

**GRANT FUNDING AGREEMENT  
BETWEEN THE CITY OF HUDSON AND  
TECHNOLOGY ENTREPRENEURIAL CENTER OF HUDSON (TECHUDSON)**

THIS AGREEMENT is made this \_\_\_ day of \_\_\_\_\_ 2013, by and between the City of Hudson, Ohio a municipal corporation (“City”), located at 27 East Main Street, Hudson, Ohio 44236, and Technology Entrepreneurial Center of Hudson, an Ohio not for profit corporation (“TECHudson”) with its principal place of business located at 105 Executive Parkway (Building 105), Suite 400, Hudson, Ohio 44236.

WHEREAS, the City finds that it is in the best interest of its residents, taxpayers, and the local economy to invest in programs and projects, both public and private, which introduce new business and industry, diversify the economy, promote advances in research and technology, and create new employment and higher wage opportunities for its residents, the region, and the State of Ohio.

WHEREAS, TECHudson is a nonprofit corporation, incorporated in August 2010, for the general purpose of being a technology-focused business incubator for the specific purposes of: (i) encouraging and assisting the development of new businesses in Hudson and the surrounding area by making available office space and business resources and providing training and advice to promising new businesses; (ii) nurturing and assisting businesses to grow and contribute new tax revenue and employment in Hudson and the surrounding area; (iii) assisting in providing funding for emerging businesses to continue to grow; and (iv) educating the general public regarding the opportunities for entrepreneurs in the Hudson area.

WHEREAS, the City wishes to provide certain grant funding to TECHudson in accordance with this Agreement for the public purpose of developing the business incubator.

NOW THEREFORE, in consideration of the terms, conditions, provisions, and covenants hereinafter set forth, the parties hereto agree as follows:

**Section 1. Purpose.** The purpose of this Agreement is to provide grant funding to TECHudson to create and operate a business incubator in the City of Hudson (the “Project”), as more specifically set forth below, and to memorialize the parties’ respective duties and responsibilities.

**Section 2. Term.** The term of this Agreement shall begin on February 1, 2013 and end on December 31, 2014, unless otherwise provided herein.

**Section 3. Description of the Project.** TECHudson shall operate as a general business incubator with emphasis on technology-focused businesses. The core objective of the Project shall be for TECHudson to provide management, technical assistance and consulting services to emerging businesses to produce healthy and successful businesses that are no longer dependent on the services of the incubator and graduate from the Project financially viable, freestanding, and having created new jobs. TECHudson will provide office space, meeting rooms, shared equipment and technology support and will advertise and market the incubator to attract small business.

**Section 4. Covenants of City.**

- (a) The City agrees, subject to the conditions set forth in this Section 4, to provide funding to TECHudson for direct expenses for the operation of the Project (“City Funds”) as follows:
1. Fifty Thousand Dollars (\$50,000.00) in Year 2013 payable prior to March 31, 2013, and a matching grant from the City of up to Twenty-Five Thousand Dollars (\$25,000.00) on a one-to-one match basis in Year 2013 ~~(the “2013 Match Amount”).~~
  2. Twenty-Five Thousand Dollars (\$25,000.00) in Year 2014 payable prior to January 31, 2014, and a matching grant from the City of up to Twenty-Five Thousand Dollars (\$25,000.00) on a one-to-one match basis in Year 2014 ~~(the “2014 Match Amount”).~~
- (b) ~~Notwithstanding that set forth in Section 4(a), neither of the following may be included in determining whether or not TECHudson shall be entitled to receive the 2013 Match Amount or 2013 Match Amount: (1) amounts~~ New funds received by TECHudson during the term of this Agreement shall be eligible for the match funding under Subsection 4(a) above. Provided, however, new funds shall not include those funds committed to TECHudson in respect of under or in connection with the Entrepreneurial Signature Program funded by the State of Ohio and administered by JumpStart or (2) amount those funds committed to TECHudson by The the Burton D. Morgan Foundation pursuant to under or in connection with its letter to TECHudson dated October 5, 2012.
- (c) The City may, in its sole discretion and without regard to TECHudson’s compliance with its core objectives and/or achievement of its benchmarks, terminate this Agreement and have no further obligation to disburse City Funds to TECHudson upon at least thirty (30) days written notice prior to December 31st of any calendar year of this Agreement. Such termination shall be effective on December 31st of that calendar year.

**Section 5. Covenants of TECHudson.**

- (a) TECHudson will maintain its 501(c)(3) tax exempt status under the federal Tax Code at all times during the term of this Agreement.
- (b) The Project shall be operated out of a commercial facility located within the City’s corporate limits at all times (“Project Facility”). If TECHudson intends to move its Project Facility from 105 Executive Parkway (Suite 400), it shall notify

the City immediately in writing. Failure of TECHudson to operate out of a Project Facility shall be deemed a default under this Agreement.

- (c) At no time during the term of this Agreement shall any Executive Director of TECHudson receive an annual gross salary that is greater than the equivalent of the City's annual pay range K-11 (\$77,313.60). At no time during the term of this Agreement shall any Office Manager of TECHudson receive an annual gross salary that is greater than the equivalent of the City's annual pay range F-7 (\$43,596.80).
- (d) TECHudson shall prepare and approve an annual budget for each calendar year of the Agreement, which shall be provided to the City no later than the date of authorization of this Agreement by the City's Council in 2013 and no less than ninety days (90) days prior to December 31st of the preceding year ~~31, 2013 for Year 2014 under this Agreement.~~ No later than (30) days after ~~the December 31st of each calendar year of this Agreement~~ 31, 2013 and 2014, TECHudson shall submit to the City a financial statement for the Project and its operations for the preceding year, which shall also contain a report that is specific to the use of the City Funds.
- (e) TECHudson shall provide the City with (i) high-level, monthly progress reports and (ii) a detailed progress report at least thirty (30) days prior to December 31, 2013 reporting on TECHudson's success in meeting the Project's core objectives, set forth in Section 3 herein, and the Project benchmarks, set forth in Exhibit A attached hereto and incorporated herein. TECHudson shall also make a presentation regarding its progress in meeting such core objectives and benchmarks to the City Council at a Council Workshop meeting on a quarterly basis during the term of this Agreement with the first such presentation being given at the end of the second calendar quarter of 2013. If the City Funds are not expended by TECHudson in accordance with its core objectives or if TECHudson is not substantially meeting the Project benchmarks, the City shall have the option to cease any or all future disbursements of the City Funds to TECHudson, terminate the Agreement, and/or have no further obligation to disburse City Funds to TECHudson.
- (f) TECHudson shall create appropriate benchmarks for the Project for calendar year 2014, which shall be submitted to the City for approval no less than ninety (90) days prior to December 31, 2013. Once approved by the City, the benchmarks shall be deemed incorporated by reference into Exhibit A hereto.
- (g) TECHudson shall not use City Funds for any purpose other than completion of the Project and shall not pledge the City Funds as security or collateral for any

loan or other obligation or indebtedness and cannot loan funds to any Incubatee or other person or entity.

- (h) Upon termination of this Agreement or if TECHudson ceases to exist, all unexpended City Funds must be immediately returned to the City and TECHudson shall immediately transfer to the City all of its rights, title, and interest in all property and equipment acquired by TECHudson through use of City Funds, unless the City waives such reimbursement and/or return of property and equipment in writing. TECHudson shall provide for the security and safekeeping of all property and equipment obtained with City Funds.

**Section 6. Project Records Requirements.** TECHudson agrees to maintain accurate Project information and records regarding each Incubatees' participation in the Project. Such records shall include the name of the business, the type of business, whether it is a graduated business or a business which exited without graduation, and such other relevant information to examine the success of the Project. The City reserves the right to require any other documentation, financial or otherwise, that may report TECHudson's activities related to its performance of the Project or expenditure of City Funds. Authorized representatives of the City have the right to make site visits to the Project Facility at reasonable times to review Project accomplishments and management control.

**Section 7. Accounting, Inspection and Auditing Requirements.** TECHudson agrees to operate with and to maintain accurate accounting information and financial records regarding the Project in conformity with generally accepted accounting principles and the financial controls procedures set forth in Exhibit B attached hereto and incorporated herein. The City shall have the right, at its own expense, and upon reasonable notice, to conduct an audit of records and accounting procedure during normal business hours at the office of TECHudson where said records are stored. The records shall be retained by TECHudson for a period of three (3) years after the termination or completion of this Agreement or until a full audit is completed by the City, whichever comes first. The City shall retain the right to audit the records during the three (3) year retention period after termination of the Agreement. This City has the right to terminate this Agreement, without regard to any notice requirement or right to cure set forth in Section 11 of this Agreement, if said audit or other financial statement demonstrates that City Funds have been misappropriated or that TECHudson will not be able to substantially fulfill the core objectives of the Project.

**Section 8. Insurance.** During the term of this Agreement, TECHudson shall secure and maintain general liability insurance with a limit of liability of not less than One Million Dollars (\$1,000,000.00). TECHudson shall also provide workers' compensation coverage for all of its employees, as required by law. TECHudson shall secure and maintain employee dishonesty insurance coverage with a limit of liability not less than Two Hundred and Fifty Thousand Dollars (\$250,000.00). The City of Hudson shall be an additional insured on the general liability insurance policy and TECHudson shall provide the City with certificates of insurance verifying all insurance coverages.

**Section 9. Indemnification.** TECHudson agrees to indemnify, defend, and hold harmless the City, its officials, employees, and agents, from and against any claim of liability or loss resulting from or arising out of acts or omissions of TECHudson, its officers, employees, or agents excepting, however, such claims or damages as may be due to or caused by the acts or omissions of the City, its officers, employees or agents.

**Section 10. Compliance with Laws and Regulations.** TECHudson shall abide by all applicable laws, statutes, ordinances, rules and regulations pertaining to, or regulating its operations and performance as set forth herein, including those now in effect and hereafter adopted. Any violation of said laws, statutes, ordinances, rules or regulations shall constitute a material breach of this Agreement. TECHudson, at its sole expense, shall obtain any and all required federal, state and local licenses, occupational and otherwise, required to successfully provide the services under the Project.

**Section 11. Default.** If any party is found by any other to be in default of any terms or provisions of this Agreement, the party not in default must notify the party in default in writing. Said default shall be remedied or brought into compliance by the party in default within thirty (30) days receipt of the notice. In the event the defaulting party fails to timely correct or remedy the event of default, unless the time to cure period is extended in writing by the non-defaulting party, the non-defaulting party may declare the Agreement in default and pursue any remedy available by law or equity against the defaulting party. The City shall have the option, in its sole discretion, to immediately terminate the Agreement upon a default of the Agreement by TECHudson which is not cured within the cure period set forth above or which is not curable.

**Section 12. Disclaimer of Third Party Beneficiaries.** This Agreement is solely for the benefit of the two parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not one of the two parties hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give any person or corporation, other than the parties hereto, any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

**Section 13. Notices.** Whenever either party desires to give notice to the other, notice may be sent to:

For the City of Hudson:

City of Hudson, Ohio  
c/o City Manager  
27 East Main Street  
Hudson, Ohio 44236

To TECHudson:

Technology Entrepreneurial Center of Hudson  
c/o Executive Director

P.O. Box 2228  
Hudson, OH 44236

Either party may change by written notice as provided herein, the addresses or persons for receipt of notices. All notices and other communications given pursuant to this Agreement to be served, given or delivered upon either party shall be in writing and shall be sent by registered mail, or return receipt requested, or by a national overnight receipt delivery service (e.g., Federal Express). Such notices shall be deemed served, given and delivered on the earlier of the following: (1) the date of actual receipt; (ii) the fifth business day after any registered or certified notice was deposited in a sealed envelope in the U.S. mail, postage prepaid; (iii) the next business day after any notice was delivered (on a business day) to a receipted overnight delivery service of said notice accepted same).

**Section 14. Bankruptcy or Insolvency.** If TECHudson shall file a Petition in Bankruptcy, or if the same shall be adjudged bankrupt or insolvent by any Court, or if a receiver of the property of TECHudson shall be appointed in any proceeding brought by or against TECHudson, or if TECHudson shall make an assignment for the benefit of creditors, or proceedings shall be commenced on or against TECHudson operations of the premises, the City may terminate this Agreement without any regard to the notice requirement and cure period set forth in Section 11 herein.

**Section 15. No Partnership.** Nothing in this Agreement shall be construed to establish an agency, partnership or joint venture relationship between the City and TECHudson, its officers, employees or agents, nor with any agency, partnership, or joint venture relationship or any employer/employee relationship with any Incubatee, its officers, employees, or agent. In addition, it is agreed by the parties hereto that, at all times and for all purposes within the scope of this Agreement, TECHudson is independent of the City.

**Section 16. Assignment.** This Agreement, and the rights and privileges established by it, shall not be assigned or transferred in whole or in part by any party without the prior written consent of the parties hereto, which consent may be granted or withheld in any party's sole discretion, and any attempted assignment or transfer without the consent of the other party shall be null, void and of no legal effect.

**Section 17. Force Majure.** In the event a party hereto fails to satisfy a requirement of this Agreement in a timely manner due to a hurricane, flood, tornado, a war, terrorist act, major upheaval or other acts of God or force majure, then said party shall not be in default hereunder; provided, however, that performance shall recommence upon such event ceasing its effect.

**Section 18. Modification of Agreement.** Any waiver, alteration or modification of any part or provision of this Agreement, or the cancellation or replacement of this Agreement shall not be valid unless in writing and executed by the Parties hereto.

**Section 19. Applicable Law and Venue.** The laws of the State of Ohio shall govern the validity, performance and enforcement of this Agreement. Venue of all actions shall be in Summit County, Ohio.

**Section 20. Headings.** All sections and descriptive headings in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

**Section 21. Severability.** If any provision, term or clause of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, shall be severable, the remainder continuing in full force and effect, but only to the extent that the remainder does not become unreasonable or otherwise contrary to the purpose and intent of this Agreement.

**Section 22. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument.

**Section 23. Construction of Agreement.** This Agreement has been fully reviewed and approved by the Parties hereto and their respective counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which party hereto or its counsel drafted the provisions being interpreted.

**Section 24. Waiver.** Failure of the parties to insist upon strict performance of any of the covenants, terms, provisions or conditions of this Agreement, or to exercise any right or option herein contained, shall not be construed as a waiver or a relinquishment for the future of any such covenant, term, provision, condition or right of election, but same shall remain in full force and effect.

**Section 25. Entire Agreement.** This Agreement constitutes the entire Agreement between the Parties and supersedes all previous discussions, and understandings and Agreements between the Parties relating to the subject matter of this Agreement.

**Section 26. Survival.** Any provision of this Agreement which, by its nature, is intended to survive the expiration or other termination of this Agreement, including, without limitation, any indemnification provision and record retention obligation and inspection rights, shall survive and shall benefit the parties and their respective successors and permitted assigns.

*[signatures on the following page]*

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the day and year first above written.

TECHNOLOGY ENTREPRENEURIAL  
CENTER OF HUDSON  
an Ohio not for profit corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

CITY OF HUDSON, OHIO  
a municipal corporation

By: \_\_\_\_\_

Anthony J. Bales, City Manager

Date: \_\_\_\_\_

Authorized by City Council Resolution No. \_\_\_\_  
passed \_\_\_\_\_.

STATE OF OHIO            )  
                                  ) SS:  
COUNTY OF \_\_\_\_\_ )

BEFORE ME, a Notary Public in and for said County and State, personally appeared the TECHNOLOGY ENTREPRENEURIAL CENTER OF HUDSON, by \_\_\_\_\_, its \_\_\_\_\_ who acknowledged that he/she did sign the foregoing agreement and that the same was his/her free act and deed and the free act in the capacity indicated.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_



NOTARY PUBLIC



STATE OF OHIO            )  
                                  ) SS:  
COUNTY OF SUMMIT    )

BEFORE ME, a notary public in and for said county and state, personally appeared the City of Hudson, Ohio, by Anthony J. Bales, its City Manager, who acknowledged that he did sign the foregoing agreement and that the same was his free act and deed as a City official and the free act and deed of the City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
NOTARY PUBLIC

**Fiscal Officer's Certificate**

As the Director of Finance of the City of Hudson, I certify that as of the date of execution of the within Agreement, the amount required to satisfy payment under the Agreement has been fully appropriated, authorized or directed for such purpose, and is in the City treasury to the credit of the fund for which it is drawn, or in the process of collection, and not appropriated for any other purpose.

---

Jeffery Knoblauch  
Director of Finance  
City of Hudson

Approved as to legal form:

---

R. Todd Hunt, City Solicitor

## EXHIBIT A

### Benchmarks for 2013:

- Secure a total amount of funding of at least \$25,000 per year for each of 2013 and 2014.
- Attract viable technology-based businesses that meet TECHudson's entrance criteria.
- Maintain a close working relationship with the City of Hudson, reporting to City Council on progress of TECHudson, and collaborating with the City's Economic Development Director for business attraction, retention, and growth of new businesses.
- Maintain procedures and reporting system of collecting data measuring economic impact of TECHudson's clients on the local economy.
- Maintain corporate procedures covering governance, funding, staffing, finances, the Client Advisory Board, selection of clients, graduation, marketing, public relations, and facilities management.
- Maintain IRS 501(c)(3) status.
- Maintain working relationships with regional entrepreneurial groups, such as those listed below but not limited thereto, that allow TECHudson to attract the best of the best of entrepreneurs in the region and building a network of partners.
  - o Akron Score
  - o Akron Global Business Accelerator
  - o BioEnterprise
  - o Cleveland Clinic Innovations
  - o Great Lakes Innovation and Development Enterprise (GLIDE)
  - o Jumpstart, Inc.
  - o MAGNET, Inc.
  - o NorTech
  - o Youngstown Business Incubator
- Maintain working relationships with local colleges and universities, such as those listed below, that allow TECHudson to attract research and development of new and innovative products or services.
  - o Case Western Reserve University: The Institute of Advanced Materials  
Kent State University: Liquid Crystal, Bioscience, Nanotechnology
  - o The Ohio State University: Material Manufacturing Technologies, and Nanotechnology
  - o University of Akron: Globally Distinctive Polymer Sciences and Engineering Applied in Regional Industry Clusters, including the BioInnovation Institute in Akron and its Center of Excellence in Orthopedics
- Continue developing the Entrepreneurial Campus

## EXHIBIT B

Technology Entrepreneurial Center of Hudson, hereafter known as *TECHudson*, will practice sound financial management. TECHudson financial system shall assure that accurate financial records are kept and TECHudson's financial resources are used in the furtherance of encouraging technology innovation and the acceleration of the development of commercially viable technology based businesses by providing a nurturing and supportive environment.

### **I. GENERAL**

TECHudson's Board of Directors formulates financial policy, delegates administration of the financial policies to the Executive Director and reviews operations and activities.

The Executive Director has management responsibility, including financial management.

In the future, as applicable, current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.

In the future, as much as possible, financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, etc.

All employees involved with financial procedures shall take vacations or leaves of consecutive workdays each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.

A blanket employee dishonesty insurance coverage in the amount of \$250,000 shall be maintained.

Professional financial service providers will be established annually. Currently, these include QuickBooks (accounting software), Paycor (payroll services), the Summit Insurance Agency, Hudson, Ohio (Insurance), Morgan Bank, Hudson, Ohio (banking), TBD (restricted investments and retirement services), and TBD (accountants).

The Executive Director or Office Manager (future hire) will maintain a current and accurate log of the chart of accounts; job accounts and accounting classes.

The TECHudson's Board of Directors will review these policies and procedures annually.

## II. CASH RECEIPTS (includes credits)

The Executive Director or Office Manager (future hire) opens any mail addressed to *Technology Entrepreneurial Center of Hudson, TECHudson* or without specific addressee. The receipt of checks or cash will be recorded in the accounting system. All other checks or cash shall be handled by the Executive Director.

The Executive Director will endorse all checks by rubber stamp to read as follows:

PAY TO THE ORDER OF Morgan Bank  
Account #  
FOR DEPOSIT ONLY  
*Technology Entrepreneurial Center of Hudson, TECHudson*  
Account Number

The endorsement stamp will specify into which corporate account (checking) the deposit will be made.

A financial report will be printed that includes the source of amount of the receipt as well as the total monthly deposit amount.

The checks and cash will then be forwarded to the Executive Director or Office Manager (future hire) who will complete deposit slips.

All receipts will be deposited intact. No disbursements will be made from cash or check receipts prior to deposit.

The Executive Director will receive a copy of all deposit reports for review.

## III. CASH DISBURSEMENTS

### CHECK AUTHORIZATION

All invoices will be immediately forwarded to the Executive Director or Office Manager (future hire) who will review all invoices for mathematical accuracy, validity, conformity to the budget (or other Board authorization) and compliance with bid requirements.

Prior to payment, all invoices will be approved (indicated by initialing) by the Executive Director or Office Manager (future hire) who will code the invoice with an appropriate expense or other chart of accounts line item number, class and job number (where applicable).

By approving an invoice, the Executive Director or Office Manager (future hire) indicates that it has been reviewed by the Executive Director or Office Manager (future hire) and authorizes a check.

The Executive Director or Office Manager (future hire) will ensure that all conditions and specifications on a contract or order have been satisfactorily fulfilled, including inventorying items received against packing slip counts. The Executive Director or Office Manager (future hire) is responsible for timely follow-up on discrepancies and payment.

Approved invoices will be entered into the accounting system.

The Executive Director or Office Manager (future hire) will prepare checks on a bi-weekly basis.

Authorized signers on TECHudson accounts include the Executive Director, Treasurer and the Secretary of the Board of Directors.

## **CHECKS**

The Executive Director or Office Manager (future hire) will be responsible for all blank checks.

All checks, including payroll checks (with the exception of direct deposit payroll items) will be signed by the Treasurer or Secretary of the Board of Directors.

The Executive Director or Office Manager (future hire) will generate checks for approved invoices through the accounting system.

Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.

In no event will:

Invoices be paid unless approved by an authorized signer;

Blank checks (checks without a date or payee designated) be signed in advance;

Checks be made out to "cash", "bearer", "petty cash", etc.; and

Checks be prepared on verbal authorization, unless approved by the Executive Director.

In the event that it is necessary to issue a duplicate check for checks in an amount over \$15, a stop payment will be ordered at the bank on the original check.

## **BANK RECONCILIATIONS**

Bank statements will be received directly and opened by the Executive Director or Office Manager (future hire).

The Executive Director or Office Manager (future hire) will reconcile the bank statement monthly.

The Executive Director and Treasurer of the Board of Directors will receive monthly statements of checks paid on all accounts.

The Executive Director shall verify the reconciliation of the bank accounts on at least a quarterly basis.

On all checks outstanding over 90 days, the Executive Director or Office Manager (future hire) should take appropriate action.

## **IV. PURCHASING**

### **PURCHASES OF \$5,000 OR LESS**

All purchases over \$500 must be approved in advance by the Executive Director and Treasurer.

If the purchase is \$5,000 or less, the Executive Director is responsible to know if the item ordered is within the budget and guidelines.

If the purchase is less than \$150, persons authorized by the Executive Director for immediate purchase and delivery can make the purchase. When this is done, invoice copies are to be turned into the Executive Director.

### **PURCHASES OVER \$5,000**

All purchases including services over \$500 must be approved in advance by the Executive Director and Treasurer.

Purchases over \$5,000 will be required to undergo a competitive bid procedure.

All bid requests will contain clear specifications and will not contain features, which unduly restrict competition.

The Executive Director will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.



The Executive Director will obtain at least three bids wherever possible unless prior approval by Executive Committee has been obtained.

Purchases of over \$5,000 will not be fragmented or reduced to components of less than \$5,000 to avoid the bid process.

## **V. PAYROLL**

### **TIME SHEETS**

Each hourly employee will be responsible for completing a time sheet on a biweekly basis.

Completed time sheets will be dated and signed by the employee, will be submitted to the Executive Director or Office Manager (future hire) at the end of the last working day of each pay period.

No payroll checks will be issued without a completed time sheet.

Incomplete time sheets will be returned to the employee for correction.

The Executive Director or Office Manager (future hire) will verify the accuracy of the time sheets and addition.

Employees will be paid every two weeks, deductions will be itemized on each paycheck.

### **PAYROLL**

The Executive Director will review the payroll checks before they are distributed.

The Executive Director will distribute the payroll checks to the employees. Checks will not be issued to any person other than the employee without written authorization from the employee.

The Executive Director or Office Manager (future hire) is responsible for calling in hours to the payroll company.

Voluntary terminations will be paid at regular pay date. Involuntary terminations will be paid at the end of the period.

## **PAYROLL TAXES**

Executive Director will make available the payroll company reports, tax reports, W-2 forms, and 1099 forms.

The Executive Director will verify payroll tax reports on a quarterly basis.

## **BENEFITS**

Payroll will be prepared in accordance with the personnel policies and benefit plan.

## **VI. TRAVEL & EXPENSES**

Each employee will complete an Expense Report if any travelling is done.

Expenses Report should include all expenses including credit card charges. Report will reflect reimbursement sources other than Technology Entrepreneurial Center of Hudson (TECHudson).

Mileage to and from residence will not be paid by TECHudson. Except when applicable for Board of Directors members traveling from outside of the Northeast Ohio Region to board meetings.

The expense report will be submitted within 60 days for payment, with a total, signed by the employee, authorized for payment by the Executive Director.

In the case of the Executive Director's expense reports, the Treasurer and/or the Secretary of the Board of Directors will approve those expense reports.

Reimbursement will be based upon the current travel policies. Receipts must be attached to the expense report for lodging, common carrier transportation, and receipts for meals where required.

Incomplete expense vouchers will be returned.

Employees and Board of Directors members will be reimbursed for travel and other related expenses at the rate set by the Board of Directors.

The Executive Director must approve employee and Board of Directors travel and workshop expenditures prior to their occurrence.

The organization will reimburse no more than the standard mileage rate for the business use of a car as established by the IRS. TECHudson will reimburse meal expenses incurred in direct connection with TECHudson employment, or a per diem rate of \$35.00 per day, whichever is less. The mileage rate and per diem rate will be established annually by the Board of Directors.

## **VII. CONSULTANTS**

Consideration will be made of internal capabilities to accomplish services before contracting for them.

Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.

The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.

Consultant services will be paid for as work is performed or is delineated in the contract.

The Board of Directors will approve accounting services and other significant contracts.

The Executive Director will maintain all tax 1099 forms and W9 forms for consultants at year-end.

## **VIII. PROPERTY**

### **EQUIPMENT**

Equipment shall be defined as all items (purchased or donated) with a unit cost of \$500 or more and a useful life of more than one year.

The Executive Director will maintain a fixed assets listing which shall list a description of the item, date of purchase or acquisition, cost of the item and its location.

A depreciation schedule shall be prepared at least annually for the reviewed financial statements.

The Executive Director will record all equipment in the accounting system.

An entry must be made whenever property is disposed of or acquired.

## **IX. LEASES**

### **REAL ESTATE**

The Executive Director will review leases prior to submission to the Board of Directors for approval.

All leases, clearly delineating terms and conditions, will be approved by the Board of Directors and signed by the President of the organization.

The Executive Director will keep a copy of each lease on file.

The Executive Director will be notified of each lease and lease specifications, and will make proper general journal entries for same.

### **EQUIPMENT**

The Executive Director will review all leases.

All leases, clearly delineating terms and conditions, will be approved and signed by the Executive Director.

The Executive Director will keep a copy of each lease on file.

The Executive Director will be notified of each lease and lease specifications, and will make proper general journal entries for same.

### **INSURANCE**

Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and liability, worker's compensation, employee dishonesty and other insurance deemed necessary by the Board of Directors.

The Executive Director will carefully review insurance policies before renewal.

The Executive Director will maintain insurance policies in insurance file.

Insurance policies will correspond to the calendar year.

The Executive Director will prepare and maintain an insurance register.

#### **X. BOOKS OF ORIGINAL ENTRY**

TECHudson will utilize a double entry system for accounting for all funds.

Adequate documentation will be maintained to support all general entries.

At the end of each month, the Executive Director or Office Manager (future hire) will prepare a Balance Sheet, Profit and Loss Statement that will be reviewed by the Executive Director.

The monthly Statement of Profit and Loss report will include a comparison to the budget with any variances.

TECHudson will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

#### **XI. BUDGETS**

The Board of Directors shall approve all annual budgets.

The Executive Director will prepare and keep the financial budget.

The Executive Director or Office Manager (future hire) will insure that budgets are on file.

The Board of Directors must approve any substantial changes in the budget.

#### **XII. LOANS**

The Board of Directors will approve loans.

A promissory note will be prepared and signed by the Treasurer and another officer of the Board of Directors before funds are borrowed.

#### **XIII. OTHER**

##### **MINUTES OF MEETINGS**

The Secretary of the Board of Directors will prepare accurate minutes of all meetings of the Board of Directors and committees.

The Executive Director will note all items in the minutes relating to finance and take appropriate action.

## **NON-PROGRAM INCOME**

Donations of cash and non-program related income will be separately accounted for.

### **Grants / Rent Receivable**

Documentation will be maintained for Grants / Rent Receivables.

Grants / Rent Receivables will be recorded in the books and collected on a timely basis.

## **XIV. FINANCIAL PROCEDURES**

Financial procedures will be reviewed annually by the Board of Directors. The Board of Directors must approve changes to the financial procedure manual prior to implementation.

## **XV. FORM 990**

The Board of Directors in conjunction with the Review will authorize preparation of IRS Form 990. Form 990 will be signed by the Treasurer of the Board of Directors.

Copies of Form 990 will be kept on file in the Executive Director's office, and a copy of the TECHudson Form 990 and Form 1023 shall be located in the Executive Directors office for public inspection and/or copying.

## **XVI. REVIEWS**

The Board of Directors shall annually contract with an independent accounting firm for annual review of the books, to be completed prior to the following first of September.

## **XVII. PERSONNEL FILES**

The Executive Director or Office Manager (future hire) will maintain a personnel file for each employee, containing appropriate documents, such as the signed compensation agreement, approval of changes in compensation, an I-9 Immigration form, and withholding tax forms (W-9) and benefits.