.

Implementation of MELA's Policies and Procedures

MELA implemented the written policies and procedures for the selection of vendors on October 31, 2012, consistent with the conclusion of the rule-making process. The implementation date for the written policies and procedures for contributions, travel,

meals and entertainment, and lobbyists was January 1, 2013 to coincide with the start of MELA's new fiscal year.

Measures to Monitor Compliance with MELA's Policies and Procedures

The measures the MELA Members intend to use to monitor compliance with its policies and procedures are listed below.

Selection of Vendors

1. MELA's Chapter 3: Rules for the Award of Contracts for Services has been adopted which establishes competitive procurement as the standard procurement method, outlines conditions under which competitive procurement may be waived, and identifies the record keeping requirements for procurements not competitively procured.
2. The MELA Members will review and approve all Requests for Proposals (RFP), receive a summary report of the selection process prepared by the Executive Director at the conclusion of each RFP process, and will grant final approval of all contracts.

Contributions

1. The MELA Members will approve the annual budget for contributions, which includes the name of the vendor, purpose of the contribution, and amount of the contribution. The budget for contributions will be included as part of the regular annual budgeting process for MELA.
2. All contributions will be budgeted and accounted for with a distinct expense code as a separate line item in the Authority's financial records. The required documentation to support each contribution will be maintained as part of MELA's financial records.
3. The MELA Members will receive quarterly reports from the Executive Director on contributions made by the Authority during their regularly scheduled meetings.

Travel, Meals and Entertainment

1. The MELA Members will approve the annual budget for travel, meals and entertainment. The budget for travel, meals and entertainment will be included as part of the regular annual budgeting process for MELA.
2. All travel, meals and entertainment expenses will be budgeted and accounted for with a distinct expense code as a separate line item in the Authority's financial records. The required documentation to support all travel, meals and entertainment expenses will be maintained as part of MELA's financial records.
3. The MELA Members will receive quarterly reports from the Executive Director on actual travel, meals and entertainment costs paid directly or reimbursed by MELA during their regularly scheduled meetings.

Lobbyists

1. MELA is required to comply with the lobbyist disclosure law (3 MRSA, chapter 15). The lobbyist disclosure law requires quasi-state agency employees to register with the Commission on Governmental Ethics and Election Practices on an annual basis. In compliance with this law, MELA's Executive Director has been designated by the MELA Members to represent the Authority's interests in state government as its legislative designee.
2. MELA will not retain any person other than its Executive Director to serve as a lobbyist for the Authority.
3. The MELA Members will not approve the use of the Authority's resources to compensate an independent lobbyist for lobbying services.

Summary

MELA understands and acknowledges the purpose of Public Law 2011, chapter 616 is to improve transparency, accountability, governance, and financial practices in certain areas for quasi-independent State agencies. MELA's policies and procedures were written with this intent in mind and consistent with MELA's authorizing law.

The written policies and procedures MELA has adopted and implemented to comply with the new statutory requirements are detailed in key areas such as the establishment of competitive procurement as the standard method of procurement, the necessary governing body approvals, supporting documentation, and financial record keeping. The Authority accounts for all of its financial transactions in accordance with generally accepted accounting principles. In addition, MELA's basic financial statements are audited on an annual basis by an independent certified public accounting firm.

The MELA Members will review the Authority's written policies and procedures pursuant to Public Law 2011, chapter 616 and its measures used to monitor compliance with these policies and procedures on an on-going basis. Any necessary changes will be adopted and implemented by the MELA Members.

Enclosures: Chapter 3: Rules for the Award of Contracts for Services
Contributions Policy
Travel, Meals and Entertainment Policy
Lobbyist Policy

Chapter 3: RULES FOR THE AWARD OF CONTRACTS FOR SERVICES

SUMMARY: This chapter outlines the procedures to be used in the awarding of contracts for necessary clerical and administrative services, loan servicing and other substantial operating contracts pursuant to 20-A M.R.S.A. §§ 11417(4) and 11417(7). In addition, this chapter outlines the policies and procedures to be used in the selection of vendors designed to ensure that the Authority secures the best value in its procurements in compliance with 5 M.R.S.A., chapter 379, subchapter 3, §12022-3.

PROCEDURES PURSUANT TO 20-A M.R.S.A. §§ 11417(4) and 11417(7)**1. DEFINITIONS**

- A. **REQUEST FOR PROPOSAL.** Means a document listing the scope of work, requirements of the Authority and all evaluation criteria for services needed by the Authority. This document is also known by the initials "RFP."
- B. **CONTRACT REVIEW COMMITTEE.** Means the committee established by the Authority that reviews proposals and actions related to contracts for clerical and administrative services, loan servicing and other substantial operating contracts.
- C. **CONTRACT.** Means the agreement between a vendor and the Authority describing the services to be performed, the terms and conditions agreed to by the parties, the cost of the services and how payment will be made.
- D. **GRANT.** Means an agreement between a group, organization or other recipient and the Authority that describes terms and conditions and scope of performance or action that is expected of the recipient.

2. REQUEST FOR PROPOSAL PROCEDURE

- A. All contracts issued under the review of the Contract Review Committee that do not qualify as sole source or emergency procurements must be competitively bid using the Request for Proposal. When determining whether or not a contract qualifies as a sole source or emergency procurement, the Authority will use the State of Maine policy and guidelines for sole source justification for guidance.
 - i. The request for proposal must contain at a minimum a clear definition (scope) of the project, the evaluation criteria and relative scoring weights to be applied, the proposal opening date and time, and agency contact person.
 - aa. Cost of the contract must be included in the evaluation criteria and must receive a minimum of 25% of the total weight of all criteria.

- bb. All proposals shall be opened publicly at the Authority main office or the location specified in the RFP. Proposals received at the Authority main office after the advertised opening time shall be rejected, unless the advertised opening date and time have been extended by the Executive Director of the Authority due to circumstances requiring such an extension of time.
- ii. Request for proposals must be submitted to the Contract Review Committee for review prior to release. Review includes, but is not limited to appropriateness of scope and clearly defined evaluation criteria with cost at a minimum of 25%.
- iii. Request for proposals must be advertised a minimum of three consecutive days in the *Kennebec Journal* of Augusta, allowing a minimum of fifteen (15) calendar days from the final day of advertising to the proposal opening date. This section does not limit advertising in any other publication, trade publication or other media.
 - aa. Advertisements must include at a minimum a brief description of the service requirements of the Authority, the name of the contact person and address where copies of the RFP can be obtained, the opening date, the opening time and the opening location.
- iv. Pre-Bidders conferences are allowed, but are not required. These conferences are used to be certain that all bidders have an equal understanding of the Authority requirements.
 - aa. Pre-Bidders conferences must be advertised within the RFP advertisement, including location, day and time. Conferences must be scheduled a minimum of seven (7) calendar days from the final day of advertising and minimum of two weeks prior to proposal opening date. The Executive Director may authorize a pre-bidders conference on shorter notice than previously advertised. The Executive Director shall notify all prospective bidders who requested the RFP of the date and time of the conference under these circumstances.
 - bb. Conferences must be open to the public, questions raised must be documented in writing and responses must be written and forwarded to each prospective bidder who received an RFP, whether in attendance or not.
 - cc. No alterations or changes to any requirement or specification within the original RFP can be made without notifying all bidders in writing a minimum of seven (7) calendar days before opening date.
- v. Proposals shall be opened publicly at the office of the Authority or a location specified in the RFP. The opening of proposals shall be open to public attendance. The name of the respondent will be read aloud. No other information will be made available prior to evaluation and award notification. All proposals

shall be sequestered from this time until notification of award by the contracting agency after which time they become public records.

Proposals received at the office of the Authority later than the date and time specified will not be accepted and will be returned unopened or held to be picked up by the Respondent. Late proposals not picked up within seven (7) calendar days will be destroyed.

- vi. A written record of the vendor names, date and time received, and cost/price shall be kept at the office of the Authority after opening.

3. AWARD

- A. The Contract Review Committee is responsible for reviewing all proposals based on the criteria established within the original Request for Proposal document. The Committee shall document scoring, substantive information that supports the scoring, and make the award decision, which shall be subject to approval by Authority members at a general meeting.
 - i. Interviews/Presentations: Interviews and/or presentations may be considered within the review for information and scoring, if that provision was included within the original RFP documentation.
 - ii. Pricing/Negotiations: Pricing changes, alterations or negotiations are not allowed prior to the award decision and must not be used in scoring. Minor negotiations after notice of award are allowed and if agreement cannot be reached, the proposal may be rejected and the award made to the next highest rated bidder who was in compliance with all terms, conditions and requirements.
 - iii. Documentation: Written records must be kept by each person reviewing or ranking proposals. These records must be made available upon request.
 - iv. Award: Award must be made to the highest rated proposal that conforms to the requirements of the Authority as contained in the RFP.
 - v. Proposed Award Decision Notification: The Authority must notify all bidders responding to an RFP of the award decision in writing, postmarked or delivered a minimum of fourteen (14) calendar days prior to contract effective date. This notice must include a statement that the award is conditional pending approval by the Authority at a general meeting.
- B. Upon final approval by the Authority, the Chairman of the Authority shall affix an original signature to the contract, in duplicate, keeping one of the originals and mailing the second to the vendor who has been awarded the contract.
 - i. Contracts are not considered fully executed and valid before completing final approval by the Authority at a public meeting. No contract will be approved based on an RFP that has an effective date less than fourteen (14) calendar days after award notification to bidders.

- ii. Attorney General approval is not required. Nothing within this paragraph prevents request for Attorney General review of any contract.

4. APPEAL

- A. Any person who has submitted a proposal in response to an RFP and was not awarded the contract has the right to appeal the award. The appeals procedure to be followed is set forth in Chapter 120, Rules for Appeal of Contract and Grant Awards for the Department of Administrative and Financial Services, Bureau of General Services, Division of Purchases.
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PROCEDURES PURSUANT TO 5 M.R.S.A., chapter 379, subchapter 3, §12022-3

1. DEFINITIONS

- A. **COMPETITIVE PROCUREMENT.** Means the transmission of a written request for proposal, written request for qualifications or other invitation to compete on price or qualifications to at least three (3) responsible suppliers that is to be replied to at a stated time.
- B. **REQUEST FOR PROPOSAL.** Means a document listing the scope of work, requirements of the Authority and all evaluation criteria for services needed by the Authority. This document may also be referred to as a request for qualifications or other invitation to compete on price or qualifications. The request for proposal document is also known by the initials "RFP."
- C. **REVIEW COMMITTEE.** Means the committee established by the Authority that reviews proposals generated through the competitive procurement process.
- D. **CONTRACT.** Means the agreement between the vendor and the Authority describing the services to be performed, the terms and conditions agreed to by the parties, the cost of the services and how payment will be made.

2. REQUEST FOR COMPETITIVE PROCUREMENT PROCEDURE

- A. All contracts issued by the Authority that are not for necessary clerical and administrative services, loan servicing and other substantial operating contracts must be bid on through a competitive procurement process utilizing the following procedures.
 - i. The request for proposal must contain at a minimum a clear definition (scope) of the project, the evaluation criteria, relative scoring weights to be applied, the deadline for receipt of proposals and the agency contact person.
 - aa. Cost of the contract must be included in the evaluation criteria and must receive a minimum of 25% of the total weight of all criteria.

- bb. The request for proposal must be sent to at least three (3) responsible suppliers.
- cc. No alterations or changes to any requirement or specification within the original RFP can be made without notifying all bidders in writing a minimum of seven (7) calendar days before the deadline for receiving proposals.
- dd. All bidders will have the opportunity to make inquiries about the RFP or request additional information about the Authority by an established deadline set forth in the RFP. All questions and the Authority's response to the questions will be distributed to all bidders by an established deadline set forth in the RFP.
- ee. Proposals received after the deadline will be rejected, without exception.
- ff. The Review Committee is responsible for reviewing all proposals based on the criteria established within the RFP. The Committee shall document scoring, substantive information that supports the scoring, and make the award decision which shall be subject to approval by Authority members at a general meeting. The award must be made to the highest rated proposal that conforms to the requirements of the Authority contained within the RFP.
- gg. Written records must be kept by each person reviewing or evaluating the proposals. These records must be made available upon request.

3. CONDITIONS UNDER WHICH COMPETITIVE PROCUREMENT MAY BE WAIVED

- A. All contracts issued by the Authority that are not bid on through a competitive procurement process must be justified by one of the following.
 - i. The services required are unique to a specific vendor. If the vendor has unique expertise, that expertise and the necessity of it must be described.
 - ii. Time is of the essence and only one known source can meet the Authority's needs within the required timeframe. The timeframe must be explained in terms of how it was determined, its significance and the impact of the delay.
 - iii. The total cost of the acquisition is less than \$10,000.
- B. When a recommendation is made by the Executive Director of the Authority to award a contract without engaging in the competitive procurement process under Sections A.i. and A. ii., the Authority must approve this recommendation at a general meeting.

4. RECORD KEEPING FOR PROCUREMENTS NOT COMPETITIVELY PROCURED

- A. For procurements not competitively procured exceeding \$10,000, written justification prepared by the Executive Director of the Authority and approved by the Authority will be maintained on file for five (5) years. Evidence of approval by the Authority will be the minutes from a general

meeting where the approval was voted on.

5. REPORTING REQUIREMENTS

- A. The Authority will submit an annual report to the Legislature (Clerk of the House, the Secretary of the Senate, and the Executive Director of the Legislative Council) in a manner determined by the Executive Director of the Legislative Council, with the first report due by February 1, 2014. The annual report will include a list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies adopted pursuant to §12022-3, including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required. The list must include the names of the vendors and cost associated with those procurements.

STATUTORY AUTHORITY: 20-A M.R.S.A. §§ 11417(4), 11417(7) and 5 M.R.S.A., chapter 379, subchapter 3, §§ 12021-6.G., 12022-3.

EFFECTIVE DATE:

December 5, 2001

AMENDED:

October 31, 2012 filing 2012-297

Maine Educational Loan Authority

Contributions Policy

Purpose

The Maine Educational Loan Authority (MELA or Authority) may choose to make contributions to selected organizations or other entities offering programs and services related to the Authority's mission. The purpose of MELA's Contributions Policy is to ensure that all contributions are directly aligned with the Authority's mission and limited to those contributions that are reasonable and necessary to accomplish the Authority's mission and to carry out the Authority's duties consistent with MELA's authorizing law. In addition, this Policy is intended to comply with 5 MRSA, chapter 379, subchapter 3, §12022-4.

Scope

This Contributions Policy applies to all contributions made by MELA.

Mission

MELA's mission is to assist Maine students and their families to achieve their higher education goals by providing a supplemental or alternative student loan program.

Definitions

Contributions means payments for membership dues and fees, gifts, donations and sponsorships, including those that result in public advertisement of MELA

Governing Body means the Members who are qualified and appointed according to the provisions of the Maine Educational Loan Authority Act, 20-A MRSA, Chapter 417-A, with the responsibility or authority to manage MELA.

Managing Director means the Executive Director appointed by the MELA Members, with the overall day-to-day responsibility for directing the operations of the Authority.

Procedures

The procedures governing the use of MELA's resources for contributions includes: 1) reviewing all contributions against established criteria to ensure each contribution is directly related to MELA's mission and activities; 2) budgeting and accounting for contributions separately from other expenditures in the Authority's records; 3) maintaining required documentation for each contribution; 4) securing the Governing Body's approval of the annual budget for contributions; and 5) fulfilling periodic and annual reporting requirements to the Governing Body and the Legislature. Listed below are the guidelines to be followed in the areas of: criteria for contributions; budgeting and accounting; Governing Body approval; and reporting for governing the use of the Authority's resources for contributions.

Criteria for Contributions

1. The organization or other entity must be education related, with preference given to those with a focus on assisting college bound students or current college or university students with identifying higher education financing resources;
2. The contribution provides MELA with opportunities for exposure to existing and potential borrowers, interaction with key influencers, cultivates and enhances relationships with constituents, strengthens brand recognition, and/or increases public awareness of the Authority; and
3. The organization or other entity must be a Maine nonprofit organization.

Budgeting and Accounting

For identification and reporting purposes, all contributions will be budgeted and accounted for with a distinct expense code as a separate line item in MELA's financial records.

The required documentation for each contribution includes: name and contact information for the organization or vendor; purpose of the contribution; total amount contributed; payment date; and signature of approval by the Managing Director.

Governing Body Approval

The Governing Body must approve the annual budget for contributions. The proposed annual budget for contributions will be prepared by the Managing Director and will include the name of the vendor, purpose of the contribution, and total amount to be contributed. The contributions budget will be included as part of the regular annual budgeting process for MELA.

Reporting

The Governing Body will receive quarterly reports on contributions made by MELA during the Authority's regularly scheduled meetings.

The Governing Body will submit an annual report to the Legislature (Clerk of the House, the Secretary of the Senate, and the Executive Director of the Legislative Council) in a manner determined by the Executive Director of the Legislative Council, with the first report due by February 1, 2014. The annual report must include a list of all organizations or entities to which MELA made contributions greater than \$1,000 in the preceding year and the total amount contributed to each.

Adopted by the MELA Members at their meeting held on October 24, 2012.

Maine Educational Loan Authority

Travel, Meals and Entertainment Policy

Purpose

The Maine Educational Loan Authority's (MELA or Authority) employees and non-employees are occasionally required to travel or entertain in the course of conducting the Authority's business. The purpose of MELA's Travel, Meals and Entertainment Policy is to provide guidelines governing the use of the Authority's resources to pay costs of travel, meals and entertainment when these expenses are incurred while representing MELA. All travel, meals and entertainment costs are limited to those that are reasonable and necessary to accomplish the Authority's mission and to carry out the Authority's duties consistent with MELA's authorizing law. In addition, this Policy is intended to comply with 5 MRSA, chapter 379, subchapter 3, §12022-5.

Scope

This Travel, Meals and Entertainment Policy applies to all MELA employees and non-employees traveling and entertaining on behalf of MELA and seeking reimbursement for related expenses from the Authority.

Mission

MELA's mission is to assist Maine students and their families to achieve their higher education goals by providing a supplemental or alternative student loan program.

Definitions

In Travel Status means a traveler who has been traveling for two hours beyond the traveler's regularly scheduled working hours for any one day. The two hours may consist of hours occurring before, after or a combination of both for the traveler's regularly scheduled working hours for the day.

Governing Body means the Members who are qualified and appointed according to the provisions of the Maine Educational Loan Authority Act, 20-A MRSA, Chapter 417-A, with the responsibility or authority to manage MELA.

Managing Director means the Executive Director appointed by the MELA Members, with the overall day-to-day responsibility for directing the operations of the Authority.

General Guidelines

MELA has the expectation that all employees and non-employees will act in a prudent and reasonable matter when traveling and entertaining on behalf of the Authority. Travel, meals and entertainment costs will be limited to those that are reasonable and necessary in relation to MELA's mission and activities. Travel out-of-state will be minimal and limited to occasions that are absolutely necessary.

MELA's reimbursement rates for travel, including transportation (e.g. private vehicle mileage, airlines, etc.), meals and lodging will be the same as those rates for State of Maine employees as outlined in the State Administrative & Accounting Manual (SAAM), Department of Administrative & Financial Services, Office of the State Controller. The reimbursement for meals and lodging shall not exceed the maximum allowable per diem rate for the travel location unless an exception has been made by the Governing Body. The reimbursement for use of a privately owned vehicle will be at the mileage reimbursement rate in effect at the time of travel. In addition, the Authority will follow the SAAM for the types of miscellaneous travel expenses that are reimbursable (e.g. taxi, parking fees, conference registration fees, etc.) as well as those that are non-reimbursable (e.g. alcoholic beverage expenses, personal entertainment, personal trip insurance, etc.).

Meals while traveling will only be reimbursed for travelers considered to be in travel status. Meals for entertainment will only be reimbursed when one or more of the attendees is not a MELA employee or non-employee and there is a business purpose. The frequency of business meals will be limited.

Travel out-of-state by the Managing Director will be limited and must receive prior written approval of the Governing Body.

The MELA corporate credit card will be used by the Managing Director for all travel, meals and entertainment expenses greater than \$25. Use of a personal credit card by the Managing Director is not permitted except in an emergency situation.

For MELA non-employees, use of a personal credit card is permitted for occasional or infrequent use which does not result in any significant personal gain in the form of cash back, points or other rewards.

Procedures

The procedures governing the use of MELA's resources to pay costs of travel, meals and entertainment includes: 1) a description of the persons for whom MELA will pay travel, meals and entertainment costs and the conditions under which these costs will be paid and whether directly or through reimbursement; 2) the requirements for supporting documentation and approval of travel, meals and entertainment costs paid directly or through reimbursement; 3) budgeting and accounting for travel, meals and entertainment costs separately from other expenditures in the Authority's records; 4) securing the Governing Body's approval of the annual budget for travel, meals and entertainment costs; and 5) fulfilling periodic reporting requirements to the Governing Body on actual travel, meals and entertainment costs paid directly or through reimbursement. Listed below are the guidelines to be followed in the areas of: eligible persons for reimbursement, conditions for reimbursement and form of payment or reimbursement; documentation and approval; budgeting and accounting; Governing Body approval; and reporting for governing the use of the Authority's resources to pay costs of travel, meals and entertainment.

Eligible Persons for Reimbursement, Conditions for Reimbursement and Form of Payment or Reimbursement

MELA will pay travel, meals and entertainment costs for all of the Authority's employees and non-employees when these expenses are incurred while representing the Authority at a conference, meeting or other event that is reasonable and necessary for accomplishing the Authority's mission and activities. An employee is the Managing Director. A non-employee is any member of the Governing Body.

The travel, meals and entertainment costs that will be paid are those approved expenses incurred in accordance with MELA's annual budget. These expenses must be submitted on a MELA Expense Report form along with the required supporting documentation. Reimbursements will not be made for expenditures submitted more than 30 days after they were incurred.

Travel, meals and entertainment costs will be paid either directly or through reimbursement. When it is efficient and timely to do so, an advance purchase requisition will be utilized to pay for expenses such as conference fees when accompanied with a registration form or other documentation. Expense reimbursements must be documented per the guidelines listed below.

Documentation and Approval

The following outlines the required supporting documentation for common travel, meals and entertainment expenses.

Category of Expense

Meals

Required Documentation

Meals while traveling-a detailed receipt with name of payee, date, detail of items purchased and cost (including any customary tip or gratuity).

Meals while entertaining-a detailed receipt with name of payee, date, detail of items purchased, cost (including any customary tip or gratuity), list of attendees, their current or potential relationship to MELA, and business purpose.

Lodging

Itemized hotel bill along with credit card receipt. An express checkout receipt can be submitted as long as the details of the charges are shown.

| | |
|--|--|
| Conference/Registration Fees | Registration form or agenda, receipt showing amount and proof of payment. |
| Mileage | Date, beginning and ending destinations, miles driven, amount and business purpose. |
| Airfare | Airline ticket receipt showing itinerary, amount of airfare and proof of payment. |
| Auto Rental | Car rental agreement and proof of payment. |
| Taxi, Parking, Tolls or Other Transportation | Receipt or invoice if expense is in excess of \$5 |
| Other (e.g. faxes, copies bellman, etc.) | An explanation of the expense, date, receipt or invoice and proof of payment. Items such as tips to hotel service personnel do not require a receipt but must be reasonable and customary. |

The Managing Director will not be required to secure prior approval for traveling or entertaining so long as the professional conference, meeting or other event is reasonable and necessary for accomplishing the Authority's mission and activities. Examples of typical travel-related activities include: regular, special or committee meetings of the MELA Members; conferences and meetings sponsored by the Maine Association of Financial Aid Administrators and the Maine Counseling Association, campus meetings with Financial Aid Administrators or other personnel such as Deans or Directors at Maine's Institutions of Higher Education; meetings with the Governor, Legislators and other State officials; meetings with the Bond Cap Issuers' Group; attending legislative hearings or meetings related to MELA and/or higher education financing; and other related events.

All travel, meals and entertainment costs paid directly or through reimbursement will be approved by the Managing Director and reviewed by the Authority's Chief Financial Officer in accordance with MELA's annual budget for these expenses and consistent with this Policy. Travel out-of-state by the Managing Director requires prior written approved by the Governing Body.

Budgeting and Accounting

For identification and reporting purposes, all travel, meals and entertainment costs will be budgeted and accounted for with a distinct expense code as a separate line item in MELA's financial records.

The required supporting documentation for travel, meals and entertainment costs is listed above.

Governing Body Approval

The Governing Body must approve the annual budget for travel, meals and entertainment. The proposed annual budget for travel, meals and entertainment will be prepared by the Managing Director. The budget for travel, meals and entertainment expenses will be included as part of the regular annual budgeting process for MELA.

Reporting

The Governing Body will receive quarterly reports on actual travel, meals and entertainment costs paid directly or reimbursed by MELA during the Authority's regularly scheduled meetings.

Adopted by the MELA Members at their meeting held on October 24, 2012.

Maine Educational Loan Authority

Lobbyists Policy

Purpose

The Maine Educational Loan Authority (MELA or Authority) finds it necessary to occasionally engage in lobbying activities. The purpose of MELA's Lobbyists Policy is to provide guidance governing the use of the Authority's resources to pay for the cost of lobbyists. All lobbying activities are those that are reasonable and necessary to accomplish the Authority's mission and to carry out the Authority's duties consistent with MELA's authorizing law. In addition, this Policy is intended to comply with 3 MRSA, chapter 15 and 5 MRSA, chapter 379, subchapter 3, §12022-6.

Definitions

Legislative Designee means any employee of a state department or agency who is directed by the head of the department or agency to lobby or monitor legislation on behalf of the department or agency. Legislative Designee includes an employee who is reasonably expected to lobby or monitor legislation on behalf of the department or agency for more than 20 hours during the session. For the purpose of this definition, monitoring legislation means attending legislative hearings and sessions regarding a legislative action. (3 MRSA, chapter 15, §312-A., subsection 8-A.)

Lobbying means to communicate directly with any official in the legislative branch or any official in the executive branch or with a constitutional officer for the purpose of influencing any legislative action or with the Governor or the Governor's cabinet and staff for the purpose of influencing the approval or veto of a legislative action when reimbursement for expenditures or compensation is made for those activities. Lobbying includes the time spent to prepare and submit to the Governor, an official in the legislative branch, an official in the executive branch, a constitutional officer or a legislative committee oral and written proposals for, or testimony or analyses concerning, a legislative action. Lobbying does not include time spent by any person providing information to or participating in a subcommittee, stakeholder group, task force or other work group regarding a legislative action by the appointment or at the request of the Governor, a Legislator or legislative committee, a constitutional officer, a state agency commissioner or the chair of a state board or commission. (3 MRSA, chapter 15, §312-A., subsection 9.)

Lobbyist means any person who is specifically employed by another person for the purpose of and who engages in lobbying in excess of 8 hours in any calendar month, or any individual who, as a regular employee of another person, expends an amount of time in excess of 8 hours in any calendar month in lobbying. Lobbyist does not include a lobbyist associate. Lobbyist does not include an individual who receives no compensation for lobbying other than reimbursement for lobbying-related travel within

the State and reimbursement for other out-of-pocket expenditures made by the individual for printing, postage and food and lodging connected with lobbying activities paid for by the individual. For the purpose of this definition, reimbursement for other out-of-pocket expenditures does not include reimbursement for the individual's time spent lobbying that would have been otherwise compensated by an employer or in the course of the individual's employment. (3 MRSA, chapter 15, §312-A., subsection 10.)

State Employee or State Agency Employee means employees of the executive branch, the judicial branch, the Department of the Attorney General, the Department of Secretary of State, the Department of the Treasurer and any employee who directly or indirectly represents an entity listed in Title 5, chapter 379. (3 MRSA, chapter 15, §312-A., subsection 17.)

Governing Body means the Members who are qualified and appointed according to the provisions of the Maine Educational Loan Authority Act, 20-A MRSA, Chapter 417-A, with the responsibility or authority to manage MELA.

Managing Director means the Executive Director appointed by the MELA Members, with the overall day-to-day responsibility for directing the operations of the Authority.

Procedures

As a quasi-state entity, MELA is required to comply with the lobbyist disclosure law (3 MRSA, chapter 15). The lobbyist disclosure law in Maine requires state employees and quasi-state agency employees to register with the Commission on Governmental Ethics and Election Practices fifteen (15) days prior to the convening of the regular legislative session if: 1) the employee is designated by the head of a state department or agency to serve as the primary legislative designee for that state department or agency; or 2) the employee is reasonably expected to lobby or monitor legislation on behalf of the state department or agency for more than 20 hours during the legislative session.

MELA's Governing Body designates its Managing Director as the Authority's legislative designee to represent the Authority's interests in state government. The use of MELA's resources to compensate an independent lobbyist for lobbying services is not permitted. MELA will not retain any person, other than the Authority's Managing Director, who is required to register as a lobbyist as defined in 3 MRSA, chapter 15, §312-A., subsection 10.

The Managing Director will complete the annual registration requirements for legislative designees with the Commission on Governmental Ethics and Election Practices. State employees or quasi-state agency employees who register under the provisions of the lobbyist disclosure law are exempt from all other requirements of the lobbyist disclosure law.

Adopted by the MELA Members at their meeting held on October 24, 2012.