



Capitol Region Education Council

Bruce E. Douglas, Ph.D.
Executive Director

To: All CREC Staff
From: Bruce Douglas
Date: May 19, 2006
Re: Guidelines on Ethical Spending

111 Charter Oak Avenue
Hartford, CT 06106
(860) 524-4063
Fax (860) 548-9924
<http://www.crec.org/>

Proper and ethical use of CREC's assets, and specifically, the dollars funding our organization, is an unwavering requirement of all CREC employees and consultants.

CREC has strong controls in place to monitor and comply with existing policies and procedures. Each CREC employee has a responsibility to preserve and protect all CREC assets. Assets include cash, checks, all other monetary exchange, equipment, inventories and intellectual properties (per Policy 3172). Even though we believe CREC's employees exhibit strong ethical spending behaviors, it is important to reiterate all expectations.

Absence of specific delineations (or conditions) in this memo or in CREC's policies is not an excuse for lack of good judgment exercised by our employees.

This document is intended to provide guidance in this area. This document does not replace CREC's existing policies and procedures, but provides further guidance and clarity in specific spending areas.

1. Political & Charitable Contributions

CREC does not give political contributions. Employees have the right to make personal political contributions, but no reimbursement will be made to an employee for this type of contribution.

Any charitable giving on behalf of CREC will be decided by The Charitable Giving Committee, which will review an organization's request. Factors which will be strongly considered in determining a charitable gift are the organization's: (1) education and related programs, (2) purpose and alignment with CREC's mission and goals and (3) target community within the Capitol Region.

2. Allowable & Appropriate Expenditures

General

CREC does not purchase or reimburse employees for memberships to social clubs, store/warehouse membership fees, indirect travel expenses such as airline club memberships, golf greens fees, or other similar types of expenditures.

Giving of Gifts

CREC does not purchase or reimburse employees for gifts associated with new jobs, promotions, illnesses, weddings, birthdays, engagements, holiday gifts, shower gifts or funeral expenses for employees or business associates.

Exception to this may be one of the following significant life events:

- (1) birth or adoption of a child,
- (2) loss of an immediate family member,
- (3) Treatment of a chronic, life threatening, serious or emergency illness.

In these instances, a Cabinet member must approve a program manager's or principal's request for reimbursement of this type purchase. Flowers, or a similar gift, may be appropriate and reimbursements for these types of purchases will be limited to \$50.00.

CREC does not purchase or offer gifts to non-employees or consultants which may be viewed or considered inappropriate.

CREC may at times purchase a recognition award, offer advertising novelties to program/conference attendees, or a similar type of appropriate memento.

CREC will honor grants or contracts which require stipends or awards payable to participants.

Employees may take up group collections to purchase or offer a gift to an employee or business associate for a particular occasion, but no employee should feel obligated to participate in a collection. These types of expenses will not be reimbursed by CREC.

3. Supervisor Approvals for Employee Reimbursements

In order to ensure there are proper levels of review for employee reimbursements, effective immediately, all employee reimbursement requests must be reviewed, approved and signed by the employee's supervisor prior to submission to Business Services. This is a common, standard practice in most organizations and it provides an important control and a proper level of oversight and review.

4. Cell Phones

Cellular phones are assigned to employees whose positions require the use of a cell phone in order to carry out their daily job responsibilities. Personal use of business issued cell phones should not result in additional charges to CREC. Incremental charges resulting from personal use will be the responsibility of the employee.

5. Receipt of Gifts

To Individual Employees from Business Associates and Organizations outside CREC:

From time to time, an employee may be offered a gift of thanks for his/her work from individuals and organizations outside of CREC. Employees must

demonstrate good judgment and diligence in knowing whether the gift can be accepted or graciously declined.

An employee is not allowed to solicit or accept a valuable gift (from individuals, families, organizations, suppliers, etc) under circumstances in which it could be reasonably inferred that the gift was intended to influence the employee in the performance of his/her duties or job responsibilities (per Policy 4118.13). A valuable gift is a gift of more than \$50.00 in value. A valuable gift includes, but is not limited to, entertainment, food, beverage, travel, lodging to the extent that the gift value exceeds \$50.00 for any one occasion, and \$100.00 total in any one year from the same person. Gifts may take the form of a monetary currency or gift card, service or loan, travel, entertainment, hospitality, material object, or a promise of future obligation. Examples may be books, school supplies, technology supplies, sporting events, theatre tickets, dinners, promise of future job opportunities, golf green fees etc.

Employees may accept a gift if it does not meet the above criteria. Allowable gifts which include advertising novelties (pens, paper pads) or small gifts deemed to have a value less than \$50.00.

All gifts received by employees, except for conference giveaways or advertising novelties, must be disclosed to the Chief of Finance & Operations for approval and acceptance. Email communication is preferred.

To Individual Employees from CREC

Recognition of CREC employees who have distinguished themselves through exceptional achievements benefiting CREC is allowable through letters of recognition, awards or other appropriate methods (per Policy 1170).

Employee meals paid by CREC (such holiday celebrations or lunches out) must be (1) approved in advance by the Executive Director, a Division Director or Cabinet Member, (2) have a specific purpose and (3) occur sparingly.

From Students

CREC does not encourage the giving of gifts by students to staff or employees. All children are not economically able to contribute on a comparable basis. In lieu of purchased gifts, simple tokens such as a picture, poem or card from the student are entirely appropriate (per Policy 1313).

To Schools & Programs

Only the Executive Director or school principal may accept a donation (materials, books, equipment, etc) or a gift on behalf of a school or program. All such gifts or donations will be reported to the CREC Council and do not obligate CREC to give preferential consideration to an individual, group or organization (per Policy 3280). Accepted gifts and donations must be communicated to the Executive Director's Office (Aura Alvarado-Strudwick) for disclosure to the CREC Council.

6. Business Travel

When traveling on behalf of CREC, employees must use prudent and reasonable judgment when incurring business expenses.

Hotel Accommodations

When booking hotel rooms, take advantage of the discounted rates offered by conferences. These are often the best priced rates available to attendees. If booking a hotel room not associated with a conference, use care to make reservations at a hotel with reasonable and average prices for the location and time. Upgrades to larger rooms or rooms with additional accommodations (such as movie rentals and gym fees) will not be reimbursed.

Rental Cars

When renting vehicles, reserve rental cars which offer the most economical deal, while allowing enough room for the people being transported and their luggage. Small to mid-size cars will often meet our traveling needs. Rental of unnecessary larger vehicles or SUV's will not be reimbursed.

Meals & Alcohol

Use prudence and judgment when purchasing meals. Traveling on business is not a carte blanche allowance to purchase expensive meals at expensive restaurants. Extraordinarily priced meals will not be reimbursed in full.

CREC will not reimburse for alcohol purchases.

Extending Business Trips for Personal Time

Hotel rooms, car rentals, meals and other traveling expenses will not be reimbursed if any portion of these costs extends beyond a business purpose into personal time away.

7. Independence from Vendors, Suppliers

Our revised purchasing policies added new language when selecting and working with vendors:

A CREC employee placing an order or recommending a vendor must disclose any relationship with that vendor which would not be considered an "arms-length" or independent transaction.

For a transaction to be considered "arms-length" or "independent", a CREC employee should not be influenced, dependent upon, guided or controlled by a vendor into choosing that vendor or item to purchase; nor should it appear to a third party that a CREC employee made a purchasing decision which appears to be based upon a personal relationship between the CREC employee and vendor.

The following are examples when a transaction is NOT considered arms-length or independent:

- (1) When there exists a personal relationship between a CREC employee and a vendor,
- (2) When there exists the potential for a personal benefit to a CREC employee, or,
- (3) When the parties to a business deal are dependent upon one another for “something” other than the purchase itself

This disclosure must be made in writing to the Executive Director and/or the Chief of Finance and Operations for an evaluation. The Executive Director and/or the Chief of Finance and Operations will respond to this disclosure in writing (per Policy 3320 and 3321).

8. Reporting Unethical Behaviors

All employees or consultants, regardless of their positions, are obligated to identify and report any unethical behavior to their supervisors.

When applying the principles and concepts of ethical behavior to your position, keep in mind that it is better to “over disclose” questionable actions or behaviors to your supervisor (or Ethics Officer) rather than “under disclose” them. If you prefer not to present an issue to your supervisor, CREC’s Ethics Officer will assist with resolving any concerns of unethical behavior.

Cindy Martinez is currently serving as CREC’s Ethics Officer.