

3.5.1.1 ACCOUNTS PAYABLE

Checks made payable to an employee for payment other than travel reimbursement shall be signed by two of the following three persons. Any check, other than payroll checks, greater than \$10,000 shall also require signatures by two of the following three persons

CEO

Vice President of the Board

President of the Board

Chair, Finance and Audit Committee

Or a designated Director appointed by the Board

Should the check be payable to the CEO, then the President and one other signer shall sign

Accounts Payable shall be overseen by the CEO. No payment shall be released without the approval of the CEO. All checks shall contain the signature of the CEO, unless the check is made payable to the CEO of if the check is for more than \$10,000. , in which case the procedures outlined in this section 3.5.1.1 shall be followed. A Check Register shall be submitted to the Finance and Audit Committee for its review on a monthly basis including the check number, the name of the party the check is payable to, the amount of the check, and the reason for the payment.

A Register or transactional document produced by the Payroll System used to pay employees shall be submitted to the Chair of the Finance Committee on a monthly basis for their review. The document shall include the name of the employee, the rate of pay, and the amount of payment

3.5.1.2 ACCOUNTS RECEIVABLE

An invoice is prepared and mailed at the time the transaction occurs. Invoice shall provide detail of item or service being billed and shall include terms of payment.

Monthly statements are prepared and mailed for all amounts outstanding.

On a monthly basis a detailed Accounts Receivable report is produced and provided to the Finance and Audit Committee for its review. The Report should provide a footnote of the status of any invoice which has not been paid timely.

If payment is not received after the three letters of collection have been sent (the original invoice and 2 monthly statements), the Association's Board of Directors will make a determination on how to proceed, based on the guidelines provided in the State Administrative Manual. Based on a cost/benefit analysis, the Agency can initiate one of the following:

A charge of **1.5%** per month will be added to the outstanding amount. If the accounts receivable is paid in full and the **1.5%** late fee is not, the late fee may be forgiven at the discretion of the CEO with the concurrence of the Chair of the Finance and Audit Committee

3.5.5 CONTRACTS, ETC.

The Board may authorize the CEO to enter into any contract or execute any instrument in the name of and upon behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Director, officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount.

3.5.5.1 DELEGATION OF AUTHORITY

It is the policy of the Association to purchase budgeted items essential to the operation consistent with State policy, and in conformance with State Administrative Manual (S.A.M.) Section 3500 et seq. and the requirements of the Office of Procurement, including the Purchasing Authority Manual (PAM) and P.C.C. Sections, and 10331-10333. These procedures are intended to manage and control an efficient, cost effective purchasing process in accordance with all procurement regulations. The Department of General Services (DGS) delegates purchasing authority to DAAs. Some of the major purchasing options, limitations, and bidding procedures are outlined in the APM. Each fair should produce and disseminate written procedures which establish internal controls such as:

- the conditions under which employees may make purchases
- obtaining and granting approval of purchase
- the documentation required

Every effort is made to ensure the best procurement value is received if the commodity to be purchased is not available through State Contract, California Multiple Award Schedule (CMAS), or Prison Industry Authority (PIA).

Expenditure Contracts Board approval is required for all contracted expenditures over \$5,000. The Board is notified monthly of all such contracted expenditures over \$5,000.

Revenue Contracts Board approval is required for all revenue contracts (sponsorship, interim events, lease agreements, etc., such approvals are voted at duly scheduled Board Meetings as part of the consent calendar.

Capital Outlay Projects All capital outlay projects are approved by the Board during the budget approval process. Board approval is required for any capital outlay project when the cost of the project is anticipated to exceed the total budget allocation for capital outlay approved by the Board. A capital outlay project is defined as the purchase of

land and/or construction projects. Construction projects include new construction, alteration, and extension or betterment of existing structures.

3.6.1 POWERS OF DIRECTORS

These bylaws may be altered, amended, or repealed, and new and additional bylaws adopted at any time by an affirmative vote of two-thirds vote of the full Board.

6.4.6 BOARD REQUIRED APPROVALS

6.4.6.1 CONTRACTS

The Board may authorize the CEO to enter into agreements on the Board's behalf to secure donations, memberships, sponsorships, and marketing and licensing agreements for the receipt of money, or services or products in lieu of money. The Board may also authorize the CEO to employ or enter into an agreement with an entity or person to develop, solicit, sell and service these agreements. The compensation for the entity or person shall be established by the CEO. Unless so authorized by the Board, no Director, officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount for these types of agreements

10.2.2 EXPENDITURE OF ORGANIZATION FUNDS

Per Government Code §13324, every person who incurs any expenditure in excess of the allotments or other provisions of the fiscal year budget as approved by the Board or as subsequently changed by or with the approval of the Board, is liable both personally and his/her official capacity for the amount of the excess expenditures.

10.2.3 EXECUTION OF AGREEMENTS

The CEO is authorized to execute all expenditure agreements up to \$5,000. and all revenue agreements up to \$10,000. with a term of one year or less without further authorization from the Board of Directors. On a monthly basis, the CEO will provide for the Board's information notification of these agreements in accordance with Section 3.5.5.1. Staff may enter into an agreement with the lowest responsible bidder for any capital outlay project if that project is part of the approved capital outlay plan and the cost of the project does not exceed the total budget allocation for capital outlay approved by the Board.

10.2.5 SIGNATURE REQUIREMENTS FOR CHECKS

Authorized signers on the account are the CEO, President, Vice President, and the Chair of the Finance/Audit committee as check signatories on all accounts for checks requiring dual signatures - those in excess of \$10,000.

12.6 RENTAL AGREEMENT

All use of the facilities and/or its equipment shall be covered by a rental agreement duly entered into by the CEO. The Association shall not enter into an Agreement where the activity or event is considered illegal under Local, State or Federal law. The CEO shall consult with the Board President when one or more of the following factors exist:

1. The size of the event is anticipated to attract more than 5000 people.
2. The promoter has no prior experience with the event proposed.
3. The event creates a partnership between the Association and the promoter.
4. The event supplements or supplants a current Association sponsored event.
5. The event's rent structure includes a formula for revenue sharing.
6. The promoter is proposing the use of the name of a previously sponsored Association event.

Rental rates shall be competitive with the market, but also that all interim use of the fairgrounds shall be profitable to the Association except for approved charitable events. The Board of Directors shall review on an annual basis the general rental rates for various association facilities and the Association's equipment rental rates (e.g. Chairs, tables), and make any adjustments required to stay competitive with the market.

All rental fees must be paid thirty (30) days prior to the event. Otherwise, the event is subject to cancellation.

A refundable deposit in an amount determined by the CEO is due at the time of the reservation sufficient to cover any damages to the facility or equipment or monies due the Association. Deposits, or any balance thereof, are refunded after the event. The deposit is retained if the event is cancelled for any reason .

12.7.1 INSURANCE

Liability Insurance, including Personal Liability and Property Damage, shall be required for all events on the Fairgrounds in a manner prescribed by the Association's Insurance Carrier.

12.10 CHARITABLE USE OF FACILITIES

Criteria for applicants are:

- Valid non-profit (501c3) organizations who serve California in one or more of the areas of education, arts, agriculture, or community and social services are eligible to submit an application.
- The Association will grant two awards each calendar year.
- Recipients will be eligible for a waiver of building rental for the approved event and will pay standard rates for all additional associated expense.
- All requests must be submitted by October 1 of each calendar year.
- Staff will review the applications and make a recommendation to the Board for final selection at its December meeting.
- Applicants will be notified of decisions in December.

All out-of-pocket expenses (reimbursable expenses) will be passed on to the organization applying for charitable use.

13.3.4 HORSERACING REVENUE DISTRIBUTION

The Association has elected to distribute 0.33 of 1% of the pari-mutuel handle from Satellite Wagering and Live Horse Racing to the City of Stockton in accordance with the California Business and Professions Code in exchange for free police protection during the annual Fair and Race Meet. (Adopted by the Board February 10, 1993)

15.3.7 FINAL AGREEMENT

- a) Association will document all Sponsorships in writing on State approved contracts.
- b) Sponsorships will include the Sponsor's and Association's obligations and responsibilities, timelines, deadlines, terms, form of payment and term of Sponsorship.
All sponsorships with a value of more than \$5,000 shall be approved by the President and Vice President of the Board. Tier I, II and III sponsors shall be approved by the full Board