

MAINE STATE LEGISLATURE

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**Business & Education
at Work for Maine**

January 23, 2013

Hon. Justin Alfond
Senate President
3 State House Station
Augusta, ME 04333

Hon. Mark Eves
Speaker of the House
2 State House Station
Augusta, ME 04333

Dear President Alfond and Speaker Eves:

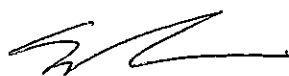
Pursuant to Public Law 2011, Chapter 616 (new 5 M.R.S.A. § 12023(1)), the board of directors of the Finance Authority of Maine (FAME) respectfully submits this letter, which serves as its initial report on the adoption, implementation, and monitoring status of certain written policies required by this new law.

Attached please find copies of FAME's Travel and Reimbursement Policy; Procurement Policy; and Contributions, Sponsorships and Memberships Policy. These policies were revised and/or approved by the board on March 15, 2012.

The board receives quarterly reports from FAME staff detailing these specific categories.

If you have any questions, please do not hesitate to contact me at 541-2715 or at Susan.Snowden@bangor.com

Sincerely,



Susan Snowden
Chair, FAME Board of Directors

Encl.

Cc: Darek Grant, Secretary of the Senate
Millicent MacFarland, Clerk of the House
David Boulter, Executive Director, Legislative Council
Elizabeth L. Bordowitz, Chief Executive Officer, FAME



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If you have any questions, please do not hesitate to contact me at 541-2715 or at Susan.Snowden@bangor.com

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Snowden", is written over a horizontal line.

Susan Snowden
Chair, FAME Board of Directors

Encl.

Cc: Darek Grant, Secretary of the Senate
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8.02 TRAVEL POLICY

While traveling on official business, all employees are expected to conduct themselves in a responsible and professional manner. To help promote this image, FAME has adopted the following rules:

1. All state and local motor vehicle laws are to be obeyed at all times. Any traffic tickets, parking tickets, or toll violation fees are the personal responsibility of the operator.
2. Employees are to use prudent judgment regarding the consumption of alcoholic beverages while traveling on official FAME business. All employees must represent FAME in a professional manner at all times.
3. Mileage reimbursement is based on actual miles traveled to the business destination and return. If travel originates or terminates at home, reimbursement will be provided for the lesser of actual miles traveled or mileage from FAME to the business destination and return.
4. In the event of an accident while traveling on official FAME business the following procedures are required to be followed:
 - The accident should be immediately reported to the local police.
 - Report the accident to the insurance carrier.
If an employee uses a company car on company business, FAME's insurance carrier (Risk Management) is going to respond, not the employee's personal insurance. However, the employee's personal automobile insurance is primary if the employee is using their personal car for company business. If a serious collision involving a second party takes place while using a personal car on company business, the accident should be reported to both the personal insurance carrier and to Risk Management (through the Finance Department at FAME). Minor "fender bender" accidents with a personal car do not need to be reported to Risk Management.
 - All accidents should be reported as soon as possible to the Finance Department. With the assistance of the employee, a "Driver's Accident Report" and any other required reports or forms will be completed.
 - All forms will be forwarded to Risk Management at the State, the Agency that handles FAME's insurance. Risk Management will investigate all accidents and

report their findings to FAME.

6. Employees are considered on "Official FAME Business" while traveling to and from business meetings/conferences/training, regardless of the time of day or night. Conducting personal business during travel time is strongly discouraged and not considered official business.
7. Please refer to Section 8.04 Reimbursement and Advance Procedures for additional travel related information.

If overnight travel, either in or out of state, is required, "Official FAME Business" begins at the time of departure and ends when the employee returns home or to the office, whichever comes first.

8.04 REIMBURSEMENT AND ADVANCE PROCEDURES**TRAVEL AND BUSINESS EXPENSE**

Employees required to travel must receive prior approval from their Director. All out-of-state travel requires the approval of the Chief Executive Officer and completion of the Travel Request form.

All state and local motor vehicle laws are to be obeyed at all times, and the use of seat belts is required while on FAME business.

A *Travel Request* must include:

- Purpose for the trip
- Date of the trip
- Time of the trip
- Place that the trip will start and end and intermediate destinations.

Employees must submit a Check Request Form to the Finance Department at least four working days prior to travel to receive a cash advance. The request for cash advance must be accompanied by a completed Travel Request form and requires approval from the employee's Director.

To receive reimbursement for travel expenses, an employee must complete a Travel and Expense Account Voucher, which is approved by their supervisor. The Chief Executive Officer's business expenses must be approved by a FAME Board Officer. The Travel and Expense Account Voucher details the date of travel, the purpose of any expenses associated with the travel (mileage, tolls, meals, lodging, etc.). All reimbursable expenses must adhere to FAME's policies and include the appropriate documentation (receipts). Travel and Expense Account Vouchers must be submitted for reimbursement no later than 30 days after the travel expense incurred, unless a travel advance was requested. All employees who requested a travel advance must submit their Expense Voucher within 5 days upon return and return any unused portion of the advance with their detailed expense voucher.

Out-of-State travel should be reported on a separate expense voucher and not grouped with in-State travel.

TRAVEL RELATED TO FEDERAL PROGRAM

All travel related to Federal programs will follow reimbursement rates as outlined in the Prescribed Maximum Per Diem Rates for CONUS, which can be reviewed by clicking on the following link.

<http://www.gsa.gov/portal/category/21287>

TRAVEL BY COMMERCIAL CARRIER

Employees should arrange travel on excursion, economy or other discount fares. Government rates should be requested whenever available for travel or accommodations. Charges for first class transportation will not be allowed. Employees should use prudent judgment about additional fees (e.g., checking bags, extra leg room, Wi-Fi) for business travel, choosing the most economical and safe options that meet business needs while minimizing expense to FAME. To receive reimbursement, receipts must be submitted along with the employee's completed Travel and Expense Account Voucher.

MILEAGE REIMBURSEMENT

FAME will reimburse its employees at the FAME rate for the use of their personal motor vehicle on necessary business travel. FAME has two leased vehicles, which are available to employees traveling outside of the local area. The leased vehicles from the State should be the vehicles of first choice when traveling. The vehicle should be reserved in advance using Outlook. Insurance and a gas card are included in our rental agreement. The logs for the vehicles leased through the State are maintained at the front desk.

Mileage reimbursement is based on actual miles traveled to the business destination and return. If travel originates or terminates at home, reimbursement will be provided for the lesser of actual miles traveled or mileage from FAME to the business destination and return.

To receive mileage reimbursement, employees must indicate on their travel voucher the location where the travel started and ended.

In the event of disputes, reimbursable mileage shall be determined by using the Maine State Highway Accumulative Mileage Table published by the Maine Department of Transportation.

All employees shall endeavor to keep reimbursable travel expenses as low as possible. When it

is required that several employees of FAME travel to the same destination, carpooling is strongly encouraged.

AUTO RENTAL REIMBURSEMENT

In the event an auto rental is required, any rental anticipated to be in excess of \$200 must be approved by the employee's Director or Chief Executive Officer in advance of travel arrangements.

Receipts must be submitted for reimbursement.

Employees must attempt to obtain the most economical rental vehicle appropriate for the purpose of the travel. The leased vehicles from the State should be the vehicles of first choice when traveling. If both vehicles are in use, a vehicle may be rented, but must be the most economical rental vehicle appropriate for the purpose. Rental of state vehicles is encouraged if they are more economical than other rental sources. Optional additional insurance coverage may be elected unless coverage is otherwise available.

PARKING AND TOLL FEE REIMBURSEMENT

FAME employees shall be reimbursed for expenditures for parking meters, tolls and vehicle storage charges provided that such expenditures are directly related to official FAME business travel. FAME does not have an EZPASS for the FAME vehicles. Employees must pay tolls and seek reimbursement when using the FAME vehicles for business travel. Toll violation fees for driving through the EZPASS lane will be paid by the employee; FAME will not pay these fees nor will employees be reimbursed for violation fees.

Receipts are required for parking and toll fees in excess of \$3.

SPEEDING / TOWING / EMERGENCY / SERVICE / VEHICLE REPAIR

There will ordinarily be no reimbursement for speeding, parking tickets, overtime tow-away charges, emergency highway service, vehicle repairs or towing charges. However, in the event that an employee's vehicle is damaged while on FAME business for reasons not due to the employee's gross negligence or violation of law, FAME will reimburse the reasonable costs attributable to the damage, excluding amounts covered by insurance. Reimbursement for any insurance deductible shall not exceed \$500.

MEAL REIMBURSEMENT

FAME employees will be reimbursed for necessary expenditures for meals, including tips, taken during business travel subject to the following conditions:

Depart and return within the same business day:

No reimbursement for meals except for:

Breakfast, if the employee is required to depart home more than one hour earlier than normal.

Dinner, if the business event prevents the employee from returning home before 7:00 p.m.

A meal is associated with an official meeting or conference and is part of a scheduled formal program.

A meal including business customers of FAME as invited guests. Employees attending seminars or other official business outside of Augusta can submit for reasonable reimbursement of lunch.

In the case of business trips requiring overnight lodging accommodations, FAME will provide reimbursement for all meals except dinner if the employee is not prevented from returning home before 7:00 p.m.

All reimbursable meal expenses including tips must be reasonable. Alcoholic beverages are not eligible for reimbursement. FAME will reimburse employees for a customary tip of up to 18% for meals, cab fare, etc. Tips exceeding 18% will require the employee to personally pay the difference between 18% and the amount of tip given.

All meals require a receipt for reimbursement. The daily maximum meal allowance for business travel is \$50 for travel within Maine and \$65 for out-of-state travel. Employees should abide by per meal maximums of \$15 for breakfast, \$25 for lunch and \$35 for dinner. Any amounts over the maximum per meal or per day allowance will not be reimbursed by FAME.

LODGING REIMBURSEMENT

FAME employees whose business travel requires an overnight stay will be reimbursed for reasonable costs of commercial lodging accommodations at the single occupancy room rate.

Where applicable the government rate should be requested for all lodging arrangements.

Receipts are required for reimbursement of all lodging expenses. Business telephone calls charged to the hotel bill are allowable. Hotel charges for in-room movies, laundry, entertainment or alcoholic beverages are not reimbursable.

BUSINESS EXPENSE REIMBURSEMENT

FAME will not reimburse an employee for any expenses other than meals related to FAME business, other than those approved by the Chief Executive Officer prior to the expenditure.

Requests for reimbursement must include:

- Nature of the activity.
- Anticipated date and place.
- Names of person(s) included in the expense and their relation to FAME.
- The business to be discussed.
- The anticipated total cost.
- The reason the expense/meeting is necessary.

Reimbursement requires itemized receipts.

TELEPHONE CALL REIMBURSEMENT

FAME will reimburse the reasonable cost of all business telephone calls made by employees.

Employees are allowed one call home daily at FAME's expense. If an employee is detained by FAME business and unable to return home before 7:00 p.m. on any day, the employee will be allowed to call home at FAME's expense. An employee must use a personal credit card or other method of personal payment for all other personal long distance calls.

Cellular calls made for business purposes on personal accounts will be reimbursed at the cost to the employee based on the percentage of business calls divided by the total minutes used by the employee (not total minutes of a family plan), plus any applicable roaming charges.

If an employee is given a FAME cellular phone, that employee shall reimburse FAME for personal calls made at the incremental rate chargeable to FAME for calls in excess of the rate plan, plus applicable toll or roaming charges.

CONFERENCES, SEMINARS, EDUCATION AND TRAINING

FAME will reimburse employees for the expenses associated with attending scheduled professional conferences and seminars that relate to their work with FAME, subject to prior approval by the Chief Executive Officer, Director or Manager. Out of State travel must receive prior approval by the Chief Executive Officer.

EMPLOYEE RESPONSIBILITY

Employees are responsible for the accuracy of their expense reports. Any exceptions to this policy will be reported to the employee's Director or the CEO.

8.05 PROCUREMENT POLICY**General Provisions**

The purpose of this statement of Procurement Policy (hereinafter the "Policy") is to:

- Assure that supplies, products and services are procured efficiently, effectively and at favorable prices;
- Assure that quality, experience and service are given strong consideration along with pricing;
- Promote open and free competition in contracting;
- Provide safeguards for maintaining a procurement system of quality and integrity;
- Assure that FAME purchasing actions are in full compliance with applicable Federal standards and regulations and State and local laws.

Procurement Authority and Administration

The policy will be administered as follows:

Unless otherwise stated in this Policy, the Procurement Officer, who shall be the Director of Finance or such other individual the Chief Executive Officer authorizes in writing to serve as the Procurement Officer, will administer all of FAME's procurement transactions.

FAME will maintain records sufficient to detail, including the rationale for the method of procurement, contractor/vendor selection or rejection, the basis for the contract/vendor price and such other information as FAME determines appropriate and maintain such records for a minimum of five years. See Finance Department Procedures for more documentation regarding the use of requisitions and Purchase Orders, including approval limits.

Note that The Chief Executive Officer must authorize any non-budgeted purchases over \$15,000 (or non-budgeted contracts that obligate FAME to an amount over \$15,000 annually).

Management will seek approval through the Finance and Audit Committee for any non-budgeted capital expenditures that would cause actual capital expenditures to exceed the capital budget by \$50,000 in aggregate. The Board will be requested to ratify the approval of the Finance and Audit Committee for the purchase of the non-budgeted capital item at its next monthly meeting.

FAME may enter into State and local intergovernmental agreements for procurement or use of common goods and service.

Procurement of products or services

When acquiring supplies, products or services, FAME will obtain quotes based upon size of purchase (FAME may obtain these price quotations by telephone, email, fax, Internet, verbally, as long as the information is documented, or as otherwise allowed by State or local laws.):

Except as provided below, FAME will make the award to the vendor providing the lowest acceptable quotation meeting required specifications. FAME may make the award based on factors in addition to price so long as it justifies its action in writing. Examples of these factors may be:

- the item is available only from a single source, based on a reasonable review of available sources;
- an emergency for the requirement does not permit a delay resulting from competitive solicitation;
- after solicitation of a number of sources, FAME determines that there are no other providers that meet our needs

1) Procurement for Small Purchases < \$10,000

For purchases below \$10,000, FAME may solicit one quotation if FAME considers the price received reasonable.

2) Procurement for Purchases > \$10,000 and < \$50,000

For purchases from \$10,000 to \$50,000, FAME must obtain quotations from three qualified sources unless the Procurement Officer allows an exception.

3) Procurement for Purchases > \$50,000

- The requests for information (RFI) or proposals (RFP) will identify all the evaluation factors and their relative importance;
- FAME will identify criteria for evaluating proposals received and selecting awardees.
- FAME will make awards to the responsible firm whose proposal is most advantageous to the applicable program, with price and other factors considered.
- FAME may reject any and all proposals or be allowed to negotiate price and services beyond the original submittal.

Documentation of Quotes Received for purchases

The following documentation will be required for each purchase:

- Name and address of Vendor(s)/Contractor(s)

- Price, quantity, specifications of product or service, and quality of product(s)
- Criteria for Decision Making
- Reasons for Decision if for not using price as deciding factor in Competitive Proposals

Length of Contract and Review

The length of a contractual agreement to provide supplies, services or product should not exceed five years for services rendered. Prior to the end of the contract FAME should begin the process for replacing the contract according to the Procurement Policy. Outside of the procurement policy, it has been the practice of the Board of Directors to approve the selection of the guaranty servicing vendor, loan servicing vendors, Maine College Savings Program servicing vendor, and FAME's primary bank for banking services. The Board must approve the selection of FAME's auditors.

Ethics in Public Contracting

No employee, Board Member, officer or agent of FAME shall participate in the selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. A conflict of interest is defined under FAME's Conflict of Interest Policy.

See Finance Department Procedures for more detailed documentation and approval requirements.

8.08 CONTRIBUTIONS, SPONSORSHIPS AND MEMBERSHIPS**Statement of Policy**

FAME will only become a member of an organization that supports FAME's mission or strategic plan and that provides benefits that FAME is unable to obtain without such membership. Similarly, FAME will only make contributions, sponsorships and donations to meet an objective consistent with FAME's mission, strategic plan and marketing plan.

Membership Organizations

FAME may become a member of any national organization that is composed of similar governmental or not for profit entities from other states that offer: opportunities to learn best practices; review and interpretation of national policies that affect FAME programs; tracking of prospective policies that may affect FAME programs; or collaboration opportunities.

FAME may become a member of a Maine organization that includes among its members: businesses, institutions of higher education, financial institutions, students, financial aid professionals; so long as such membership provides benefits to FAME such as: opportunities to learn best practices; opportunities to collaborate on new policy directions within FAME's mission; opportunities to make the availability of FAME programs known to an audience that can benefit from such programs.

All organization memberships must be reviewed and approved by the Chief Executive Officer.

FAME may pay for membership of staff members in appropriate professional organizations such as the Maine Bar Association and the American Institute of CPAs (AICPA), with the approval of the individual's Director.

Sponsorships

FAME will undertake sponsorships that build awareness of FAME or FAME programs among core constituencies. Such sponsorships will be consistent with FAME's marketing plan.

Donations/Contributions

FAME will not ordinarily make donations or contributions that are not undertaken for marketing purposes.

Internal Procedures for Documenting the Benefits of a Membership, Contribution, Donation or Sponsorship

Memberships in organizations will be reviewed annually as part of the budget process. The budget will include a summary statement as to the benefit of each organization budgeted for membership.

Internal Procedures for Accounting for Memberships, Contributions, Donations or Sponsorships

All proposed contributions, sponsorships and memberships must be identified in the budget process, including the benefit the proposed contribution, sponsorship or membership will bring to FAME.