

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
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June 1, 2018

Dear Audit, Compliance and Governance (ACG) Committee Members,

We look forward to our meeting on Friday, June 8th at the Connecticut Green Bank in Rocky Hill from 8:30 a.m. to 9:30 a.m. We will discuss the following agenda items:

1. Annual Review of Accounting Internal Control Policies;
2. Employee Handbook Revisions;
3. Proposed Loan Loss Decision Framework and Process; and
4. 2018 Legislative and Regulatory Update.

As always, please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Brian Farnen". The signature is written in a cursive style and is followed by a long horizontal line.

Brian Farnen
General Counsel & Chief Legal Officer



AGENDA

Audit, Compliance and Governance Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, June 8, 2018
8:30 – 9:30 a.m.

Staff Invited: George Bellas, Brian Farnen, Bryan Garcia, Bert Hunter, Matt Macunas and Eric Shrago

Others invites:

1. Call to order
2. Public Comments – 5 minutes
3. Approve Meeting Minutes for October 11, 2017* – 5 minutes
4. Annual Review of Accounting Internal Control Policies – 10 minutes
5. Employee Handbook Revisions for Recommendation to BOD** - 10 minutes
6. Proposed Loan Loss Decision Framework and Process – 20 minutes
7. 2018 Legislative and Regulatory Update – 5 minutes
8. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

Join the meeting online at <https://global.gotomeeting.com/join/964874421>

Or call in using your telephone:
Dial **+1 (571) 317-3112**
Access Code: 964-874-421

Next Regular Meeting: Wednesday, October 10, 2018 from 8:30-9:30am
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



RESOLUTIONS

Audit, Compliance and Governance Committee of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, June 8, 2018
8:30 – 9:30 a.m.

Staff Invited: George Bellas, Brian Farnen, Bryan Garcia, Bert Hunter, Matt Macunas and Eric Shrago

Others invites:

1. Call to order
2. Public Comments – 5 minutes
3. Approve Meeting Minutes for October 11, 2017* – 5 minutes

Resolution #1

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for October 11, 2017. Second. Discussion. Vote.

4. Annual Review of Accounting Internal Control Policies ** – 10 minutes

Resolution #2

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed revisions to the current internal accounting control policies.
Second. Discussion. Vote

5. Employee Handbook Revisions for Recommendation to BOD** – 10 minutes

Resolution #3

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends that the Board of Directors of the Connecticut Green Bank approval of the revisions to the Connecticut Green Bank Employee Handbook presented to on June 1, 2018.

6. Proposed Loan Loss Decision Framework and Process** – 20 minutes – George Bellas and Bryan Garcia

Resolution #4

WHEREAS, pursuant to Section 5.3.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

WHEREAS, on January 18, 2013, the Board of Directors authorized Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting ("Staff Approval Policy for Projects Under \$300,000");

WHEREAS, on July 18, 2014, the Green Bank Board of Directors approved of a recommendation brought forth by the Audit, Compliance, and Governance Committee and Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting;

WHEREAS, on October 20, 2017, the Green Bank Board of Directors approved of a recommendation brought forth by the ACG Committee and Deployment Committee to approve the authorization to amend the Staff Approval Policy to increase program funding requests for Projects Under \$300,000 to \$500,000 with an aggregate amount limit of \$1,000,000 from the date of the last Deployment Committee meeting; and

WHEREAS, the Staff of the Green Bank propose in a memorandum to the Deployment Committee on May 29, 2018, and revised based on feedback by the Deployment Committee for review and recommendation for approval by the ACG Committee a Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet.

NOW, therefore be it:

RESOLVED, that the ACG Committee recommends that the Board approve of the Staff proposed Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum dated June 8, 2018 which incorporates feedback from the Deployment Committee; and

RESOLVED, that the ACG Committee recommends that the Board of Directors authorizes Green Bank staff to evaluate and approve loan loss restructurings or write-offs for transactions less than \$100,000 of the principal amount outstanding and no more

in aggregate than \$500,000 from the date of the last Deployment Committee meeting (“Staff Loan Loss Approval Policy for Transactions Under \$100,000”) and consistent with the memorandum dated June 8, 2018 which incorporates feedback from the Deployment Committee.

7. 2017 Legislative and Regulatory Update – 5 minutes – Brian Farnen and Matt Macunas
8. Adjourn

*Denotes item requiring Committee action

** Denotes item requiring Committee action and recommendation to the Board for approval

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Next Regular Meeting: Wednesday, October 10, 2018 from 8:30-9:30am
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT



CONNECTICUT
GREEN BANK SM

Audit, Compliance and Governance Committee

June 8, 2018

ACG Committee

Agenda Item #1

Call to Order

ACG Committee

Agenda Item #2

Public Comments

ACG Committee

Agenda Item #3

Consent Agenda

Consent Agenda

Resolution 1



1. **Meeting Minutes** – approval of meeting minutes of October 11, 2017

ACG Committee

Agenda Item #4

Annual Review of Accounting Internal Control Policies

Connecticut Green Bank

Annual Review of Accounting Internal Controls

- Form the basis for safe guarding the Green Bank's assets and ensuring that all disbursements of Green Bank's funds are reviewed and approved at the appropriate management level.
- Are part of the overall system of internal control policies and procedures in place to ensure that all financial transactions are recorded in the financial records of the Green Bank accurately and on a timely basis.
- Reviewed for material weaknesses annually as part of the Green Bank's annual financial audit and issuance of its Comprehensive Annual Financial Report.
- CGB 101 – Purchasing and Accounts Payable
- CGB 102 – Consulting and Advisory Services
- CGB 103 – Credit Cards
- CGB 104 – Mobile Devices
- CGB 105 – Fixed Assets and Depreciation

ACG Committee

Agenda Item #5

Employee Handbook Revisions

Connecticut Green Bank

Employee Handbook Revisions



- **General Cleanup** – updated floor plans, clarified staff titles and areas of responsibility.
- **Vacation Payout** – Clarifying existing language that limits the allowed maximum vacation payout of 240 hours making it the employee’s responsibility to utilize their vacation time beyond 240 hours in the case of a voluntary separation or extending the employees separation date with their unused vacation days in the event of an involuntary separation.
- **Telecommuting** – Modifying the purpose of telecommuting with the statutory intent of reducing cars on the road in addition to provide employee flexibility and maximizing our business needs.
- **Tuition Assistance Benefit** – Proposing making continuing education assistance available to part time employees on a pro-rated basis.
- **IT Policy Update** – Minor updates recommended by ADNET to be in line with business needs.

ACG Committee

Agenda Item #6

Loan Loss Decision Framework and Process

Connecticut Green Bank

Balance Sheet and Assets



- **Balance Sheet** – CT Green Bank has built a balance sheet of over \$70 million in principal and interest producing assets that have seen strong performance with respect to repayment.
- **Restructurings and Write-Offs** – as the CT Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur.
- **Oversight** – the Deployment Committee, per the Bylaws (i.e., Section 5.3.3(ii, iv, v, vi, viii)) is responsible for managing the assets.
- **Process** – senior staff is proposing a loan loss decision framework and process for consideration by the Deployment Committee (feedback provided on May 29, 2018), Audit, Compliance, and Governance Committee (soliciting today on June 8, 2018), and the Board of Directors (either June 13 or 28, 2018)

Loan Loss Decision Framework



Proposed Structure

- **Best Practice** – follows the structure of the “Under \$500,000 and No More than \$1,000,000” procedure allowing staff approvals of investments consistent with the Comprehensive Plan and Budget...began as “Under \$300,000 and No More in Aggregate than \$500,000”

- **Value of the Modification** – senior staff assessed different asset values, including original principal value, principal outstanding, and value of the modification. **Recommend – principal outstanding** (e.g., \$2,000,000 original loan issued in 2012, has current principal outstanding for repayment of \$750,000 with staff seeking modification of \$250,000)

- **Type of Loss** – senior staff has identified three (3) classifications, including:
 1. **Provisional Loss Reserve** – as determined by the B&O Committee and the ACG Committee through the annual budget and targets process and reported in the annual audited financial statements;
 2. **Restructuring** – a unique action or decision to modify the principal, interest, term, and/or other relevant component of a transaction; or
 3. **Write-Off** – a policy or procedural determination that an asset is impaired as a result of it being delinquent and subsequently in default where it is deemed that it is unlikely for a material recovery of principal.

Loan Loss Decision Framework

Proposed Structure



Type of Loss Anticipated	Amount of Principal Outstanding		
	<\$100,000	\$100,000 – \$1,000,000	>\$1,000,000
Provisional	Staff (with review and reporting from the Auditor)		
Restructuring	Staff	Deployment	BOD
Write-Off	Staff	Deployment	BOD

Loan Loss Decision Framework is based on current best practice for the “Under \$500,000 and No More in Aggregate than \$1,000,000” staff transaction approval process, except with a focus on (1) amount of principal outstanding on a transaction, and (2) type of loss anticipated... **“Under \$100,000 and No More in Aggregate than \$500,000”** with monthly (i.e., financials) and quarterly reports (i.e., Deployment Committee)

Loan Loss Decision Framework



Examples

- **Smart-E Loan** – original principal value of \$34,000 with \$25,000 of outstanding principal and a full write-off as the transaction is delinquent and determined to be in default.
 - ❑ Approving authority is the staff because principal outstanding value is less than \$100,000.
- **C-PACE** – original principal value of \$1,250,000 with \$1,100,000 of outstanding principal and seeking a restructuring of the transaction.
 - ❑ Approving authority is the Board of Directors because the principal outstanding value outstanding is greater than \$1,000,000.
- **On-Site DG Program** – original principal value of \$250,000 with \$75,000 outstanding principal and a restructuring of the transaction.
 - ❑ Approving authority is the staff because the principal outstanding value is less than \$100,000.
- **Fuel Cell Project** – original principal value of \$5,000,000 with \$2,750,000 outstanding principal and a full write-off as the transaction is delinquent and determined to be in default.
 - ❑ Approving authority is the Board of Directors because the principal outstanding value outstanding is greater than \$1,000,000.

Loan Loss Decision Process



Proposed Process

- **Provisional Loan Loss Reserve** – on an annual basis the accounting team prepares a detailed analysis of portfolio loans by program, including historical analysis of prior year write-offs by program, and repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments. Then the accounting team assigns a loan loss reserve percentage to the balance of the loans for each program to arrive at a total loan loss reserve for the loan portfolio. On a quarterly basis, with the assistance of programs and finance staff, the accounting team would make appropriate interim adjustments.
- **Restructuring Transactions** – would undergo the following process:
 1. **Restructuring Calculation** – comparing the original investment to the restructured investment in terms of cash flow and net present value;
 2. **Documentation** – memo summarizing reason for the proposed modification including a description of the project, restructuring calculation, and preventative measures for avoiding such issues in the future;
 3. **Review and Approval** – based on the Loan Loss Decision Framework, the designated approving authority would review and approve the proposed restructuring of the transaction; and
 4. **Reporting** – a quarterly memo summarizing staff approvals provided to the Deployment Committee and the Board of Directors.

Loan Loss Decision Process

Proposed Process (cont'd)



- **Write-Off Transactions** – would undergo the following process:
 1. **Write-Off Calculation** – the amount of outstanding principal and lost interest revenue from the original transaction and other write off needs; or in the case of the Smart-E Loan, if the aggregate value of losses for a partner lender exceeds 1.5% of their loan portfolio, then the 2nd loan loss reserve fund would be available from the Green Bank up to 7.5% beyond the 1.5% of losses;
 2. **Documentation** – memo summarizing reason for the write-off including a description of the project, write-off calculation, and preventative measures for avoiding such issues in the future;
 3. **Review and Approval** – based on the Loan Loss Decision Framework, the designated approving authority would review and approve the proposed write-off of the transaction; and
 4. **Reporting** – a quarterly memo summarizing staff approvals provided to the Deployment Committee and the Board of Directors.

Loan Loss Decision Reporting

Monthly and Quarterly



- **Monthly** – within the financial statements of the Green Bank, monthly reporting on the provision for loan losses and any transaction restructurings or written off against it;

- **Quarterly Reports** – a quarterly memo to the Deployment Committee providing further detail on loss transactions by program or product, including:
 - Number of transactions lost;
 - Amount of loss;
 - Frequency of losses;
 - Percentage of losses; and
 - Threshold of losses reached consistent with the provisional loan loss reserve

ACG Committee

Agenda Item #7

2018 Legislative and Regulatory Update

Non-Impairment PA 18-50 provision



- Amends Green Bank’s enabling statute at 16-245n (h)
- State already pledges not to limit or alter the Green Bank’s rights until contracts are fulfilled
- The Act allows for broader interpretation and extends that pledge to include the Green Bank’s financial capacity
- Affirms the Green Bank will make good on all obligations, as inducement for 3rd parties to partner with the Green Bank without fear of political risk

“h(1) The state of Connecticut does hereby pledge to and agree with any person with whom the Connecticut Green Bank may enter into contracts pursuant to the provisions of this section that the state will not limit or alter the rights hereby vested in said bank until such contracts and the obligations thereunder are fully met and performed on the part of said bank, provided nothing herein contained shall preclude such limitation or alteration if adequate provision shall be made by law for the protection of such persons entering into contracts with said bank. The pledge provided by this subsection shall be interpreted and applied broadly to effectuate and maintain the bank's financial capacity to perform its essential public and governmental function.”

“(2) The contracts and obligations thereunder of said bank shall be obligatory upon the bank, and the bank may appropriate in each year during the term of such contracts an amount of money that, together with other funds of the bank available for such purposes, shall be sufficient to pay such contracts and obligations or meet any contractual covenants or warranties.”

Legislative Session Overview



- **Energy** - [PA 18-50 \(SB-9\)](#) – advances key goals and policies for EE and RE:
 - 40% Class I RPS by 2030
 - Successor programs for how RE is compensated
- **Climate** - [PA 18-82 \(SB-7\)](#) – GC3 climate change bill, with sea level and mid-term GHG guides
- **SCRF** – [PA 18-42](#) – secures a Dec. 2017 deal with CSU system outside normal deadlines for SCRF access
- **Quasi-Public Agency related** – [PA 18-137](#) (unsigned as of 6/7/18) – quasi’s can’t pay > \$50k severance for settlement/non-disparagement
- **Solar PV Property Tax Exemption** - [SB-420](#) (unpassed) – fought back municipal effort to remove exemption for residential TPO systems.

ACG Committee

Agenda Item #8

Adjourn

**AUDIT, COMPLIANCE AND GOVERNANCE COMMITTEE OF THE
CONNECTICUT GREEN BANK**

Draft Minutes – Regular Meeting
Wednesday, October 11, 2017
8:30 – 9:30 a.m.

A regular meeting of the Audit, Compliance, and Governance Committee (“Audit Committee”) of the Board of Directors of the Connecticut Green Bank (the “Green Bank”) was held on October 11, 2017 at the office of the Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT in the Albert Pope Board Room.

1. **Call to order:** Mr. Ranelli, Chairperson of the Audit Committee, called the meeting to order at 8:31 a.m. Audit Committee members participating: Matthew Ranelli (by phone) and Tom Flynn (by phone).

Staff Attending: Cheryl Samuels, Bryan Garcia, George Bellas, Eric Shrago, Bert Hunter and Brian Farnen (by phone)

Others Attending: Ron Nossek, Jessica Aniskoff, and Christina Long (by phone)

2. **Public Comments:**

There were no public comments.

3. **Approve Meeting Minutes for July 10, 2017:**

Upon a motion made by Tom Flynn, and seconded by Matt Ranelli the Committed voted unanimously to approve.

Resolution #1

Motion to approve the minutes of the Audit, Compliance and Governance Committee meeting for July 10, 2017. Second. Discussion. Vote.

4. **Discuss proposed draft Comprehensive Annual Financial Report (CAFR):**

George Bellas provided an overview of the CAFR and a brief overview of what would be discussed by the Green Bank’s auditors, Blum Shapiro .

Ron Nossek of Blum Shapiro provided an overview of the Financial Section of the CAFR and discussed their report on the Green Bank’s financial statements and the results of their audit. . He stated that they performed the audit under two sets of standards, Generally Accepted Audit Standards (GAAS) and Generally Accepted Government Audit Standards (GAGAS). He stated an unmodified, “clean” opinion will be issued

regarding these statements.. Blum Shapiro did not discover any significant material weaknesses or significant deficiencies during its audit.

Mr.Nossek discussed financial highlights for the fiscal year 2017 noting stating that there was not a significant variance in the Green Bank's net position between 2016 and 2017. He stated that some reclassifications are still need to be made between the various components comprising net position from what is being presented in the current draft to reflect minority interests in several component units but cumulative net position amount will not change.

George Bellas also stated that net position was also affected by an increase in the State Employee Retirement System unfunded pension liability, as measured by Government Accounting Standards Board (GASB) Statement 68, allocated to the Green Bank of approximately \$9 million. Long-term debt to fund lease and loan programs also increased by approximately \$11 million.. Matt Ranelli questioned the increase in pension liability and if that adjustment was received from the State. Mr. Bellas stated that yes, this allocation is calculated by the State Comptroller's Office and it is based upon the Green Bank's proportionate share on total contributions made to the plan by all State Quasi-Public agencies.

Mr.Nossek then discussed the Green Bank's operating statement. He stated that operating revenues of approximately \$34 million decreased from the prior year by about \$3.8 million. Mr. Bellas stated that this is due to the decline in RGGI auctionproceeds received by the Green Bank. Mr. Nossek stated that operating expenses increased by approximately \$8 million., Operating expenses comprises both financial incentive disbursements and program and administrative overheadheads. Mr.Ranelli questioned the nature of the increase. Mr. Bellas stated that increase was primarily the result of increased financial incentive disbursements. Mr.Garcia stated that Performance Based Incentive payments under the RSIP was the main driver of this increase.. Mr. Bellas stated that management has worked to control costs during the past fiscal year.

Mr. Nossek then discussed the required audit communications to the Board under GAGAS. He stated that there were no transactions entered into where there was a lack of authoritative guidance.. He stated that all transactions from their perspective have been recognized in the proper period. He stated that they evaluated the estimates to determine any bias from a management perspective. He stated that in their opinion there was no management bias determined.

Mr.Nossek stated that they encountered no difficulties with management when performing the audit. He stated that there were no uncorrected misstatements identified in the audit and that there were no disagreements with management. He stated that there was nothing outside of the normal course of communications. He thanked the Green Bank for their professionalism.

Tom Flynn questioned the utilization of the financial statements. He questioned how often the management team was asked for the financial statements when entering into a transaction. Mr. Bellas stated that the financial statements are posted on the Green Bank's website when issued. Tom Flynn asked how often they get asked for them when they do business. Bert Hunter stated that when they are trying to get new financial facilities they are asked to supply them. He also noted that all financing facilities require that the Green Bank submit their financial statements to the capital providers on a periodic basis (even though the financials are available on the Green Bank website). As to Mr. Flynn's question about the Green Bank's financial situation given the State's budget situation, Mr. Hunter observed that, as in past years, a few capital providers have asked about the Green Bank's financial position. He noted that he handles them on a case-by-case basis.

Matt Ranelli thanked Blum Shapiro.

Upon a motion made by Tom Flynn, and seconded by Matt Ranelli, the Resolution passed unanimously.

Resolution #2

WHEREAS, Article V, Section 5.3.1(ii) of the Connecticut Green Bank ("Green Bank") Operating Procedures requires the Audit, Compliance, and the Governance Committee (the "Committee") to meet with the auditors to review the annual audit and formulation of an appropriate report and recommendations to the Board of Directors of the Green Bank (the "Board") with respect to the approval of the audit report;

NOW, therefore be it:

RESOLVED, that the Committee hereby recommends to the Board of Directors for approval the proposed draft Comprehensive Annual Financial Report (CAFR) contingent upon no further adjustments to the financial statements or additional required disclosures which would materially change the financial position of the Green Bank as presented.

5. Staff Project Authorization increase to \$500,000 and related Update to Bylaws:

Bryan Garcia discussed the issue with a previous transaction that had just crossed the threshold of the less than \$300,000 limit, which is one of the reasons that they want to adjust the policy on Staff Project Authorization. Matt Ranelli asked whether this had been approved by the Deployment Committee, because he recalled that was the usual path and he didn't have a good recollection of the request. Mr. Garcia stated that the Deployment Committee was requesting the staff to propose revising the process as long as the projects are consistent with all underwriting standards, and although the Deployment Committee did not formally approve the increase by resolution, the committee suggested staff proceed with the approval of the increase. He stated that the

revision will allow the staff to approve up to \$500,000 and no more than \$1 million in aggregate.

Brian Farnen stated that this has not been increased in a very long time. He stated that from a house cleaning perspective, it would be beneficial to increase the amount as it has been static for some time.

Upon a motion made by Tom Flynn, and seconded by Matt Ranelli, the Committee voted unanimously to approve.

Upon a motion made by Tom Flynn, and seconded by Matt Ranelli the Committee voted unanimously to amend the Bylaws to reflect the change from \$300,000 to 500,000.

Resolution #3

WHEREAS, pursuant to Section 5.3.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

WHEREAS, on January 18, 2013, the Board of Directors authorized Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting ("Staff Approval Policy for Projects Under \$300,000").

WHEREAS, On July 18, 2014, the Connecticut Green Bank ("Green Bank") Board of Directors approved of a recommendation brought forth by the Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting

NOW, therefore be it:

RESOLVED, that the Green Bank Deployment Committee hereby recommends that the Board of Directors adopt a resolution amending the Staff Approval Policy to increase the program funding request for Projects Under \$300,000 to \$500,000 with an aggregate amount limit of \$1,000,000 from the date of the last Deployment Committee meeting.

Resolution #4

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed draft revisions to the Green Bank Bylaws.

6. Presentation by SustainAbility (CAFR Non-Financial Statistics Auditors):

Bryan Garcia discussed the CAFR Non-Financial Audit. He stated that over the years they have made a number of improvements to this section.

Eric Shrago discussed the non-financial statistics and turned it over to Christina Long from SustainAbility.

Christina Long provided an overview of the impact of Green Bank projects in social and environmental terms. She stated that they looked at how other banks are reporting and communicating that impact. She stated that they looked at the quality of the metrics, methodology, and transparency that they are using. She stated that the Connecticut Green Bank has high transparency on social and environmental impacts. She discussed the Metrics and Benchmarks Summary and highlighted the differences amongst the differing entities. Again, she stated that the Connecticut Green Bank has done a good job with transparency using clear externally verified methodologies.

Bert Hunter questioned if there was a simple explanation for the difference under the verification impact insurance offered by Deloitte. Christina Long stated that they were hired to verify their methodologies and the difference with the UK Green Investment Bank is that they hired Deloitte to do the calculations for them from their impact. She stated that Deloitte came up with some of their own methodologies.

Matt Ranelli questioned the social and environmental metrics stating that he was under the impression that the Connecticut Green Bank provides GHG (outside of just CO2) reduction as one of their metrics. Christina Long stated that they do. She stated that they noted in the 2017 CAFR that the Connecticut Green Bank is stepping up.

Eric Shrago stated that they adopted the AVERT Model for their environmental impact. Matt Ranelli asked if there was an opinion on the AVERT Model. Christina Long stated that they had looked at that methodology. She stated that the AVERT Model is a recommended method and that the Connecticut Green Bank is doing a good job using it.

Christina Long also highlighted some areas where the Green Bank could further improve their reporting such as making it more user friendly and visual.

7. Public Health Methodology

Eric Shrago discussed the Public Health Methodology. He stated that they are proposing a way of assessing the impacts with respect to public health supported by cleaner air

resulting from Green Bank projects. He stated that they are also proposing the adoption of the EPA's CoBRA for measuring those impacts.

Upon a motion made by Tom Flynn, and seconded by Matt Ranelli, the Committee voted unanimously to recommend this to the Board.

Resolution #5

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval on its consent agenda the proposed US Environmental Protection Agency CoBenefits Risk Assessment (CoBRA) Model for the Evaluation and Measurement of the public health impact of Green Bank supported projects.

8. 2017 Legislative and Regulatory Update:

Brian Farnen discussed the Legislative and Regulatory Update. He stated that both the Republican and Democratic budgets include raids on the Green Bank. He stated that the Democratic budget is the better option as it includes a mill rate increase to make up for the loss of funds through the proposed raid. He stated that they are working with the Governor's Office to minimize any potential impact and the best possible policy outcome would be for both parties to leave our organization alone so we could focus on our mission of leveraging and attracting private capital and jobs to the State.

Matt Ranelli questioned why the Energy Efficiency Fund was not on the radar. Brian Farnen stated that fund was the target of the Senate Republicans for a long time. He stated that it is his belief that when the House Republicans came into the budget conversations with the Senate Republicans for one budget proposal, the sweep flipped to us even though our public private partnership model as opposed to a grant subsidy model is more aligned with traditional Republican principles. He stated that the Green Bank has demonstrated to be a national leader in clean energy and has a track record we can defend. He stated that they had a strong Legislative outreach throughout this session. He stated that his fear is that they will come up with a deal that is not favorable to the Green Bank.

Brian Farnen discussed the Comprehensive Energy Strategy. He stated that the process draft was released on 7/26. He stated that they are concerned with many of the things within it and we prepared atypically long public comments to reflect the fact that we are not on the same page. He stated that they are working with DEEP and that they have been open to our proposed comments.

9. Other Business:

Brian Farnen discussed the recently completed Annual Review of the Bylaws and Operating Procedure Employee Handbook. He stated that they would like to make one

revision to the Bylaws as it relates to the increase of staff authorization to \$500,000.
Bryan Garcia mentioned CI's non-voting status.

Matt Ranelli questioned the status of their Statutory Review on all of their documents.
Brian Farnen stated that he will research that, but does think that it went out to everyone.

10. Adjourn:

Matt Ranelli adjourned the meeting at 9:43 a.m.

Respectfully Submitted,

Matthew Ranelli, Chairperson of the Audit,
Compliance, and Governance Committee

DRAFT



Memo

To: Audit, Compliance and Governance Committee

From: George Bellas (VP Finance and Administration)

Date: June 8, 2018

Re: Review and proposed revisions to Internal Accounting Control Procedures

It is a best practice to review the Connecticut Green Bank ("CGB") 's internal accounting control procedures with the CGB Audit, Compliance and Governance ("ACG") Committee and changes, if necessary, to these procedures to reflect changes in the organization and its programs. I have included the following control procedure documents in your package for review and further discussion at our meeting:

CGB 101 – Purchasing and Accounts Payable

CGB 102 – Consulting and Advisory Services

CGB 103 – Credit Cards

CGB 104 – Mobile Devices

CGB 105 - Fixed Assets and Depreciation

We are proposing minor changes to procedures CGB 101, 102 and 103 which are reflected in the documents using the track changes feature of Word. We will also discuss any additional changes that the Committee members might wish to make to these procedures at our meeting as well.

Staff is requesting that the following resolution be adopted by the ACG Committee:

RESOLUTION

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed revisions to Internal Accounting Control Procedures as presented.

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com



Connecticut Green Bank and Component Units

Accounting Department Internal Controls and Procedures Index

CGB 101 – Purchasing and Accounts Payable

CGB 102 – Consulting and Advisory Services

CGB 103 – Credit Cards

CGB 104 – Mobile Devices

CGB 105 – Fixed Assets and Depreciation

Purchasing and Accounts Payable Policies and Procedures

I. Purpose: To provide procedures for procurement methods and completion of related documents.

II. Scope: This procedure applies to the purchase of supplies, materials, services, sponsorships, memberships, software and capital assets for all departments within the Connecticut Green Bank (CGB) as well as for all component units/affiliates for which CGB provides accounting and financial reporting services, whether operating or programmatic in nature.

III. Responsibility:

—Procurement of supplies will be facilitated through the operations and accounting departments, ~~of finance and administration~~. Procurement of services will be ~~initiated~~facilitated by the person requiring the services. Subscriptions will be ~~initiated and monitored~~facilitated by the marketing and outreach department. All named parties are responsible for using good purchasing methods for optimizing price savings, quality and value of products, vendor working relationships, and for assuring proper control and inspection as required by these policies. All named parties will utilize purchase orders or such other purchasing documents that are developed and revised from time to time as necessary by the operations and accounting departments. ~~department of finance and administration~~.

IV. Procedure:

A. ORDER PLACEMENT AND APPROVALS

1. Office supplies - and other goods and services used in the normal course of business are approved by the VP, Accounting and Financial reporting~~Finance and Administration~~ (“VPAF”) or the Director of Operations (“DOO”).
2. Office furniture, fixtures and equipment - must be approved by the President & CEO or the DOO.
3. Subscriptions and Reference Materials – Subscriptions to magazines, newspapers, on-line reference and search services, etc. must be

approved by the Managing Director of Marketing (MDM) ~~President and CEO~~ or the DOO.

4. Computer Equipment and Software - All purchases of computer equipment, software and related items must be in writing. All purchases under \$1,000 will be approved by the Office Manager. All purchases \$1,000 or greater will follow the approval process outlined in B1 below.
5. Travel and Entertainment – All business travel and entertainment must be approved by the employee’s immediate supervisor. All requests for reimbursement of T&E expenses greater than \$1,000 must follow the approval guidelines set forth in Section B below. All international travel must be pre- approved by the President & CEO. All international travel by the President & CEO must be pre- approved by the Chairperson of the CGB Board. See the Company Travel and Entertainment Policy for guidelines on business expenditures that will be reimbursed.
6. Financial Assistance- The process of approving financial assistance consisting of grants, loans, loan guarantees, debt and equity investments or other financial products is outlined in the bylaws and operating procedures of the CGB.
7. Sponsorships and Memberships – All CGB sponsorships and memberships must be approved by Director level staff and the DOO.
8. Consulting and Advisory Services – See CGB – 102 for procedures related to internal management of consulting and advisory services.
9. Legal Fees – Due to the nature of legal fees, approval for fees is obtained when the invoice is received. All invoices will be forwarded to the Chief Legal Counsel and DOO for their approvals before payment is made.

B. PROCESSING OF VENDOR INVOICES FOR GOODS AND SERVICES

1. Approval of Invoices – must be obtained prior to sending to Accounts Payable for payment processing.
 - a. Goods and Services –
 - Invoice < \$1000 – requires signature of project/department manager level or higher.
 - Invoice equal to or greater than \$1,000 –requires the signature of one of the following: VP ~~AF~~; DOO; Chief Legal Officer; President & CEO; EVP and Chief Investment Officer; collectively named “Management”.
 - Invoice equal to or greater than \$5,000 – requires 2 signatures from Management.
 - Invoice equal to or greater than \$25,000 – requires 2 signatures from. Management, one of which must be the President and CEO.
 - Non-budgeted items –requires signature of ~~DOO~~VPF as well as approval according to \$ limit approval procedures noted above.

- Finance Assistance up to \$25,000 – requires 2 signatures from Management, one of which must be the President & CEO or the DOO or, in both their absence, the VP~~A~~F.
 - Finance Assistance (as defined in A6 above) equal to or above \$25,000 – requires 2 signatures from Management, one of which must be the President & CEO or in his or her absence the VP~~A~~F.
 - Consulting and Advisory Services – See CGB~~E~~FIA – 102
 - Re-occurring charges – for disbursements that occur on a regular basis (rents, equipment lease payments, etc. the VP~~A~~F must approve the invoice A second signature from a member of Management is not required.
 - Transfers of funds between CGB and its component units/affiliates for working capital purposes – transfers of funds between CGB and its component units/affiliates for working capital purposes will only require the approval of the VP~~A~~F at time of transfer. Documentation of the transfer will be forwarded to the President and CEO for review and sign off within 2 business days after transfer. All transfers will be executed by wire transfer which require approval and release by 2 authorized check signers.
2. Approval in the absence of the President & CEO – If the President & CEO is unavailable for a period of time to approve invoices or purchases enumerated in section A above, he/she may delegate his/her authority to approve such purchases and invoices to the VP~~A~~F or in the absence of the VP~~A~~F, the DOO, Chief Investment Officer or Chief Legal Officer in writing. The VP~~A~~F or such other designee listed above must then submit all such items to the President & CEO upon his/her return to the office and obtain approval from the President & CEO at that time.
3. Payment of invoices –
- a. Accounts Payable will process invoices for payment when all approvals are obtained by requestor.
 - b. Payment of invoices will be made based on vendor terms.
 - c. Check signing:
 - Invoice and all related documents are submitted to Accounts Payable.
 - Check amounts equal to or greater than \$5,000 require 2 signatures
 - The Board of Directors will authorize specific senior level positions to sign checks on behalf of the Company. This authorization will be documented in the Board meeting minutes.
4. Check requests

- a. A check request may be used as approval documentation for invoices. Invoices may be signed directly as well. The finance and administration department will develop and maintain check request forms.

5. Wire/ACH transfers

- a. The processing of wire/ACH disbursements will follow the same process for checks as documented in section 3c. above with the exception that all wires or ACH transactions require that 2 authorized check signors are required to execute the transaction: one to initiate and approve and one to release the transaction.
- b. Financial Assistance – No wire/ACH will be initiated until the VP~~A~~^F has reviewed all appropriate executed legal documents to verify that the disbursement is being made in accordance with the requirements of such documents.

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Consulting and Advisory Services

I Purpose: Pursuant to operating procedures initially adopted by the Board of Directors of the Connecticut Green Bank (CGB) on December 16, 2011 as amended from time to time; CGB may contract for consulting and advisory services as part of its operations and programs.

II. Scope: These services may include expertise or specialized advice, training, research or analysis, special projects or other work where the (a) appropriate experience, skills or expertise is not then available among the staff because of workload or other constraints, (b) the time duration, frequency of need or other nature of the services does not justify employing staff to provide such services, or (c) Board of Directors has determined that the use of such services is warranted and in the best interest of CGB. These procedures also apply to all component units/affiliates of CGB for which CGB provides accounting and financial reporting services. CGB and its component units/affiliates are collectively referred to as the “Company” in these procedures.

III. Responsibility: All staff contracting for consulting and advisory services must follow this procedure.

IV. Procedure:

- A. Request for Services - All such services will be requested through the use of the Company’s standard Approval Release Slip (ARS). The ARS will be attached to a draft Professional Service Agreement (PSA) developed and revised from time to time as necessary by the Company’s legal department. Upon the approval of the ARS by staff as outlined below in section B, a PSA will be executed between the Company and the provider of the services requested.
- B. Approval of ARS and execution of PSA:
 1. Approval of ARS: All ARS forms require the following sign offs before the Company’s legal department will process the related PSA: 1) the manager who has budget responsibility for the program seeking the services, 2) the VP ~~AF~~, 3) the DOO and 4) the Chief Legal Officer.

2. Execution of the PSA: The President & CEO will execute all PSA's on behalf of the company. However, see 5 below.
3. ARS requests greater than \$75,000 to \$150,000 must be approved in writing by the President and CEO and Chairperson of the Board prior to execution of PSA under B1 above.
4. ARS requests greater than \$150,000 must follow the RFP requirements in section C prior to execution of PSA under B1 above.
5. Execution of PSA's and approval of ARS requests the absence of the President & CEO – If the President & CEO is unavailable for a period of time to execute PSAs or approve ARS's as required, he/she may delegate his/her authority to approve purchases to the VP~~A~~F or in the absence of the VP~~A~~F the DOO, Chief Investment Officer or Chief Legal Officer in writing. The VP~~A~~F must then forward all items approved under this section to the President & CEO upon his/her return to the office and obtain approval from the President and CEO at that time.
6. All ARS requests will be reviewed by the DOO and VP~~A~~F to ensure that the requested disbursement falls within the appropriate departmental budget for the current fiscal year prior to approval.

C. PSA duration and RFP requirements

1. Duration - The duration of PSAs for consulting or advisory services will generally not exceed one year without written approval of the President & CEO.
2. Whenever possible, an RFP is to be completed prior to entering into any contract in an amount over \$150,000 in any one fiscal year.
3. Contractors with multiple contracts - CGB may engage the same contractor for several different projects or for continuations of a single project during a fiscal year. A PSA which will, if executed, result in cumulative expenditures to the contractor exceeding \$150,000 in any one fiscal year will require, whenever possible, that an RFP be completed prior to the execution of the PSA.

D. Recordkeeping

1. The department of finance and administration will prepare and maintain a summary of all outstanding contracts. The summary will include the name of the contractor, a brief description of the services/project, the total amount of the contract and actual amount paid to date.

2. The VP~~A~~F will be responsible for monitoring the status of approved contracts and ensuring that all contracts are in compliance with these operating procedures.

Credit Card Policy and Procedures

I. Purpose:

To provide procedures for the use of Connecticut Green Bank, (“CGB”) owned credit cards by authorized employees of the CGB.

II. Policy/Scope:

CGB owned credit cards will be issued to those employees who are designated as purchasing agents for CGB by the President and CEO. CGB owned credit cards will be used for official CGB business to purchase goods and services on behalf of CGB or to make travel arrangements on behalf of CGB employees who are traveling on CGB business. CGB owned credit cards shall not be used for personal or private business. Intentional misuse or fraudulent abuse of any CGB owned credit card may result in disciplinary action, up to and including dismissal. In addition, the authorized holder of the CGB owned credit card shall promptly reimburse CGB for any unacceptable or unauthorized purchases.

III. Responsibility:

The Vice President, Accounting and Financial Reporting~~Finance and Administration~~ (“VP~~A~~F”) shall be responsible for the administration of the CGB credit card account.

IV. Procedures:

1. The President and CEO (“CEO”) and the Director of Operations (“DOO”) are authorized purchasing agents of the CGB. The CEO shall provide the VP~~A~~F with a list of additional employees who are authorized purchasing agents for CGB. This list will be updated from time to time by the CEO as circumstances warrant. A credit card dollar limit will be approved by the CEO for each authorized purchasing agent.

2. The VP~~A~~F as administrator of the CGB credit card account will approve and submit an application to the credit card issuer requesting that a card be issued (with the authorized dollar limit) to the CGB purchasing agent.

3. Once the CGB credit card is issued to the authorized purchasing agent, the purchasing agent will be responsible for maintaining adequate documentation supporting all purchases made with the credit card. This documentation shall be attached to the monthly credit card invoice and submitted to the VP~~A~~F for review and approval. The VP~~A~~F will

review the documentation submitted to determine that the expenditure was for an appropriate business purpose. The credit card invoice will be approved by the VP^{AF} and the Chief Legal Officer (CLO).

4. It is the purchasing agent's responsibility to monitor his or her account for unauthorized activity. All unauthorized activity should immediately be reported to the credit card issuer and VP^{AF} for appropriate action.

5. Purchasing agents who have been issued a CGB owned card will be responsible for safeguarding the card at all times. The purchasing agent is responsible for immediately and properly reporting a lost or stolen card to the credit card issuer and the VP^{AF}.

6. A copy of this policy will be provided to each purchasing agent. The purchasing agent will be required to acknowledge receipt of the policy.

Revised July 21, 2017

Mobile Device Policy and Reimbursement Procedure

Policy

The Connecticut Green Bank (“CGB”) often must have immediate access to key employees. Accordingly, CGB will provide mobile devices with cell and internet access to an employee if the employee’s responsibilities require the employee to be out of the office on Company business and the employee needs to be in contact with CGB staff or its partners during that time.

Procedure

Mobile device plans bundle “voice” minutes and “data” minutes for a monthly fee.

Employees can be reimbursed for the associated monthly voice and data charges by submitting an approved employee expense report with appropriate backup including dates of service to the accounting department on a monthly basis up to the limit established by the organization. If an employee’s cell phone service is part of a “family” plan, the employee will only be reimbursed for the charges allocated to their cell phone number. Dollar limits will be reviewed and adjusted periodically by the President and CEO and the Director of Operations (“DOO”). Pre-Approval forms may be obtained from the accounting department. All requests for mobile communications devices and associated voice/data plans must be approved by the DOO. ***Charges incurred that were not pre-approved or above the pre-approved limit will be the responsibility of the employee.***

Costs outside of this procedure will be reviewed on a case by case basis and should seek pre-approval whenever possible.

CGB 105

Revised July 21, 2017

Fixed Assets and Depreciation

I. Purpose: To set policy and controls over the recording of fixed assets related depreciation.

II. Scope: This policy applies to all purchases of furniture, equipment, software and leasehold improvements.

III. Responsibility: The Controller is responsible monitoring and tracking fixed assets and related depreciation.

IV. Procedure:

- a. All computer hardware and software, office furniture and equipment, and leasehold improvement items purchased with a value greater than \$1,000 are capitalized and recorded as fixed assets.
- b. The Staff Accountant records the fixed asset vendor invoice to the appropriate fixed asset account. Invoices are approved using internal accounting control procedure CGB 101 – Purchasing and Accounts Payable
- c. The Senior Accountant reviews fixed asset purchases on a monthly basis and inputs the appropriate financial information in the Intacct business system using the following categories and useful lives:
 - i. Furniture and Equipment – 5 years
 - ii. Computer Hardware – 3 years
 - iii. Computer Software – 3 or 2 years
 - iv. Leasehold Improvements – 5 years or life of lease, whichever is less
- d. Depreciation is calculated by Intacct using the straight-line method on a yearly basis, and reconciled monthly.



CONNECTICUT
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Employee Handbook

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SECTION 1 INTRODUCTION

Employee Welcome

Welcome to the Connecticut Green Bank (CGB)! We are pleased that you are joining our staff and embarking on an employment career with CGB. We are so pleased to welcome you as you begin this endeavor. CGB develops, invests in and promotes clean sustainable energy sources for the benefit of Connecticut ratepayers. Our most important resource in achieving that vision is you – the employee. The staff at CGB works together and depends upon one another to achieve our vision. We want you to know how much we appreciate the contribution you are making to the continued successful operation of our agency.

This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs and benefits available to eligible employees. These policies and programs are general guidelines under continuous review and are subject to change or discontinuance at any time. Employees should familiarize themselves with the contents of the employee handbook as soon as possible, for it will answer many questions about employment at CGB.

Please read your handbook carefully and keep it for further reference. Please contact the Human Resources if you have any questions or concerns about the information set forth in this handbook. Again, welcome and we wish you the best in your career at CGB.

Agency Purpose and Structure

CGB (~~formerly the Clean Energy and Finance Authority~~) was established by Connecticut's General Assembly on July 1, 2011 as a part of Public Act 11-80 ~~and the name was changed to the Connecticut Green Bank in 2014~~. This new quasi-public agency supersedes the former Connecticut Clean Energy Fund. ~~CGB's mission is~~ The Green Bank¹⁰ was established by the Governor and Connecticut's General Assembly on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes the former Connecticut Clean Energy Fund. As the nation's first state-"Green Bank", the Green Bank leverages public and private funds to drive investment and scale-up clean energy deployment in Connecticut. The Green Bank's statutory purposes are:

- - To develop programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects and such other programs as the Green Bank may determine;
- - To support financing or other expenditures that promote investment in clean energy sources to foster the growth, development and commercialization of clean energy sources and related enterprises; and
- - To stimulate demand for clean energy and the deployment of clean energy sources within the state that serves end-use customers in the state.

The Green Bank's purposes are codified in Section 16-245n(d)(1) of the General Statutes of Connecticut and restated in the Green Bank's Board approved Resolution of Purposes. 2.1

Vision

To lead the green bank movement by accelerating private capital investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security and address climate change. 2.2

Mission

To support the Governor's and Legislature's energy strategy to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and supporting local economic development. 2.3

Goals

To achieve its vision and mission, the Green Bank has established the following four goals:

1. ~~1.~~ 4. To attract and deploy private capital investment to finance the clean energy policy goals for Connecticut.
2. ~~2.~~ 2. To leverage limited public funds to attract multiples of private capital investment while returning by reinvesting public funds in clean energy deployment over time.
3. ~~3.~~ 3. To develop and implement strategies that bring down the cost of clean energy in order to make it more accessible and affordable to customers.
4. ~~4.~~ 4. To support affordable and healthy buildings in low-to moderate income and distressed communities by reducing the energy burden and addressing health and safety issues in their homes, businesses, and institutions.

~~These goals support the implementation of Connecticut's clean energy policies be they statutory (i.e., Public Act 15-194, Public Act 13-298), planning (i.e., Comprehensive Energy Strategy, Integrated Resources Plan), or regulatory in nature. to promote, develop and invest in clean energy and energy efficiency projects in order to strengthen Connecticut's economy, protect community health, improve the environment, and promote a secure energy supply for the state. As the nation's first full-scale clean energy finance authority, CGB will leverage public and private funds to drive investment and scale-up clean energy deployment in Connecticut.~~ For more information about CGB, please visit www.ctgreenbank.com.

Objectives and Scope

This Employee Handbook has been prepared to acquaint you with policies and procedures relating to employment at CGB and to provide a reasonable understanding of expectations so that we may work together effectively. It is a guide to CGB's policies but it does not include every single policy. All employees are expected to be familiar with and abide by the policies in this Handbook.

This Handbook provides information concerning CGB benefits. Please note that CGB benefit plans are defined in legal documents such as insurance contracts and official plan texts. This means that if a question ever arises about the nature and extent of plan benefits or if there is conflicting language, the formal language of the plan documents governs over the informal wording of this Handbook. Plan documents are available for inspection.

This Handbook is not, nor is it intended to be, an express or implied contract of employment, an agreement for employment for any specified period of time, or a guarantee of benefits or working conditions between employee and CGB. CGB does not recognize any contract of employment unless it is reduced to writing and signed by the employee and the President. CGB reserves the right to unilaterally revise, delete, or add to the policies, procedures and benefits within this handbook at any time with or without advance notice. Revisions of policies, procedures and benefits may be made and applied immediately or prospectively, or if not prohibited by law, made effectively with a retroactive date. Additionally, CGB reserves the right to make exceptions or vary from any of the rules, benefits, or policies contained in this handbook in its managerial discretion.

At Will Statement

Employment with CGB is at will, which means that either party may terminate the relationship at any time and for any reason, with or without cause. No manager, supervisor or other agent of CGB has the authority to alter the at-will employment relationship by, for example, making a commitment, express or implied, of guaranteed or continued employment to any employee. An employee's at-will employment status can only be altered by a written contract of employment

that is specific as to all material terms and is signed by both the employee and the President of CGB.

Administration of Policy

The President has overall responsibility for directing the implementation and administration of policies and procedures. On a day-to-day basis it is the responsibility of the ~~Chief Operating Officer~~ Director of Operations and each supervisor to administer all policies and procedures in a manner consistent with the handbook.

SECTION 2 EMPLOYMENT

Orientation

During your first few days of employment, you will participate in an orientation program conducted by Human Resources and various members of CGB, including your supervisor. During this program, you will receive important information regarding the performance requirements of your position, basic company policies, your compensation, and benefit programs. You will be asked to complete all necessary paperwork at this time, such as medical benefit plan enrollment forms, beneficiary designation forms and appropriate federal and state tax forms. You will be required to present CGB with information establishing your identity and your eligibility to work in the United States in accordance with applicable federal law. During your first few weeks, you may be asked to prepare a short bio and scheduled to have your photograph taken for inclusion on our Website and in our annual report.

Please use this orientation program to familiarize yourself with CGB and our policies and benefits. We encourage you to ask any questions you may have so that you will understand all the guidelines that affect and govern your employment relationship with us.

Status of Employment

Employees of CGB are exempt from classified service as provided in Public Act 11-80 of the Connecticut General Statutes. Unlike employees in the classified service, CGB employees do not have tenure. Continued employment is predicated on satisfactory performance of duties, a satisfactory record of attendance, and appropriate conduct with the general public and other employees on the CGB staff as well as continued available work. All CGB employees are considered at will employees.

Conditions of Employment

All new and rehired employees work on an introductory basis for the first six months after their date of hire. Any significant absence (in excess of five consecutive days) will automatically extend an introductory period by the length of the absence. During the six-month introductory period, if any employee's performance is not satisfactory, the employee may be terminated or may be required to serve an extended introductory period.

Acceptance as a regular employee of CGB is contingent upon successful completion of a six month introductory period, which is intended to provide the employee the opportunity to demonstrate his/her ability to achieve a satisfactory level of performance and to determine whether the new position meets his/her expectations. CGB uses this period to evaluate the capabilities, work habits, and overall performance of the new employee.

The existence of the introductory period as described above does not change an employee's at-will status. Employees and CGB may terminate the employment relationship at any time and for any reason during and after the introductory period.

Benefits, eligibility and employment status is not changed during a secondary introductory period that results from a promotion or transfer to a new position within CGB. However, the employee will be required to serve a six-month introductory period to assess his/her job performance in the new position.

Staff Relations

CGB's success depends on its employees' skills, abilities and the manner in which they are used to meet our goals. Our employees are our most important resource to help us succeed and to improve the way we do things. To take full advantage of this resource we need to communicate freely and openly. Usually, it is the employees performing the work who have the

most knowledge about the tasks and processes they use. We encourage employees to help us by taking every opportunity to make us aware of problems of any kind, and suggesting ways we can improve. Employees should feel free to discuss any concern or suggestions they have with their supervisor or any member of management. It is our intent that as a result of open communication, CGB and all of its employees will enjoy a mutually prosperous and satisfying relationship.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear and attitudes can be positive. When you have a suggestion, question, problem or concern, your supervisor is in the best position to respond quickly and accurately, but you should feel free to discuss the issue with the staff in Human Resources.

The working environment at CGB is one that puts staff, supervisors, and administration in a close relationship of mutual respect. Attendance at and participation in group meetings and staff meetings are important. Employees are encouraged and expected to use these meetings as opportunities for raising issues to improve client services, program operation, and staff relations. It is generally during these meetings that most business-related matters are communicated. If an employee is absent from any of these meetings, it is his or her responsibility to catch up with business discussed.

Customer Service Deliverables

At CGB, customer service is a priority. We all have internal and external customers. To that end, we expect each one of our employees to be accountable for the following customer deliverables:

- To respond promptly to customer requests for information or assistance.
- To act as a member of the CGB team and pitch in and assist other staff members as requested.
- To provide a work product that is complete, well-organized and useful to the customer.

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at CGB will be based on merit, qualifications, abilities in relation to the staffing requirements, and business needs. CGB is an equal opportunity employer and does not discriminate in employment opportunities or practices on the basis of race, color, religious creed, sex, marital status, national origin, age, ancestry, mental retardation, physical or learning disability, past or present history of mental disorder, sexual orientation, special disabled veterans or veterans of the Vietnam War status, or any other legally protected status, except in those cases where there is a legitimate, compelling and documented occupational qualification that precludes the hiring or promotion of individuals in any of these protected groups. CGB will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship to CGB. This equal opportunity policy extends to all aspects of the employment relationship, including recruitment, hiring, training, compensation, promotions/transfers, job assignments, discipline and termination. All other policies, such as employee benefits, are also administered based on fair and equal treatment.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor. Employees can raise concerns and make reports without fear of reprisal, either verbally or through the grievance procedure. Anyone engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Disability Policy (ADA)

As an employer, CGB will not discriminate against any employee or person seeking employment on the basis of a disability, in compliance with the spirit and regulations of the Americans with Disabilities Act (ADA) and all applicable Connecticut law. The purpose of the ADA is to assure that individuals with covered disabilities who are able to perform the essential duties of their job, with or without reasonable accommodation, are given equal opportunity and treatment by their employer and fellow employees. If a qualified employee or employee candidate has an ADA recognized disability; they cannot be denied equal opportunity for employment.

In accordance with the ADA, CGB does not discriminate on the basis of disability in the administration of or access to its programs, services or activities, and is committed to equal employment opportunity for employees and job applicants with disabilities. Employees who violate the ADA by discriminating against an individual with an ADA recognized disability would be subject to disciplinary action up to and including dismissal. Rumors and gossip regarding any employee who has an ADA recognized disease or is assumed to have an ADA recognized disease would not be tolerated under any circumstances. Employees who need a reasonable accommodation must request such accommodations through their supervisor. Employees may be required to submit medical documentation to support their request.

Immigration Law Compliance

All job offers extended to successful candidates are contingent upon the receipt of the required documentation and completion of INS Form I-9.

Only those successful applicants who provide the required documentation and complete Form I-9 will be permitted to begin work.

Former employees who are rehired must also complete the form if they have not completed a Form I-9 with CGB within the past three years, or if their previous Form I-9 is no longer retained or valid.

Conflict of Interest

This policy establishes the general framework within which CGB wishes the business to operate.

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest and should not have a financial interest in any client. A conflict of interest may exist when the interests or concerns of any director, officer, staff, client, or said person's relatives, or any party, group or organization in which said person has an interest or concern, may be seen as competing or conflicting with the interests or concerns of CGB. No "presumption of guilt" is created by the mere existence of a relationship with outside firms. The employee concerned must disclose any possible conflict of interest to the President. If it is not clear to the employee whether a particular situation or relationship constitutes a conflict of interest, the employee should contact the President.

When a conflict of interest exists regarding any matter requiring action by the Board of Directors, the President shall call it to the attention of the Board of Directors (or its committee).

Outside Employment

Employees may hold a job with another company as long as he/she satisfactorily performs their job responsibilities with CGB. Employees who have additional outside employment for which they receive pay must keep their supervisor and the Human Resources Manager informed of such employment. This outside employment must not interfere with the employee's effectiveness in performing their job responsibilities, and must not conflict with CGB's public image. All employees will be judged by the same performance standards and will be subject to CGB scheduling demands, despite any existing outside work requirements.

If the President and/or his designee decides that an employee's outside work interferes with performance or the ability to meet the requirements of CGB as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with CGB. Inappropriate behavior believed to be a result of outside employment (abuse of sick time, refusal of overtime, unsatisfactory performance, etc.) will be addressed through normal performance management and/or disciplinary procedures.

Outside employment will present a conflict of interest if it has an adverse impact on CGB. Employees with outside employment must abide by the confidentiality standards that protect CGB's clients.

Employment of Relatives

CGB is committed to the objective treatment of all employees based upon their job performance and the operational needs of CGB. The employment of relatives may cause serious conflicts and problems with favoritism and employee morale. In addition, real or apparent partiality in treatment at work and personal conflicts from outside the work environment can be carried into day-to-day working relationships. Therefore, it is the policy of CGB that relatives of employees will not be considered for employment.

If the relative relationship is established after employment, and there will be a direct reporting relationship or the related individuals will be working within the same department, the parties may be separated by reassignment or termination, if it is deemed necessary by the Human Resources Department and/or the President and/or his designee.

A relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

Confidential Nature of Work

The protection of confidential information and trade secrets, as defined below, is vital to the interest and the success of CGB. The improper disclosure of confidential information would harm CGB and/or its employee or clients if such information were improperly disclosed to third parties. Accordingly, employees may not at any time during and after termination of employment with CGB, use for any purpose or disclose any confidential information to any third person or party, except as specifically authorized in the course of employment and required for carrying out job duties.

Confidential information includes, but is not limited to, the following examples:

- Any work performed by CGB employees for a client, portfolio company, or applicant.
- Any client, portfolio company or applicant information.
- Compensation data, including salary information.
- Personnel information.
- Financial information.
- Pending projects and proposals.
- Any other information not subject to the State Freedom of Information Act.

Confidential information should not be discussed with others (including family and friends), nor should employees discuss office matters or the affairs of clients, portfolio companies, or applicants generally with each other outside the office or any place where they might be overheard, e.g. on the street, in elevators or elevator lobbies, or at lunch counters. Except when they are certain that it is proper to do so, employees are cautioned against disclosing to callers anything being undertaken by CGB or its employees, clients, companies, or applicants. Likewise, it is important not to leave confidential information on desks at the end of the day or while a visitor is in the office which would allow easy unauthorized access to such information. Upon termination of employment with CGB or whenever requested by CGB, employees must promptly deliver to CGB all work product and all documents and other tangible embodiments of the confidential information and any copies thereof.

The best way to adhere to this policy is to not disclose any information if you are not sure whether such information is confidential information of CGB. Also, if you have any question as to whether certain information is considered confidential, please consult your department manager.

Violations of this policy may provide grounds for legal action against an employee and may result in disciplinary action up to and including termination, even if the employee does not actually benefit from the disclosed information.

Categories of Employment

It is the intent of CGB to clarify the definitions of employment classifications so those employees understand their employment status and benefit eligibility.

Full-Time Regular Employees

Employees who are not in a temporary or introductory status and who are regularly scheduled to work a minimum of 40 hours per week are considered full-time regular employees. Full-time regular employees are eligible for CGB benefits, subject to the terms, conditions, and limitations of each benefit program. Such employees must have successfully completed the six-month introductory period.

Part-Time Regular Employees

Employees who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 40 hours per week are considered part-time regular employees. Part-time regular employees receive all legally mandated benefits (such as Social Security and Workers' Compensation Insurance). Part-time employees who work at least 20 hours per week are generally eligible for other CGB benefit programs on a prorated basis, based on the ratio of their standard hours of work per week to the full-time standard for that position. Such employees must have successfully completed the six-month introductory period.

Exempt Employees

Exempt employees will not receive any overtime pay. Exempt employees may be granted compensatory time at the discretion of the President and/or his designee in accordance with the compensatory time policy outlined in Section 4.

Non-Exempt Employees

Non-exempt employees are paid based on the number of hours actually worked and are eligible for overtime pay. Overtime pay will be paid at the rate of one and one-half times (1½) the non-exempt employee's regular rate of pay for all time worked in excess of 40 hours per week. Overtime pay is based on actual hours worked. Thus, if a non-exempt employee is absent during a week when overtime hours have occurred, the absent hours reported will not be considered hours worked in determining a time and one-half overtime payment. An accurate record of non-exempt regular and overtime hours must be maintained for purposes of pay. Time sheets are to be signed by the staff member and by their supervisor, then submitted to Human Resources for processing.

Introductory Employees

Employees who work on an introductory basis as specified in the "Conditions of Employment" are considered introductory employees. Introductory employees who satisfactorily complete the six-month introductory period will be notified of their new employment classification. Any significant absence will automatically extend the introductory period by the length of the absence. If an employee changes jobs during the introductory period, a new six-month introductory period shall begin.

Temporary Employees

Employees who are hired as interim replacements to temporarily supplement the work force or to assist in the completion of a specific project are considered temporary employees. Temporary employees hired from temporary agencies for specific assignments are employees of their respective agencies and not CGB. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Consultants

Those independent contractors who are on contract to provide services to CGB. Persons in this category are not CGB employees.

Selection Process, Interviewing and Hiring

The President and/or his designee must approve all new positions or changes to existing position descriptions. Vacant positions to be filled may be posted internally and if necessary posted externally. The immediate supervisor, the President, any manager or director within CGB and/or any person the President designates, may be involved in the interview selection

process. The President has the ultimate responsibility for appointing the candidate to the position.

CGB through the actions and approval of the President reserves the right to transfer or reclassify positions and employees within CGB and restructure their job duties and position without going through the above public process when in the best interest of CGB.

Promotion Policy

CGB is committed to providing employees with opportunities for career advancement. Employees may apply for posted positions, for which they are qualified, provided any such position represents a promotion or advancement.

CGB is committed to implementing a fair and equitable “in-house” promotion policy that will aid in the development of staff to their fullest potential. Full and equal opportunity will be extended to all employees in accordance with CGB’s affirmative action plan.

There is an established career path for most positions within CGB. The career path progression for each position can be found in the job description for that position. If an employee is being promoted within the established career path and within their department, such promotion can be made without posting the position. A current employee shall be eligible for reclassification or promotion to an existing or new position only if such employee has at least six (6) months of service with the Green Bank and meets the minimum qualifications for such position.

If the position is not within the established career path progression, the position will be posted and the selection process outlined above will be followed.

Employment Applications

CGB relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented through the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information or data may result in CGB exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

Employment Reference Checks

CGB wishes to ensure that applicants are qualified and have a strong potential to be productive and successful. It is the policy of the CGB to check the employment references of all applicants.

Human Resources will respond to all reference check inquiries from other employers only with the approval of the employee or past employee and in accordance with applicable law. No offer of employment can be made until Human Resources has received satisfactory reference checks.

Performance Management and Review

CGB has a performance management and review process. The objectives of this process are to:

- Provide clear communication between the supervisor and employee
- Identify the employee’s work objectives and expected results
- Identify the employee’s performance strengths and weaknesses
- Assess the need for training
- Aid in decisions about future work assignments
- Determine the employee’s suitability for continued employment

- Determine the employee's eligibility to receive a merit compensation award

CGB believes that all employees should receive prompt, thorough feedback regarding their performance. Formal performance assessments for new hires and newly promoted employees are conducted at the completion of six (6) months. Once an employee has completed an introductory employment period of six months, formal written performance appraisals are conducted annually. Performance evaluations provide employees with the opportunity to express any concerns they have about their jobs, career aspirations, and future with CGB. If an employee is having difficulty in their job, interim evaluations may be conducted to help the employee understand what performance improvements are needed.

All performance assessments are reviewed by the appropriate department head, President and/or his designee and Human Resources.

Personnel Files

CGB maintains a confidential personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, written warnings or reprimands, and written commendations.

Personnel files are the property of CGB, and access to the information they contain is restricted. Generally, only supervisors and management personnel of CGB who have a legitimate reason to review information in a file are allowed to do so unless otherwise required by law.

Employees will be notified when information is added to their personnel file.

Employees who wish to review their own files should contact Human Resources. With reasonable advance notice, employees may review their own personnel file in the Human Resources Office in the presence of a Human Resources employee.

Updating Personnel Records

Employees must notify Human Resources of any changes in personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, etc.

It is the responsibility of each individual employee to promptly notify CGB of any such changes in personnel status.

It is also the responsibility of each individual employee to review bi-weekly payroll deductions (tax withholding, FICA, etc.) for accuracy and report any errors promptly to Human Resources.

SECTION 3 WAGES AND SALARY ADMINISTRATION

General Policy

It is the policy of CGB to maintain a fair compensation program that provides equitable payment for work performed, is competitive with the identified labor market, and ensures compliance with federal and state legislation.

A salary range has been assigned to each position. The compensation for each employee shall be within the minimum and maximum range established for the grade to which the position has been assigned. In rare instances, the President may approve a salary outside the range for which the position has been assigned. Periodically, CGB may revise job descriptions, evaluate individual jobs to ensure they are being compensated appropriately and review job specifications as business needs dictate. Salary ranges may also be adjusted for annual inflation at the discretion of the Board of Director's Budget and Operations Committee.

Hours of Work

The standard workweek for full-time regular employees is currently a minimum of 40 hours. Regular daily work hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday. Where workload or schedules require, some departments may operate outside these regular hours. Supervisors should notify employees of their work schedule. Each employee is responsible for informing Human Resources of any permanent change in usual work hours.

Flexible Time

Under the flextime policy, an employee may be permitted to start and end the workday at times that differ from the standard hours of operation.

Flextime schedules are at the discretion of management, and must be approved in advance by the employee's supervisor and the Department Head.

Employees participating in flextime must have regular daily starting and quitting times that do not vary from day to day.

All full-time regular employees must be at work during the core hours of 9:00 a.m. to 3:30 p.m. No flextime schedules shall begin before 7:00 a.m., or end later than 6:00 p.m.

All employees participating in flextime must work their full scheduled hours per day and take at least a one half-hour lunch break.

Pay Periods

Staff members are paid on a bi-weekly basis. Each paycheck will include earnings for all work performed through the end of the previous payroll. Thus a new employee can expect to receive his/her paycheck up to four weeks from the first day he/she commenced work for CGB.

Employees may have pay directly deposited into their bank accounts if they provide advance written authorization. Direct deposit applications may be obtained from Human Resources. Employees will receive an itemized statement of wages.

For those employees not participating in Direct Deposit, paychecks will be distributed directly to the staff member after 3:00 p.m. every other Thursday. All paychecks not distributed by the end of the business day will be returned to human resources. If a staff member is absent from work and desires other arrangements, he/she will have to contact Human Resources directly to make such arrangements.

Lunch Periods

Employees are generally entitled to a one (1) hour lunch period. All employees must take a minimum of a half-hour for lunch. Scheduling of lunch periods is between the hours of 12:00 P.M. and 2:00 P.M. Lunch hours should be scheduled so that there is coverage at all times. Employees who work in tandem with other employees should schedule their lunch hours so there will always be coverage. If employees must attend to personal business during the workday, they should do so during their scheduled lunch break period. Employees should not work through their lunch period in order to leave early without prior authorization from their supervisor.

Time Sheets

CGB participates in self-service time reporting to the State of Connecticut's payroll system, CORE. Accurately recording time worked is the responsibility of every employee. Time worked is all the time actually spent on the job performing assigned duties. Time sheets must be accurately filled out in accordance with CORE time reporting guidelines and approved by the supervisor. Each employee shall personally record his or her own time, which includes the time they begin and end work and any time that is charged against their leave balances (personal time, vacation time, sick time, etc.). Altering, falsifying, tampering with time records, or recording time on another employee's time sheet may result in disciplinary action, up to and including termination of employment.

Employee time sheets for each two-week pay period must be completed in CORE by noon on the Friday after the pay period. All time sheets must be approved and initialed by the employee's supervisor, including any corrections and backup. Working time is logged in 15 minutes increments. Non-exempt employees, who report to work more than seven minutes late, but less than 15 minutes, must log their starting time at 15 minutes after the normal starting time. Time lost due to reporting to work late may not be made up by staying late at the end of the day or working through lunch periods, unless the employee obtains the prior authorization of his/her supervisor.

Attendance and Punctuality

The ability of CGB to operate smoothly and efficiently depends on regular attendance and punctuality. Absenteeism and tardiness are disruptive and place a burden on other employees. To maintain a productive work environment, CGB expects employees to be consistently reliable and punctual in reporting for work.

In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should personally notify their supervisor before the anticipated tardiness or absence. If the supervisor is not available, employees should notify the Human Resources Manager so that he/she can arrange for coverage during the absence. Employees should also inform their supervisor or the Human Resources Manager of the reason for their tardiness or absence. In case of an emergency where advance notification is not possible, employees must report the absence or tardiness as soon as possible.

An employee's supervisor is responsible for monitoring an employee's attendance. The supervisor should deal with abuses of reporting time. Occurrences of abuse should result in counseling of the employee by the supervisor. Supervisors and Human Resources will monitor unscheduled occasions of absence and Human Resources will determine the action to be taken upon the accumulation of a certain number of unscheduled occasions of absence within a given time period, taking into consideration the following.

- Numbers of days taken;
- The number of unscheduled occasions of absence;

- The pattern of absences
- The employee's past records; and
- The reasons for the unscheduled occasions of absence.

Attendance and Punctuality, Continued

Although the specific action taken in each instance will be determined by Human Resources in its discretion, the chart below illustrates the actions likely to be taken upon the accumulation of a certain number of unscheduled occasions of absence within a given time period.

Number of Occasions	Within this Time Period	Action Likely to Be Taken
3	3 months	Your attendance record will be reviewed with you to determine contributing problems and possible solutions.
5	6 months	Your attendance record will be reviewed with you to determine contributing problems and possible solutions AND this counseling session will be recorded in a written memo, a copy of which will be maintained in your personnel file.
9	12 months	Your attendance record will be reviewed with you to determine contributing problems and possible solutions AND this discussion will be documented and a copy will be maintained in your personnel file. An "Unsatisfactory" or "Below Threshold" performance appraisal will be given to you for unsatisfactory attendance and dependability unless you give your supervisor documentation explaining the occasions to his/her satisfaction. You will also be notified that receiving two "Unsatisfactory" or "Below Threshold" performance appraisals in a row (for poor attendance or any other reason) is just cause for dismissal.

Poor attendance and excessive tardiness, including failing to report the same in a timely manner, may lead to disciplinary action, up to and including termination of employment. For example, an employee who does not report to work and who has not notified their supervisor of this absence may be terminated unless an acceptable explanation is provided for both the absence and the failure to report.

Absence from the Office

If an employee must be out of the office for business or personal matters, the supervisor must be advised. The employee also should make every attempt to keep their schedule up to date on their Outlook Calendar. If the supervisor is not available, the appropriate department head or the President and/or his designee should be notified. Employees who are working outside the office at meetings or other events should leave a telephone number where they can be reached. These employees are also responsible for checking in and receiving messages.

Procedures for Absences from the office

1. Pre-schedule all vacation time use. Vacation leave shall be requested as far in advance as possible and is subject to CGB's operating needs.
2. Pre-schedule all absences, if possible. You should attempt to schedule all absences (including late arrivals and early departures) in advance with your supervisor. Pre-scheduled and approved use of sick and other types of leave, such as vacation, a doctor's visit or a funeral, will not be counted as an unscheduled occasion of absence.
3. Unscheduled absences. If it is not possible to pre-schedule an absence (including a late arrival or early departure), you must:
 - o notify your supervisor within a ½ hour of the start of the work day;
 - o give the reason for the absence; and
 - o give an estimate of how long the absence will be.

If the absence is continuous or lengthy, notify your supervisor on a daily basis, or as otherwise required by your supervisor.

4. Exhaustion of sick leave accruals. If you are absent because of illness or injury, but have exhausted your sick leave accruals, you must:
 - o For each absence, have your physician complete a state medical certificate form explaining the reason for your absence, and submit the completed form to Human Resources.
 - o If you wish to use other accrued leave in place of your exhausted sick leave, you must make such a request in writing and submit it to your supervisor or to Human Resources with the completed medical certificate form.
 - o If you fail to follow this procedure, you will be charged with an unscheduled occasion of absence and unauthorized leave for the day.
 - o If you have exhausted all other accrued leave time in addition to your sick leave time, you will be charged with unauthorized leave for the day.
5. Extended Leaves. If you will be absent for an extended period of time because you are sick or injured, you must
 - o Obtain a medical certificate form from Human Resources
 - o Have the form completed by the treating physician stating the reason for the absence and your anticipated return to work date; and
 - o Return the form to Human Resources at the time you return to work.

Telecommuting

Telecommuting is a management option that allows an employee to work at home or an alternate work site; it is not an employee entitlement. [The purpose of telecommuting as outlined in Connecticut General Statute 5-248i\(a\) is to: \(1\) Increase worker efficiency and productivity; \(2\) benefit the environment; and \(3\) reduce traffic congestion.](#) Telecommuting does not change the hours of work. An employee may be considered for this option when the following minimum criteria are met:

1. In most instances, the employee must have completed their introductory period and have been performing his/her current job duties for at least 60 days.
2. The employee has requested to telecommute by filling out a telecommuting agreement which will outline the terms and conditions of their telecommuting arrangement.
3. CGB has determined that the employee's job can be readily and effectively completed at an alternate site.
4. CGB determines that the employee's absence from the office is not detrimental to office operations, overall productivity, the working conditions of other employees, or services to clients and customers.
5. The employee's performance has been satisfactory or better.
6. The employee agrees to abide by the guidelines of the Telecommuting Policy [outlined in their telecommuting agreement.](#)

The following guidelines for telecommuting are to be followed in accordance with each employee's individual telecommuting agreement:

1. Each employee must specify a regular telecommuting day on their telecommuting agreement including hours to be worked per day, start time, end time, breaks, lunch periods, and duration if this is implemented on a project basis.
2. If an employee would like to telecommute in the case of inclement weather, they must have a signed "inclement weather" telecommuting agreement on file.
3. Telecommuting is not an entitlement. If business needs dictate the employee's physical presence in the office, the employee is required to report to work.
4. In order to meet the business needs of the agency, an employee may request an adjustment to the telecommuting schedule outlined in this agreement. No adjustment may be made without prior supervisory approval

Overtime and Overtime Pay

Under the federal Fair Labor Standards Act (FLSA), employees who are covered by FLSA shall be paid time-and-one-half for all hours worked in excess of 40 hours per week. Each position at CGB is determined to be exempt or non-exempt in consultation with the President, ~~the Chief Operating Officer, the Manager, Human Resources, the Director of Operations~~ and CGB's attorneys. Exempt employees will not receive any overtime pay. Non-exempt employees are paid based on the number of hours actually worked and are eligible for overtime pay. Overtime pay will be paid at the rate of one and one-half times (1½) the non-exempt employee's regular rate of pay for all time worked in excess of 40 hours per week. Overtime pay is based on actual hours worked. Thus, if a non-exempt employee is absent during a week when overtime hours have occurred, the absent hours reported will not be considered hours worked in determining a time and one-half overtime payment. An accurate record of non-exempt regular and overtime hours must be maintained for purposes of pay. Time sheets are to be signed by the staff member and by their supervisor and then submitted to Human Resources for processing.

Merit Compensation

On an annual basis, the President may recommend for approval by the Board of Directors an allocation of funds for merit compensation increases for the staff. A maximum percentage salary increase will be set by the President for those employees with exceptional performance evaluations. Employees shall be compensated according to job performance as determined through the performance management process as administered by CGB.

SECTION 4 TYPES OF LEAVE

Vacation Policy

Vacation is not earned in any calendar month in which an employee is on leave of absence without pay more than five working days. Regular full-time employees will accrue and must use vacation time in accordance with the following schedule:

Years of Service	Vacation Earned	Must Use Annually
0 - 2 years	15 days per year	10 days
2 - 10 years	20 days per year	15 days
Over 10 years	25 days per year	20 days

The maximum number of vacation days an employee will be eligible to earn annually will be 25 days. Generally an employee may not take more than four (4) consecutive weeks at one time in one year. Under extraordinary circumstances, the President and/or his designee may grant exceptions.

All employees will be limited to a maximum carryover annually of 5 days (40 hours) of vacation time accrued during the calendar year. ~~The maximum aggregate carryover permitted for employees hired after January 1, 1998, including the current years allowed shall be 30 days.~~ In extraordinary circumstances, such as unusual work circumstances, deadlines, or demands, the President may increase the allowable annual carryover to ten (10) days. The additional time that is carried over must be used during the next calendar year, in addition to all other vacation time required to be used ~~the employee will accrue~~ during that calendar year as outlined in the grid above.

Maximum Aggregate Carryover

The maximum aggregate vacation balance permitted to be carried into a new calendar year for employees hired after January 1, 1998, including all vacation hours previously accrued shall be 30 days (240 hours). With approval, the President/CEO may allow a one-time exception to carryover vacation in excel of 30 days (240 hours) into a new calendar year. If the exception is granted, the employee's vacation balance must be at 30 days (240 hours) by December 31st of the new calendar year. Vacation accruals above this amount will be ~~automatically~~ automatically reduced to the maximum aggregate carryover of 30 days/240 hours and all unused vacation time over 30 days (240 hours) will be ~~forfeited~~ forfeited.

Employees will be allowed to accrue more than this amount during a given year, however, the maximum aggregate accrual for which an employee will be compensated upon separation is 240 hours. In the event of an involuntary termination where the employee is not given the opportunity to utilize their vacation balance over 240 hours prior to separation, the effective date of the termination will be adjusted to incorporate the employee's unused vacation time over 240 hours and the employee will be paid out in a lump sum for the remaining balance of 240 hours.

~~In cases where vacation carryover in excess of 30 days is allowed with prior approval of the President, the employee's vacation balance will be automatically reduced to the maximum aggregate carryover of 30 days and all unused vacation time will be forfeited.~~

Maximum Vacation Hours Paid Out Due To Termination/Resignation

The maximum number of vacation days/hours to be paid upon termination/resignation for employees hired after January 1, 1998 shall be 30 days/240 hours. The maximum for employees hired prior to January 1, 1998 shall be 120 days/960 hours.

Advancing Vacation Time

Vacation time will not be advanced under any circumstances. If an employee wishes to take vacation time, but does not have accrued time available, they may request to take unpaid leave. Such leave may be granted at the discretion of the employee's supervisor and or/ the department head. Vacation time is paid at the employee's base pay rate and can be taken when earned. Vacation time earned is credited to an employee on a monthly basis based upon the schedule presented above.

*Note – Once an employee is at the maximum vacation balance of 30 days, they must utilize all of their annual accruals or forfeit them.

Accrual Period

Vacation days are accrued on a monthly basis. Employees begin to accrue vacation days the first full month after their date of hire.

Scheduling

To the extent possible, and with sufficient advance notice, vacations will be scheduled as requested by the employee provided that staffing requirements be met as determined by the supervisor. The supervisor will settle conflicts between employees with regard to desired vacation schedules.

A written or electronic request should be filled out by the employee and approved by the Supervisor. Whenever possible, if requesting less than one week of vacation, the request should be presented three days prior to the time requested and if requesting one week or more the request should be presented and approved at least three weeks prior to leave.

Compensatory Time

The President and/or his designee may grant compensatory time for extra time worked by exempt employees, excluding members of the senior management team, for these unique situations provided it conforms to the following criteria:

1. As a general rule, exempt employees at CGB work 40 hours per week. However, these employees are expected to work the number of hours necessary to get the job done. There are some occasions that require an exempt employee to work a significant number of extra hours in addition to the normal work schedule. This does not include the extra hour or two a manager might work to complete normal work assignments in a normally scheduled workday.
2. The exempt employee must receive **written authorization in advance** to work extra time by the President and/or his designee in order to record the extra hours as compensatory time. The authorization must include the employee's name and outline the reason(s) for compensatory time. Proof of advance authorization must be retained ~~in the employee's personnel file~~ for audit purposes.
3. The amount of extra time worked must be significant in terms of total and duration and **occur on weekends or state holidays**.
4. Extra time worked must be completed at an approved work location.
5. Compensatory time shall not accumulate by omitting lunch hours or other changes that do not extend the exempt employee's normal workday.
6. Compensatory time shall not accumulate for travel or commuting purposes.
7. The number of extra hours worked and the compensatory time taken must be recorded on the appropriate time sheet and maintained by CGB. In no case shall an exempt employee be permitted to take compensatory time before it is earned.
8. All compensatory time earned January 1 through June 30 will expire on December 31 of the same year, and compensatory time earned July 1 through December 31 will expire on June 30 of the following year. All compensatory time balances will be set to zero on these dates. Any time not used by these dates will not be available.
9. In no event will compensatory time be used as the basis for additional compensation and shall not be paid as a lump sum at termination of employment.
10. No more than 8 hours can be earned in a twenty-four hour period.

Personal Leave

All CGB full time employees are granted three days paid personal leave each calendar year for purposes not covered by vacation or sick leave. Personal days do not require prior approval of the employee's supervisor. Personal time may not be accumulated or carried over to the next calendar year. Employees will not be compensated for unused personal time upon termination of employment. Personal leave days for part time employees will be pro-rated.

General Leave of Absence

Occasionally, an employee may request time off without pay for reasons not covered by any of the other policies. In these cases the employee should submit a written request for a leave of absence to their manager with a copy to the President and/or his designee. The request should clearly state the reason for the request and provide any supporting information to aid in the approval decision. The reason, and the requested length of the leave, will be considered by the President in his/her decision as to whether the employee's medical and other insurance benefits should continue during the leave, if approved. The decision will also be influenced by any limitations imposed by individual insurers.

Bereavement Leave

CGB will grant an employee up to five consecutive workdays off in the event his or her immediate family member dies. If a death occurs while the employee is on vacation, five days

absence with pay may be granted in lieu of the employee's vacation period. The immediate family is defined as an employee's spouse, parent, brother, sister, child, grandparent, grandchild, in-law, legal guardian or permanent resident of the employee's household. Additional time may be granted if approved by the supervisor, and charged against vacation or personal time. Employees should notify their supervisor as soon as possible if they have a need for bereavement leave.

Sick Leave

Full-time employees earn 10 sick leave days per year. Part time employees earn sick leave according to the same schedule as full-time employees, but prorated according to their standard part-time hours per week. Sick time is not earned in any calendar month in which an employee is on leave of absence without pay more than five working days.

Sick leave is intended for use in situations such as the following:

- Family illness - the event of a critical illness or severe injury to a member of the employee's immediate family in which the assistance of the employee is required.
- Medical Appointments – for medical, dental, eye examinations, or treatment for which arrangements cannot be made outside of working hours
- Other bereavement - up to three days per calendar year to attend the funeral of persons other than those of the employees' immediate family.

Terminating employees will not be compensated for the balance of unused sick leave except in the case of retiring employees. Qualified retirees will receive payment for one-quarter of accumulated unused sick leave up to a maximum of 60 days.

Sick Leave - Medical Certification Or Examination

CGB may require certification of illness from an employee's physician or a medical examination with another physician to verify the need for continued absence. To be certain that an employee's health permits his or her safe return to work, CGB may require medical certification or an examination by a physician regarding fitness for duty.

An acceptable medical certificate, signed by a licensed physician or other health care provider, will be required to substantiate time off if the medical/sick leave:

- Consists of more than five consecutive working days.
- Is to be applied contiguous to, or in lieu of time taken off as vacation.
- Recurs frequently or habitually, and the employee has been notified.
- When the employee's presence at work will expose others to a contagious disease.

Sick Leave Bank

The CGB Sick Leave Bank is a pool of sick days that has been established by employees of CGB who have made a donation of their accumulated sick days. The Bank is available to members to draw up to ten (10) eight- hour sick days per year in the unfortunate event that they experience a qualified illness or injury.

Sick Leave Bank members will receive benefits in the form of paid sick leave if all of the following requirements are met:

- the member has a medical condition that prevents them from working that has been verified by a Medical Certificate OR a member's immediate family member has a

medical condition that has been verified by a Medical Certificate and requires the Sick Leave Bank member's care;

- the member has been out on approved medical leave (paid or unpaid) as described above for at least two consecutive weeks;
- the member has exhausted all of their sick, personal leave and compensatory time and vacation time in excess of 30 days;
- the member has not been disciplined for an absence-related reason for the past 12 months; however a committee comprised of HR and Management may waive this requirement;
- the member has completed a Sick Leave Bank Withdrawal Request Form and it has been approved by human resources;

All requests for utilization of the sick leave bank must be in accordance with the Sick Leave Bank Policy. Please contact Human Resources for a complete copy of the sick leave bank policy.

Family Medical Leave

Purpose

This policy establishes guidelines for leave available to employees of CGB under the federal Family and Medical Leave Act of 1993 ("FMLA") and highlights relevant provisions of Connecticut law.

Eligibility

Employees who have worked at CGB for at least twelve (12) months, and who have worked at least 1,250 actual work hours during the twelve (12) months immediately preceding the start of a leave, are eligible for unpaid leave under the FMLA. ("Hours worked" does not include time spent on paid or unpaid leave). Employees must have worked at CGB for at least six (6) months to be eligible for family/medical leave under Connecticut law.

Reasons for Leave

Leaves under either the state family/medical leave or federal FMLA or a combination of the acts may be taken for the following reasons:

- The birth of employee's child or adoption of a child by the employee (both).
- The placement of a foster child with the employee (federal only).
- The "serious illness" (state) or "serious health condition" (federal) of a child, spouse or parent of an employee.
- The "serious illness" (state) or "serious health condition" (federal) of the employee.

Family Medical Leave Documentation Requirement

The following documents must be submitted in support of an FMLA request:

- **Birth of child:** "Employee Request" (Form HR-1) and Medical Certificate (Form P-33A-Employee) indicating the pre-delivery disability period (if applicable), delivery date and post-partum disability period (if applicable).
- **Adoption:** (both state and federal) or foster care (federal only) of child: "Employee Request" (Form HR-1) and letter from the adoption/foster care agency confirming the event and its effective date.
- **Serious illness/health condition of child, spouse or parent:** "Employee Request" (Form HR-1) and Medical Certificate (Form P-33B-Caregiver).

- **Serious illness/health condition of employee:** “Employee Request” (Form HR-1) and Medical Certificate (Form P-33A-Employee) (only if employee is on paid or unpaid leave for more than five days).

Length of Leave

Under federal FMLA, employees are entitled to 12 weeks of unpaid leave in a twelve-month period. Under state family/medical leave, employees are entitled to a maximum of twenty-four (24) weeks of unpaid leave within a two-year period. The state entitlement is applied **after** the employee has exhausted any sick leave accruals that may be applicable. The state policy allows the substitution of personal leave and vacation accruals; however, this will not extend the 24-week entitlement period.

The 12-month entitlement period for family or medical leave is measured from the initial date of an employee’s first leave under this policy, until the end of the applicable 12 or 24-month period. **For leaves eligible under both the FMLA and state family/medical leave, the entitlement periods will run concurrently.**

Requests for Leave

Requests for a family or medical leave must be submitted to Human Resources at least thirty (30) days before the leave is to commence, if possible. If thirty (30) days notice is not possible, please submit your request as soon as practicable under the circumstances. For leaves taken because of the employee’s or a family member’s serious health condition, the employee must submit a completed medical certification form before the leave begins, if possible. This form may be obtained from Human Resources. If advance certification is not possible, the employee must provide the medical certification within fifteen (15) calendar days of the employer’s request for the medical certification. Failure to submit a certification, or submission of an incomplete certification, may delay the use of FMLA leaves, or result in denial of such leave.

Requests for Leave

If an employee takes leave to care for his or her own serious health condition, immediately upon return to work the employee must provide medical certification that the health condition which created the need for the leave no longer renders the employee unable to perform the functions of the job. This certification must be submitted to Human Resources.

Use of Paid Leave

Employees have the option of substituting their accrued paid personal leave and accrued paid vacation for any unpaid portions of federal FMLA taken for any reason other than the employee’s own serious health condition. However, where the leave is for the employee’s own serious health condition, accrued paid sick leave shall be substituted for unpaid portions of federal FMLA prior to the employee electing the substitution of accrued paid personal and accrued paid vacation leave. The amount of unpaid leave entitlement is reduced by the amount of paid leave that is substituted.

Medical Insurance and Other Benefits

During approved FMLA and/or state family/medical leaves of absence, CGB will continue to pay its portion of medical insurance premiums for the period of unpaid family or medical leave. The employee must continue to pay their share of the premium and failure to do so may result in loss of coverage. If the employee does not return to work after expiration of FMLA leave, the employee will be required to reimburse CGB for payment of medical insurance premiums during the family or medical leave, unless the employee does not return because of a serious health condition or other circumstances beyond the employee’s control.

Employees who have state-sponsored group life insurance will be billed directly for the same amount they contributed prior to the leave. In the case of any other deductions being made from paychecks (disability insurance, life insurance, deferred compensation, credit union loans, etc.), employees must deal directly with the appropriate vendor to discuss payment options.

During a leave, an employee shall not accrue employment benefits such as seniority, pension benefit credits, sick, or vacation leave. However, employment benefits accrued by the employee up to the day on which the leave begins, which remain unused at the end of the leave, will not be lost upon return to work. Leave taken under this policy does not constitute an absence under CGB's attendance policy.

Reinstatement

Except for circumstances unrelated to the taking of a family/medical leave, an employee who returns to work following the expiration of a family/medical leave is entitled to return to the job held prior to the leave or to an equivalent position with equivalent pay and benefits. In cases involving the serious health condition of an employee, CGB will require the employee to produce a fitness-for-duty report on which the physician has certified the employee is able to return to work. This requirement protects the employee, co-workers and the public from the negative consequences that can result when an individual returns to work before being medically ready to do so. Therefore, employees who are notified of the need for a fitness-for-duty certification will not be allowed to return to work without it.

Military Leave

Military leave with pay for required military training is available to members of the National Guard or Reserve components of the Armed Forces. Required military leave must be verified through the submission of a copy of the appropriate military orders to Human Resources. A maximum of three (3) weeks per calendar year is allowed for annual field training.

When an employee is ordered to duty at the expiration of his/her field training, as evidenced by special orders, he/she shall receive additional time off with pay provided the period of absence in any calendar year shall not exceed thirty (30) days. No such employee shall be subjected, by reason of such absence, to any loss or reduction of vacation or holiday privileges.

Extended Military Leave (Induction)

Any employee who shall enter the Armed Forces shall be entitled to a leave of absence without pay for the time served in such service, plus ninety (90) days. An employee who leaves employment for the purpose of entering the Armed Forces of the United States shall be reinstated to their former position and duties, providing he/she apply for return to employment within ninety (90) days after receiving a certificate of satisfactory service from the Armed Forces.

This section shall not apply to any employee who has been absent from his/her employment for a period of more than three (3) years in addition to war service or compulsory service and the ninety (90) day period provided for because of voluntary reenlistment.

Jury Duty

CGB recognizes that every citizen has an obligation to perform jury duty when required. CGB encourages cooperation of its employees with this important civic duty.

If an employee is notified to appear in court to qualify to serve as a juror, the staff member must inform Human Resources by presenting the notice in advance of the court appearance date.

The employee will receive time off to serve and will receive his/her regular salary during the period of jury service.

Failure to provide such notice will result in CGB charging that time to either personal or vacation leave.

On any day during which the employee's attendance on the jury is not required, he/she shall report to work as usual. On any day in which the court releases jurors before 1:00 p.m., the employee is expected to report to work for the balance of the day.

Holidays

Holiday time off will be granted to all full-time regular employees on the 12 holidays listed below. Part-time employees will be paid only if they are scheduled to work on the date that the holiday falls and their pay for the holiday shall be pro-rated based on their part-time schedule. Temporary employees after ninety (90) days will receive holiday pay if normally scheduled to work on the day of the week on which the holiday falls.

If a recognized holiday falls during an eligible employee's paid absence (e.g. vacation or sick leave), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied.

Paid holidays at CGB are as follows:

New Year's Day	Independence Day
Martin Luther King's Birthday	Labor Day
Lincoln's Birthday	Columbus Day
Washington's Birthday	Veteran's Day
Good Friday	Thanksgiving Day
Memorial Day	Christmas Day

Inclement Weather

When traveling in snow presents a significant danger to staff and clients, cancellations and late openings for the State of Connecticut will be announced on WTIC-AM 1080 or on-line at the Connecticut Department of Emergency Management and Homeland Security website. The President and/or his designee will inform department managers about any early closing times established during the day.

On inclement weather mornings when no cancellation or late openings have been announced, all employees (except those with an approved inclement weather telecommuting agreement) are expected to make a reasonable effort to be at work on time. Any employee who is unable to get to work is expected to notify their supervisor promptly and will have to utilize their personal leave accruals. Failure to notify your supervisor will be treated as an unexcused absence. Those employees with an approved inclement weather telecommuting agreement shall be subject to the terms and conditions of that agreement.

In the event of a situation where our offices will be closed because of a power outage, the following steps will be taken:

1. We will notify the local media that our offices are closed so we can be added to the official “cancellation list” on television and radio.
2. We will implement a “telephone tree” where we will attempt to contact employees via telephone in the event our offices are closed unexpectedly.
3. We will send out an email to all CGB staff and advise them that our offices are closed. If necessary, we may communicate a conference call number and a time to call in for a teleconference. We will attempt to communicate this information via email if it is operational or the “telephone tree”. This conference call will be used to provide information to staff and to arrange continuity of operations in the event of a major emergency.

Community Service Days

Each employee may take up to one paid workday per year to perform community service. Prior approval by the employee’s supervisor is required. The community service must be for 501 c 3 or equivalent non-profit organizations. The purpose of this policy is to encourage a range of community service activities by CGB employees. This day with pay will not be charged against any leave balance of the employee. Prior to the date of community service, each employee must provide a written request to their supervisor. Human Resources will determine whether the proposed service and organization meets the intent of the policy. A letter from the organization will be required as documentation of participation.

SECTION 5 EMPLOYEE BENEFITS

Employees of CGB are eligible to participate in the medical, dental and retirement benefits offered to employees of the State of Connecticut. In addition, there are certain benefits offered by CGB that are available to our employees. A summary of these benefits follows.

Workers' Compensation

All employees are covered under the State of Connecticut Workers' Compensation insurance program. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. CGB pays the full premium for this coverage. There is no cost to the employee.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on the job injury may appear, it is important that it be reported immediately. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim. Supervisors are responsible for calling **MedInsights** at (800) 828-2717 toll-free as quickly as possible, to report any work-related injury sustained by an employee. Supervisors must provide **MedInsights** with the employee's name, home address, home telephone number, description of the injury, and the date and place the injury occurred. Supervisors should also notify Human Resources and the President as quickly as possible of any on the job injury sustained by an employee.

Neither CGB nor the insurance carrier will be liable for the payment of benefits for injuries sustained during an employee's voluntary participation in any recreational, social or athletic activity sponsored by CGB after normal working hours.

Medical Insurance

Employees become eligible for coverage in a comprehensive health insurance program on the first day of the first full month of employment. Enrollment is limited to the date of hire or open enrollment periods (normally the month of May) as outlined by the employer. The details of the plan options and their coverage will be explained by Human Resources and are listed in the explanatory booklets provided by the insurer. A portion of the cost of the medical insurance for dependents must be covered by employee contributions.

Dental Insurance

Employees become eligible for coverage in a dental insurance program on the first day of the first full month of employment. The details of this insurance coverage will be explained by Human Resources and are listed in the explanatory booklet provided by the insurer.

Deferred Compensation

The Deferred Compensation Plan, created in accordance with Section 457 of the Internal Revenue Code, allows you to defer money earned during your peak earning years and receive its value later when you may be in a lower tax bracket. Amounts you elect to defer are before tax dollars and any interest earned or any gains on these dollars are allowed to accumulate without federal income tax obligations until you receive your money.

Participation in the Plan is voluntary. It is your decision, which should be made after considering all options, as well as your plans for the future. A Deferred Compensation Plan is not intended for savings and investments of a short-term nature since monies deferred are generally not available until you separate from State service. For more information regarding deferred compensation, contact Human Resources.

Retirement Plan

Employees of CGB are provided retirement benefits under the State of Connecticut Retirement Plan (SERS). The benefits provided by the plan are described in the Summary Plan Description given to all eligible employees.

Dependent Care Assistance Program

CGB employees are eligible to participate in the State of Connecticut Dependent Care Assistance Program (DCAP). With DCAP you have the opportunity to deposit a portion of your pay into a Dependent Care Spending Account. These dollars are deducted on a pre-tax basis and are used to reimburse you for eligible dependent care expenses. These “pre-tax” dollars are exempt from federal and state income taxes.

When you contribute pre-tax dollars to a reimbursement account, you lower your taxable income; therefore, you pay fewer taxes and increase your spendable income. To receive more information, contact Human Resources.

Life Insurance

Upon employment, CGB provides life insurance coverage at no cost to the employees that work at least 30 hours per week. In the event of an employee’s death, life insurance benefits are payable to the person he/she has named as beneficiary. Other benefits such as dismemberment, loss of sight, continuation of insurance are explained in the group certificate. All eligible employees will receive a certificate showing the face value of the policy upon receipt of the application by the insurance company. The amount of coverage is equal to two times the employee’s annual salary up to a maximum of \$150,000 worth of coverage.

Group Life Insurance

Upon date of hire, employees can elect to participate in group life insurance offered by the State of Connecticut. Employees become eligible for coverage under the State of Connecticut group life insurance plan after six months of employment. The details of this coverage will be explained by Human Resources and are listed in the plan booklet provided by the insurer. The cost of this option is fully borne by the employee.

Supplemental Group Life Insurance

The State of Connecticut also offers supplemental group life insurance to employees whose gross annual income is at least \$45,000. New employees are eligible for this insurance after six months of employment. This benefit is available for present employees to be initiated or increased during open enrollment, which is usually in May. The cost of this option is fully borne by the employee.

Other Insurance

There are several options for insurance available to our employees through the State of Connecticut. Human Resources will provide updates on these options periodically. Please contact Human Resources for further information.

Disability Insurance

CGB provides short-term and long-term disability insurance coverage for all full time employees. Disability coverage for new employees will commence on the first day of the second full month of employment. Please refer to your certificate booklet for full details, limitations and provisions of the plan.

Connecticut Higher Education Trust Program

CGB employees are eligible to participate in the State of Connecticut's Higher Education Trust Program, Connecticut's 529 College Savings Program (CHET). With CHET, you have the opportunity to deposit a portion of your pay into a higher education savings account. These dollars are deducted on a pre-tax basis and are "pre-tax" dollars are exempt from federal and state income taxes. To receive more information, contact Human Resources.

Employee Assistance Program

The Employee Assistance Program offers assistance to employees having problems of a personal nature that may affect job performance. Services are also available for family members. Some examples of such problems would be drug or alcohol abuse, marital or family difficulties, or other situations that might have an adverse effect on an employee's emotional health. Participation in the program is confidential and free. It will generally include private consultation with a trained counselor who will advise the employee on what services are appropriate to their need. The counselor will normally refer the employee to qualified providers of treatment or counseling, and advise the employee on what services are or are not covered by their health insurance. Any employee needing assistance should contact UCONN EAP at 860-679-2877 or toll-free (in CT) 800-852-4392. The UCONN EAP website is http://www.hr.uconn.edu/employee_assistance.html

Participation in the EAP program does not excuse employees from complying with normal agency policies or from meeting normal job requirements during or after receiving EAP assistance. Nor will participation in the EAP prevent CGB from taking disciplinary action against any employee for performance problems that occur before or after the employee's seeking assistance through the EAP.

The EAP program is there for you and is totally confidential and voluntary.

Credit Union

CGB employees may participate in the Connecticut State Employee's Credit Union. Payroll deductions may be arranged. For more information, telephone CSE Credit Union, Inc., 84 Wadsworth Street, Hartford, CT 06106, (860) 522-5388 (Savings) or (860) 522-7147 (Loans). An employee can open an account by completing an application card and a payroll deduction authorization form, which are available in Human Resources. A check or money order made payable to the Connecticut State Employee's Credit Union must accompany the application and the normal processing time is four (4) weeks.

A change in deduction form may be obtained from Human Resources for employees wishing to stop their deductions. This form must be submitted to CSECU, Inc. The change will take approximately four (4) weeks to become effective.

Other Payroll Deductions

Payroll deductions may be made for U.S. Savings Bonds and the Connecticut State Employees Campaign for charitable giving. Automobile insurance and homeowner's insurance can also be arranged through payroll deduction utilizing a program established by the State of Connecticut. For more information, contact Human Resources.

Direct Deposit

Direct deposit of paychecks to the banking institution of your choice is available. Forms are available from Human Resources. Upon termination of employment, a final paycheck will be issued and not deposited directly.

Benefits Continuation (Cobra)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under CGB's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation, and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee beneficiary pays the full cost of coverage at CGB group rates plus an administrative fee. CGB will provide each employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the health insurance plan.

Continuing Education Assistance

Any ~~full-time regular~~ employee who has satisfactorily completed six months of service (and receives a rating of "meets expectations" or higher as a result of their six month review) and is continuing his/her education in a job related area, or in an area that will assist the employee in upward mobility or promotional opportunities shall be eligible to receive tuition assistance as follows: For credit courses at accredited institutions of higher education, [full-time employees will be reimbursed](#) 100% of the cost of tuition and laboratory fees up to a maximum of \$400 per credit taken for undergraduate courses and \$750 per credit for graduate courses. There will be a maximum dollar limit of \$10,000 tuition assistance per employee per fiscal year. [Part-time employees who work at least 20 hours per week will be eligible for continuing education assistance on a pro-rated basis based on their work schedule.](#) The employee must maintain an overall rating of "meets expectations" during the annual review process in order to continue to be eligible for assistance under this program.

Requests for tuition assistance must be in writing and will be reviewed and approved by the employee's department head and the President and/or his designee based on individual merits. Management will consider the relevance of the program to the employee's current position, job responsibilities and promotional path prior to approval of the tuition assistance request. The employee must maintain a grade point average (GPA) of C for undergraduate courses and B for graduate courses to continue receiving tuition assistance under this program. If an employee's GPA falls below these minimums, further eligibility for tuition assistance will be suspended until the required GPA is achieved.

Employees interested in applying for tuition assistance under this program should obtain a "Continuing Education Assistance Form" from the Human Resources department and follow the steps below to assure prompt tuition assistance.

1. Complete the Continuing Education Assistance Form and submit it, along with a written request for tuition assistance to your immediate supervisor.
2. The request will be reviewed and if appropriate, approved by your department head and the President.
3. Once approved and subsequent to enrollment in the program, submit a copy of course registrations, invoices and any other related documents to the [Human Resources Administrator](#) ~~D~~[Director of Operations](#) for review and payment approval.
4. Upon completion of the semester, ~~The Human Resources Administrator~~ [the Director of Operations](#) will require a copy of all grades. Failure to do so may render you ineligible for tuition assistance for future course. Employees are financially responsible to reimburse CGB for payments made on their behalf under this program if they resign from their employment with CGB within (6) months of the signed date on the most recent consent authorization section of the Continuing Education Assistance Form.

5. Employee Tax Liability: CGB follows the current IRS guidelines pertaining to annual reporting of employee educational benefits. Employees should consult with their tax advisor regarding this matter.

Training

All employees of CGB are encouraged to take advantage of any job-related training opportunities that will enhance their job performance. CGB will pay the cost of any training deemed necessary for its employees.

The following is the procedure for signing up for and attending training.

1. The supervisor and employee will work together to develop a training plan for the employee based on the requirements of the job and the employees specific training needs.
2. The employee initiates a training request form and forwards it to their supervisor for approval.
3. The supervisor determines if the training is necessary, job-related, and if there is adequate office coverage for the employee to attend the training.
4. The employee attends the training and receives a certificate or attendance confirmation.
5. Upon return to the office, the employee forwards a copy of that certificate or attendance confirmation to Human Resources to be added to the personnel file.
6. The employee is responsible for sharing information learned at training that might be useful to other staff. The employee is also responsible for utilizing or practicing the subject material (i.e. computer training) and will be held accountable for the training material.

In addition, there are several training programs mandated for our employees by the State of Connecticut – sexual harassment prevention, diversity training, workplace violence prevention training and ethics training. Human Resources will work with employees to ensure they attend these mandatory training sessions.

SECTION 6 TRAVEL AND ENTERTAINMENT POLICY

Travel and Entertainment Policy

This policy provides guidelines and establishes procedures for employees incurring business travel and entertainment expenses on CGB 's behalf.

Our objective is to provide employees with a reasonable level of services and comfort while traveling on CGB business. In order to accomplish this objective all employees must have a clear understanding of the policies and procedures for business travel and entertainment.

Responsibility and Enforcement

The employee is responsible for complying with the travel and entertainment policy. An expense report form must be completed by the employee within 30 days of incurring the expense to request reimbursement for travel and entertainment expenses.

The employee's supervisor is responsible for reviewing and approving expense reports prior to their submission.

CGB assumes no obligation to reimburse employees for expenses that are not in compliance with this policy or are not submitted within 30 days of incurring the expense.

Who to Call About Travel Policy Questions

Any questions, concerns, or suggestions regarding this travel policy should be directed to the Finance Department.

Airline Class of Service

All domestic air travel must be in Coach class. Employees are expected to use the lowest reasonable airfare available.

Upgrades for Domestic Air Travel

Upgrades at the expense of CGB are **NOT** permitted. Upgrades are allowed at the employee's personal expense.

Unused/Voided Airline Tickets

Unused airline tickets or flight coupons must never be discarded or destroyed as these documents may have a cash value. To expedite refunds, unused or partially used airline tickets must be returned immediately to the designated department employee. Do not send unused tickets to the airlines, or include them with expense reports.

Lodging

Employees are entitled to stay in a single room with a private bath. Employees may accept room upgrades to suites or executive floor rooms if the upgrade does not result in additional cost to CGB.

Room Guarantee / Cancellation and Payment Procedures

It is the responsibility of the employee to cancel the room prior to the deadline if business needs require a change in travel plans (cancellation deadlines are based on the local time of the property). Employees should request and record the cancellation number for potential billing disputes.

Rental Car

Rental Car Guidelines

- Employees may rent a car at their destination when:
- It is less expensive than other transportation modes such as taxis, [Uber](#), [Lyft](#), airport limousines and airport shuttles.
- Entertaining customers.
- Employees may reserve rental cars in advance if that is the most reasonable and cost effective means of transportation.

Rental Car Categories

CGB reimburses the costs of Compact or Intermediate class rental cars. Employees may book a class of service one-level higher when:

- Entertaining customers.
- The employee can be upgraded at no extra cost to CGB.
- Transporting excess baggage such as booth displays.
- Pre-approved medical reasons preclude the use of smaller cars.

Rental Car Insurance

Employees should decline all insurance coverage when renting a car for CGB use as CGB has suitable coverage in our general liability policy to cover these situations.

RENTAL CAR CANCELLATION PROCEDURES

Employees are responsible for cancelling rental car reservations. Employees should request and record the cancellation number in case of billing disputes. Employees will be held responsible for unused car rentals that were not properly cancelled.

Returning Rental Cars

Every reasonable effort must be made to return the rental car:

- To the original city unless pre-approved for a one-way rental.
- Undamaged (i.e., no bumps, scratches or mechanical failures).
- On time, to avoid additional hourly charges.
- With a full tank of gas.

Reimbursement for Personal Car Usage

Employees will be reimbursed for business usage of personal cars on a fixed scale as determined by CGB's mileage allowance. The mileage allowance is updated once a year in January and follows the mileage allowance set by the Internal Revenue Service. When working out of the office or out of town, any commute time clocked which is less than your normal daily commute is not reimbursable. Employees will not be reimbursed for any repairs to their personal car even if these costs result from business travel. To be reimbursed for use of their personal car for business, employees must provide on their expense report:

- Purpose of the trip.
- Date and location.
- Receipts for tolls, parking.

Ground Transportation to and from Terminals

The most economical mode of transportation should be used to and from airports and bus and rail terminals when the employee is not accompanying a customer. The following modes of transportation should be considered:

- Public transportation (buses, subways, taxis, [Uber](#), [Lyft](#)).
- Hotel and airport shuttle services.
- Personal car.

Personal/Vacation Travel

Combining Personal With Business Travel

Personal vacation travel may be combined with business travel provided there is no additional cost to CGB. Corporate credit cards must **NOT** be used to pay for personal/vacation travel.

Spouse / Companion Travel

A spouse or other individual may accompany an employee on a business trip at the employee's expense. CGB will not reimburse travel and entertainment expenses incurred by a spouse or other individual accompanying an employee on business unless:

- There is a bona fide business purpose for taking the spouse or other individual.
- The expense incurred would otherwise be reimbursable; and
- There is prior approval from the President.

Telephone Usage

Business Phone Calls

Employees will be reimbursed for using their personal cell phone or home phone for business phone calls that are reasonable and necessary for conducting business. Expenses must be substantiated with the original telephone bill. The finance department maintains a cell phone reimbursement policy. If you are contemplating using a cell phone for business purposes on a regular basis, contact the finance department to obtain a copy of the policy.

Airphone Usage

Employees will be reimbursed for using an airphone only in an emergency or if critical business issues necessitate its use.

Travel Insurance Coverage

Expenses for additional travel insurance coverage will not be reimbursed.

Meals and Entertainment

Personal Meal Expenses

Personal meals are defined as meal expenses incurred by the employee when dining alone on an out-of-town business trip. Employees will be reimbursed for personal meals according to actual and reasonable cost incurred.

Business Meal Expenses

Business meals are defined as those taken with clients, prospects or associates during which a specific business discussion takes place. Employees will be reimbursed for business meal expenses according to actual and reasonable cost.

Business Meals Taken With Other Employees

Employees will be reimbursed for business-related meals taken with other employees only in the following circumstances:

- When a client is present.
- When, for confidentiality reasons, business must be conducted off CGB premises.
- When traveling together for business.

Meal costs for social occasions, such as employee birthdays; secretary's day, etc. are not classified as business meals or entertainment expenses.

Entertaining Customers

Entertainment expenses include events that include business discussions, which take place during, immediately before or immediately after the event, are eligible for reimbursement for entertaining customers, with the prior approval from the President.

Tipping

Tips included on meal receipts will be reimbursed. Any tips considered excessive will not be reimbursed. As a general rule, employees should not tip more than 15% to 20% of the cost of the meal.

Other types of tips for porters, maid service, etc. should be reasonable.

Payment for Meals and Entertainment

When more than one employee is present at a business meal, the most senior level employee should pay and expense the bill.

Documentation Requirements

A receipt must be submitted with the expense report for any individual meal or entertainment expense. If a receipt is lost or destroyed, the President or Vice President Finance and Administration must approve the expense. In addition, for business meals and entertainment expenses, the following documentation is required and must be recorded on the expense report:

- Names of individuals present, their titles and company name.
- Name and location of where the meal or event took place.
- Exact amount and date of the expense.
- Specific business topic discussed.
- In the case of entertainment events, the specific time the business discussion took place (i.e. before, during or after the event).

Corporate Charge Card

The President and/or his designee must approve the issuance of a corporate charge card.

Personal Use of Corporate Charge Card

Corporate charge cards are intended for business use. Corporate charge cards must **NOT** be used for personal expenses and use of the corporate charge card for personal expenses will result in termination of the card.

Reporting Lost / Stolen Cards

A lost or stolen corporate charge card must be reported to the card issuer and ~~the Vice President of Finance and Administration~~ [Director of Operations](#) as soon as the employee discovers it is missing. Statistics on stolen charge cards indicates that unauthorized use of stolen cards is greatest in the first few hours after the theft.

Expense Reporting

An expense report form is required to be completed to request reimbursement for incurred eligible travel and entertainment expenses.

The expense report form is located under Templates in the Shared Drive. The form will automatically calculate mileage reimbursements, total expenses by day and by type and calculate the net amount due the employee.

The expense report is to be completed and submitted for reimbursement in a timely manner. Expense reports should be submitted within one week of incurring the expense. CGB will assume no obligation to reimburse employees for expenses that are not submitted within 30 days of incurring the expense.

The type of expense and dollar amount must be separated on a **daily basis**. For example: a hotel bill may include meals, lodging and telephone expenses. Each category must be split and entered in the appropriate space on the expense report form with expenses allocated for each travel day.

Approval / Authorization Process

All expense reports must be approved by the employee's immediate supervisor and then forwarded to the Finance Department. The President's expense report will be approved by the Vice President Finance and Administration. Individuals approving expense reports are responsible for ensuring:

- The correctness, reasonableness and legibility of entries.
- Applicable receipts are attached.
- Charges are consistent with policy and were incurred for business purposes.
- Expenses are adequately explained.
- The expense report is signed by the employee.

In accordance with present rules and guidelines, charges that are questionable should be discussed with the employee and resolved **before** the expense report is approved.

Expense Report Review

The Finance Department will review each employee expense report for:

- Approval signatures.
- Business purpose.
- Correct totals.
- Supporting documentation and receipts.
- Policy compliance.

The Finance Department will not reimburse any expense that is not in compliance with CGB's travel and entertainment policy.

Examples of Acceptable Documentation:

- Air/Rail - original passenger coupon.
- Hotel - hotel folio plus charge card receipt or other proof of payment.
- Car Rental - rental car agreement plus charge card receipt or other proof of payment.
- Meals/Entertainment – charge card receipt or cash register receipt.
- Receipts for all miscellaneous expenses over \$10.00.

Receipts must include the name of the vendor, location, date and dollar amount of the expense. When a receipt is not available, a full explanation of the expense and the reason for the missing receipt is required.

Incorrect or Incomplete Expense Reports

Expense reports that are incorrect or incomplete will be returned to the employee for corrective action and may result in delay or non-reimbursement of specific items. Violating CGB policy or altering of receipts can result in disciplinary action up to and including termination.

Employees Will Not Be Reimbursed for the Following Items:

- Airline club membership dues.
- Airline headsets.
- Airline drinks.
- Airline or personal insurance.
- Annual fees for personal credit card.
- Barbers and hairdressers.
- Birthday lunches.
- Car washes.
- Cellular phone repairs, ~~except for corporate cell phones~~ [\(note that eEmployees will be reimbursed for business use on their cellular phones pursuant to the CGB Mobile Communications Policy.](#)
- Child care.
- Clothing (i.e. socks, pantyhose, etc.).
- Expenses for travel companions/family members.
- Expenses related to vacation or personal days while on a business trip.
- Flowers or gifts for employees or customers (unless approved by the President or a Vice President).
- Gum, candy or cigarettes.
- Health club facilities, saunas, massages.
- Hotel movies.
- Hotel room refrigerator items.

- Hotel laundry and valet services unless the trip exceeds five consecutive days.
- Interest or late fees incurred on a personal credit card.
- Loss/theft of cash advance money or Company-paid airline tickets.
- Loss/theft of personal funds or property.
- Magazines, books, newspapers, subscriptions.
- Mileage for travel between home and office/work site.
- “No show” charges for hotel or car service.
- Optional travel or baggage insurance.
- Parking or traffic tickets.
- Personal accident insurance.
- Personal entertainment, including sports events.
- Personal toiletries.
- Pet care.
- Postage costs, postcards (sent to fellow employees).
- Shoe shine.
- Short term airport parking (except for 1 day trips only)
- Unexplained or excessive expenses which are not within the intent of CGB policy will not be reimbursed.

All employees must review this policy and sign the acknowledgement form found in the Appendix and return it to Human Resources.

SECTION 7 GENERAL RULES OF CONDUCT

General Rules of Conduct

To ensure orderly operations and provide the best possible work environment, CGB expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization. Although it is not possible to list all the forms of behavior that are unacceptable, the following are examples of infractions that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property of CGB, clients or other employees.
- Dishonesty or misrepresenting, falsifying or providing misleading records including, but not limited to, employment applications or resumes, time keeping records, client records, expense requests, etc.
- Working under the influence of alcohol or illegal drugs.
- Possession, distribution, manufacturing, sale, transfer, or use of alcohol or illegal drugs in the work place, while on duty.
- Fighting, wrestling, horseplay, or threatening violence in the workplace.
- Insubordination or other disrespectful conduct including, but not limited to, refusal to perform assigned work.
- Refusal to do assigned work, use of obscene or vulgar language, or other disrespectful conduct.
- Taking any action detrimental to CGB, fellow employees, clients or visitors.
- Unsafe behavior and/or violation of safety or health rules.
- Sexual or other unlawful or unwelcome discrimination or harassment.
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- Excessive absenteeism, tardiness, or any absence without notices.
- Unauthorized use of telephones, mail system, or other employer-owned equipment for personal use or other unauthorized operation.
- Sleeping, loafing, failure to demonstrate a professional behavior in carrying out assigned tasks.
- Soliciting, gambling, taking orders, selling tickets, collecting or contributing money for any unauthorized cause.
- Engaging in outside business activities that conflict with CGB's interests or interfere with proper performance of job duties.
- Failure to report a work-related injury immediately.
- Unauthorized use or the willful damage, abuse or destruction of CGB property or the property of others.
- Violation of CGB's personnel policies and/or rules.
- Unsatisfactory work performance.

The examples listed above are not intended to cover all situations that may result in disciplinary action, but are only intended to be guidelines as to what are considered improper standards of work conduct. Also, this policy does not alter the at-will nature of an employee's employment with CGB.

If any employee's behavior or interactions jeopardize positive working relationships with clients, and render the employee unable to fulfill the responsibilities of his/her position, or place CGB at risk of liability, the employee will be subject to review and possible disciplinary actions.

It is important for all employees to conduct themselves in a way that is fair to each other and to our common objective of delivering quality services.

Personal Appearance

The nature of our business at CGB puts us in frequent contact with clients and the public. We enjoy an excellent reputation among the energy community in Connecticut. While there are many reasons for this reputation, one of the ways to help maintain it is for all staff to present a professional image to the community. It is important that they have confidence in the staff, and the staff members have confidence/pride in themselves when transacting business. To help present this image and foster public confidence, staff members must dress appropriately for their work assignments and use common sense and good judgment in their appearance. Employees with questions regarding what is deemed appropriate dress for his/her work assignments should discuss this with his/her supervisor. CGB reserves the right to determine individual compliance with the policy in all questionable cases.

Personal Appearance Guidelines

Staff will wear clean and well-maintained attire appropriate to the type of work they do. Shoes are required and must also be well-maintained. Good grooming is required. Formal business attire may be expected for internal and external events such as board meetings, hearings, presentations, and meetings.

Business casual attire (ties are optional) is acceptable for all other occasions. In compliance with this policy, the following are examples of unacceptable attire:

- torn, patched/faded clothing
- athletic wear, e.g. sneakers, shorts, t-shirts, skorts, etc.
- halter tops
- tube tops
- rubber soled flip flops
- blue denim clothing (unless on a designated “Jeans for Charity” Day)
- shorts (any pant or slack that ends above the knee)
- shirts with slogans or large letter advertising

Freedom from Harassment

CGB is committed to treating its employees with dignity and respect. All employees have a right to be free from racial or ethnic slurs, unwelcome sexual advances, or any other verbal or physical conduct that constitutes harassment. CGB is committed to providing a work environment that is free of discrimination and unlawful harassment.

Sexual harassment is unlawful under federal and state law. The CGB statement on Sexual Harassment and the Equal Employment Opportunity Commission “Guidelines on Discrimination Because of Sex” provide that unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment.
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting that person.
- Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment.

Actions, words, jokes, or comments based on an individual’s sex, race, ethnicity, age, religion, or any other legally protected characteristics will not be tolerated. As an example, sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to

another person, undermines the integrity of the employment relationship, and is strictly prohibited.

Sexual, racial, ethnic, or other unlawful harassment of employees by supervisory or non-supervisory employees of CGB, or by non-employees (including clients) will not be tolerated. All members of CGB management and supervision have the explicit responsibility to take immediate corrective action to prevent any sexual, racial, ethnic or other harassment.

Any employee who wishes to report an incident of unlawful harassment should promptly report the matter to his or her supervisor. If the supervisor is unavailable or the employee prefers to report the incident to someone other than the supervisor, he or she should immediately contact the Human Resources [Administrator](#) [Designee](#) or any other available manager.

Anyone engaging in unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

Sexual Harassment

Title VII of the Civil Rights Act of 1964, which is a federal law and Connecticut law, prohibit sexual harassment. CGB will not tolerate sexual harassment in the workplace. No employee—either male or female—should be subject to unwelcome verbal or physical conduct that is sexual in nature or shows hostility to the employee because of the employee’s gender. Sexual harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome, that is personally offensive, that debilitates morale, and that, therefore, interferes with work effectiveness.

Management Responsibility

Management at all levels of CGB is responsible for preventing sexual harassment in the workplace. This responsibility includes immediately reporting conduct by anyone, whether a coworker, supervisor, or non-employee, that may constitute sexual harassment, even if the conduct was sanctioned and regardless of how awareness of conduct was gained.

Prohibition Against Sexual Harassment

CGB strictly enforces a prohibition against sexual harassment of any of its employees. Sexual harassment prohibited by state and federal law and by this policy includes the following conduct:

- Unwelcome verbal or physical conduct of a sexual nature when submission to such conduct is made either an explicit or implicit term or condition of any individual’s employment (such as promotion, training, timekeeping, overtime assignments, leaves of absence); or
- Unwelcome verbal or physical conduct of a sexual nature when submission to or rejection of such conduct by an individual is used as the basis for employment decisions; or
- Unwelcome verbal or physical conduct of a sexual nature when the conduct has the purpose or effect of substantially interfering with an individual’s work performance or creating an intimidating, hostile or offensive working environment; or
- Unwelcome verbal or physical non-sexual conduct that denigrates or shows hostility toward a person because of his or her gender when the conduct has the purpose or effect of substantially interfering with an individual’s work performance, or creating an intimidating, hostile, or offensive work environment.
- Sexual harassment is a form of sexual discrimination, and neither sexual harassment nor discrimination will be tolerated.

Examples of Conduct Prohibited By This Policy Include:

- Offering or implying an employment-related reward (such as a promotion or raise) in exchange for sexual favors or submission to sexual conduct;
- Threatening or taking a negative employment action (such as termination, demotion, denial of a leave of absence) if sexual conduct is rejected;
- Unwelcome sexual advances or repeated flirtations;
- Graphic verbal commentary about an individual's body, sexual prowess or sexual deficiencies;
- Sexually degrading or vulgar words to describe an individual;
- Leering, whistling, touching, pinching, brushing the body, assault, coerced sexual acts, or suggestive, insulting, or obscene comments or gestures;
- Asking unwelcome questions or making unwelcome comments about another person's sexual activities, dating, personal or intimate relationships, or appearance;
- Conduct or remarks that are sexually suggestive or that demean or show hostility to a person because of that person's gender (including jokes, pranks, teasing, obscenities, obscene or rude gestures or noises, slurs, epithets, taunts, negative stereotyping, threats, blocking of physical movement);
- Displaying or circulating pictures, objects, or written materials (including graffiti, cartoons, photographs, pinups, calendars, magazines, figurines, novelty items) that are sexually suggestive or that demean or show hostility to a person because of that person's gender;
- Retaliation against employees complaining about such behaviors;
- Harassment consistently targeted at only one sex, even if the content of the verbal abuse is not sexual;
- Sexually suggestive or flirtatious letters, notes, e-mail, or voice mail

This policy covers all employees. CGB will not tolerate, condone or allow sexual harassment whether engaged in by fellow employees, supervisors, and associates or by outside clients, opposing counsel, personnel or other non-employees who conduct business with this agency.

General Harassment

Actions, words, jokes or comments based on an individual's sex, race, ethnicity, age, religion or any other legally protected characteristic will not be tolerated. Such conduct can unreasonably interfere with work performance and create an intimidating, hostile and offensive work environment.

We expect all employees to consider at all times the effect your words and actions may have on those with whom you work. While you may feel that your behavior is harmless, it is the way your words and actions are perceived by others that counts.

Please do not assume that the agency is aware of a harassment situation. It is in your best interest and your responsibility to bring your complaints and concerns to management's attention so that the issue may be resolved.

Complaint Process

Should you ever experience any job harassment problem, please exercise the steps in our agency Grievance Procedure (outlined in Section 7 of this handbook), or at your option, you may directly contact Human Resources. You may expect prompt and concerned reaction to your problem. Any employee engaging in unlawful harassment will be subject to disciplinary action, up to and including termination.

Sanctions

Any employee found to have engaged in sexual harassment or sexual discrimination will be subject to appropriate discipline, up to and including discharge.

No Retaliation

This policy also prohibits retaliation against employees who bring sexual harassment charges or assist in investigating charges. Retaliation in violation of this policy may result in discipline up to and including termination. Any employee bringing a sexual harassment complaint or assisting in the investigation of such a complaint will not be adversely affected in terms and conditions of employment, nor discriminated against or discharged because of the complaint.

All employees must review this policy and sign the acknowledgement form found in the Appendix and return it to Human Resources.

Confidential Disclosure Policy

Instructions: Please read this Confidential Disclosure Policy form carefully, then sign and return this form to Human Resources.

I understand that in connection with my work for CGB, I may be exposed to or given confidential or proprietary information belonging to CGB and others, including, but not limited to, information concerning trade secrets, business, products, finances, personnel information, and plans of CGB or CGB's clients, portfolio companies and applicants, (the Confidential Information). Without limitation, examples of Confidential Information are: drawings, manuals, notebooks, reports, models, inventions, formulas, processes, machines, compositions, computer programs, accounting methods, financial information, business and marketing plans and information systems.

Some of the Confidential Information may belong to or relate to "publicly held" companies and may include "inside information" which is not available to the public.

My employment by CGB creates a relationship of special confidence and trust between me and CGB with respect to the Confidential Information.

I agree as follows:

1. I will not, either during or subsequent to my employment by CGB, (1) publish or otherwise disclose Confidential Information except to persons who may from time to time be designated by CGB as proper recipients of such Confidential Information or (2) use the Confidential Information (including any inside information) either for the benefit of myself or for the benefit of anyone other than CGB. If I have any questions regarding whether any information is Confidential, I will ask my supervisor for instructions and will not disclose such information unless otherwise instructed by my supervisor.
2. The Confidential Information will remain at all times the property of CGB or the rightful owners thereof notwithstanding its disclosure to me.
3. I will promptly disclose to CGB all materials, innovations, studies, writings or other works created or developed by me as a result of tasks assigned to me by CGB or exposure to the confidential Information ("Work Product"). I agree that all ("Work Product") shall be the sole property of CGB and that CGB shall be the sole owner of all copyrights and other intellectual property rights related thereto. I hereby assign to CGB any and all rights which I may have or acquire in any Work Product and agree to assist CGB in every way (but at CGB's expense) to obtain or enforce copyrights and other interests in the Work Products as CGB may desire.
4. Upon termination of my employment with CGB or whenever requested by CGB, I will promptly deliver to CGB all Work Product and all documents and other tangible embodiments of the Confidential Information and any copies thereof.

Confidential Disclosure Policy

This agreement supersedes and replaces any existing agreement between CGB and me relating generally to the same subject matter. It may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of CGB. Discharge of my undertakings in this agreement shall be an obligation of my executors, administrators, or other legal representatives or assigns.

All employees must review this policy and sign the acknowledgement form found in the Appendix and return it to Human Resources.

Computer Use Policy

Purpose

Your computer is a CGB resource and is subject to the same rules as other CGB resources. The purpose of this policy is to ensure that employees understand the guidelines governing computer and other electronic communications (including tablet computers and mobile phone) use with regard to Internet access, email, other electronic communications, software licensing, security and personal use, in particular.

This policy cannot provide rules and guidance to cover every possible situation. Instead it is designed to express CGB's philosophy and set out the general principles that employees should apply when using company computers and technology. These policies apply to all CGB employees and staff (consultants, third-party contractors and administrators).

This policy does not cover health and safety issues.

Issues not directly addressed in this policy or in some other written form are to be decided by HR and/or CGB management should the need(s) and situation(s) arise. Further policy documents are forthcoming to cover specific areas of acceptable use as technology is deployed.

Unless otherwise stated, violation of these policies may result in disciplinary action, up to and including termination and/or legal action.

General

CGB provides employees and staff with personal computers (PCs), printers and other computer equipment as necessary to perform their job. Employees should not expect the latest hardware or software releases to be provided unless there is a business reason to do so.

CGB encourages the use of email, voicemail, online services, the Internet and Intranet as they can make communication more efficient and effective. In addition, they can provide valuable sources of information about vendors, customers, competitors, technology and new products and services. [Pursuant to the Freedom of Information Act \(FOIA\), no employee shall have any expectation of privacy in any CGB work product.](#)

Everyone connected with the organization should remember that electronic media and services provided by the company are company property and their purpose is to facilitate and support company business. Data stored and/or accessed on company equipment, regardless of origin, purpose, or design should also be considered to be within, at least, company purview, oversight and audit rights. The company reserves the right to access data of any sort, stored or located on company provided equipment.

The following are examples of **non-business** related activities that are prohibited:

- Streaming music or video.
- Shopping.
- Booking a vacation.
- Using instant messaging.
- Viewing personal pictures over the web.
- Downloading unauthorized computer software or pornographic materials.

E-Mail

All employees and staff are supplied with a company email address and the means by which to access their account. These details are provided by CGB as part of our IT orientation process. E-mail messages are considered public records and are subject to the Freedom of Information Act. Furthermore, e-mail, both incoming and outgoing, is not confidential and is monitored by the Information Technology Department. All e-mail correspondence is saved on the network backup solution and is easily retrievable. You should take great care to scrutinize what you include in an e-mail message. E-mail messages may exist on the system indefinitely and may be recoverable even after you have deleted the message.

All employees must create and use a business email signature, based on the approved template that is generated by the marketing department. [Instructions and format of the signature are located under IT Tech Tips in public folders.](#)

All non-company email services, such as Gmail, Hotmail, Yahoo, etc. are never to be used for company purposes. If third-party email services must be used, it will be provisionally and under direct supervision of [the IT department, Director of Operations](#). Never is an employee or staff member to use a personal email account to correspond with clients.

Electronic media (email, web browsers, etc.) must not be used for knowingly transmitting, retrieving or storage of any communication that:

- Is discriminatory
- Is harassing or threatening
- Is derogatory to any individual or group
- Is obscene or pornographic
- Is defamatory
- Is engaged in any purpose that is illegal or contrary to CGB's policy or business interests
- Contains unencrypted personal information
- Contains unencrypted intellectual property

Further, all forms of mass email (including 'virus warnings', 'good luck' and similar messages) are unacceptable unless for an approved business purpose.

The transmission of user names, passwords, or other information related to the security of CGB's computers is prohibited. If a password protected file absolutely must be emailed, the password should be sent in a separate email from the document or communicated in another manner.

Employees should avoid sending unnecessary informational emails to large parts or all of the organization. However, we recognize the business need for companywide emails, but there will be a strictly monitored and governed use of such behavior and practice. Failure to comply with these guidelines could result in disciplinary action.

Email Disclaimer

An email disclaimer is automatically added through our exchange server to the end of all e-mail being sent outside the office. Do not add your own disclaimer to messages. The company disclaimer is as follows:

NOTICE TO RECIPIENT: This e-mail is (1) subject to the Connecticut Freedom of Information Act and (2) may be confidential and is for use only by the individual or entity to whom it is addressed. Any disclosure, copying or distribution of this e-mail or the taking of any action based on its contents, other than for its intended purpose, is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately and delete it from your system.

External email and participation in online forums

Employees should be aware that any messages or information sent using the company systems are statements identifiable and attributable to the company. Thus, an email carries the same weight in law as a letter written on company stationery.

Employees should note that even with a disclaimer, as described above, a connection with the company still exists and a statement could be imputed legally to CGB. Therefore, no one should rely on disclaimers as a way of insulating CGB from the comments and opinions that are contributed to forums or communicated in emails. Instead, discussions must be limited to matters of fact and expressions of opinion should be avoided while using company systems or a company-provided account. Communications must not reveal information about company processes, techniques, trade secrets, or confidential information and must not otherwise violate this or other company policies.

Employees should not send file attachments by email in situations where there is any potential for the compromise of company secrets or in relation to litigation. Be aware, files from many word processing packages, including Microsoft Word, retain information related to previous versions of the document that can later be retrieved.

Electronic calendars and voicemail

It is CGB policy that all employees keep their electronic calendars up to date (using Microsoft Outlook) and that calendars can be read by supervisors. When a meeting or event needs to be kept confidential, it should be marked as 'private' with the appropriate program functionality.

It is CGB policy that all employees with email and/or voicemail keep their "out of office assistant" or pre-recorded greetings up-to-date. In particular, during periods of absence from the office, these greetings should provide the individual with information indicating when the employee will receive a message or information about an alternative contact.

My Documents

The "My Documents" folder is to be used as a work-in-progress location. This is the only place you are allowed to store documents on the PC. Once items in this folder are deemed completed they should be moved to the proper location within the department's folders on the server. Your my documents folder is located on the server, synchronized with your PC on logon and logout. The size of this folder is limited to 350 mb.

Creation of folders and files on your PC is prohibited, except within your "My Documents" folder.

Illegal & Prohibited Activities

Use of your computer for an illegal purpose is prohibited. Illegal activities include violations of local, state and/or federal laws and regulations. Connecticut General Statutes, section 53a-251 establishes the crime of "Computer Crime." A person can be charged with a computer crime for such things as:

- Unauthorized access to a computer system.
- Theft of computer services.

- Interruption of computer services.
- Misuse of computer services.
- Destruction of computer equipment.

A computer crime violation can range from a Class B Felony (1 to 20 years in prison and up to \$20,000 fine) to a Class B Misdemeanor (up to 6 months in prison and up to \$1,000 fine) depending on the amount of money or damage involved.

CGB strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, CGB prohibits the use of any of its systems, including the computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

It is recognized that employees do not have complete control over all incoming e-mail that is sent to CGB. However, it is the responsibility of every employee to monitor incoming e-mail and request cessation of inappropriate, voluminous, unprofessional or disruptive e-mail.

Software

It is CGB policy that only licensed software that is legally owned by the company may be used. All use of unlicensed software is expressly forbidden, unless written pre-approval by IT and management. However, you are not allowed to install any software on any company hardware. All software must be approved and installed [in coordination with the Director of Operations by the Information Technology Department](#). As always, proper documentation of licensing is required.

In order to implement this policy, CGB maintains a central register containing physical licenses for the software install on its computers. Where no physical manifestation of a license exists, a written record of the license purchase is kept with a reference to the relevant invoice. It is the responsibility of the IT support organization to maintain this license repository.

Free or shareware programs should not be installed on company computers due to the risk of virus infection and other side effects without approval from IT. Where installed, they are only exempt from the central license recording provided the software clearly identifies itself as free.

Hardware

Employees issued portable (laptop, tablet) computers must take reasonable precautions. When out of the office the computer should always be under direct control of the employee or out of sight in a secure location. CGB may take other security measures including, but not limited to, computer tracking hardware/software, security cables, and/or hard drive encryption.

- Personal use of the company phone system should be kept to a minimum.
- Presentation laptops and LCD projectors must be reserved in the CI device calendars.
- All laptop users must carry their device in an adequately padded laptop case. Laptop sleeves, tote bags and any other uncushioned bags are unacceptable.
- Printers must be handled with care. If a jam or other issue occurs and you cannot quickly fix the issue, the IT Staff should be contacted to resolve the issue.

Standard Configuration

Standard hardware and software configurations are used wherever possible to provide the best levels of reliability for the company network and computers. Other benefits of the standard

configuration include the rapid replacement of faulty equipment with spare parts, the tracking of software licenses (as described in the preceding section) and the ability to plan for the implementation of new projects.

The configuration of company computers should not be changed in any way without the prior agreement of CGB management. In particular, new hardware devices, new software and upgrades to existing software should only be installed under the guidance of CGB's IT staff.

Data Security

All employees and staff (consultants, third-party contractors, and administrators) are assigned a network user name and password when they join the company. The network will force employees and staff to change their password at regular intervals, the interval being determined by the network administrator. The network administrator will also impose other restrictions, such as password length and complexity requirements.

Employees must select network passwords that cannot be easily guessed or that appear in a standard dictionary. If it is necessary to create a written record of a password, that record should never be stored near the employee's desk and never associated with the employee's user name. In general, passwords should be memorized and not recorded in writing.

Employees must password-protect all smartphones, tablets and other mobile devices that are paid for by CGB or contain sensitive or confidential business information.

Privacy

CGB respects your desire to work without the company being overbearing with respect to monitoring and control. However, detailed electronic records about your use of the PC, the network, email and Internet are created, but not routinely reviewed by the company.

While the company does routinely gather logs for most electronic activities, they will typically be used for the following purposes:

- Cost analysis
- Resource allocation
- Optimum technical management of information resources
- Production analysis
- Detecting patterns of use that indicate users may be violating company policies or engaging in illegal activity

CGB reserves the right, at its discretion, to review any electronic files, logs and messages to the extent necessary to ensure electronic media and services are being used in compliance with the law, this policy and other company policies. This includes the use of spot checks on Internet (Web) use, network files and email without prior notification or user interaction.

Software tools to identify possible breaches of this policy (e.g. highlighting access to websites with unacceptable content or emails containing abusive language) may be used. The results will be reported to the company management and thoroughly investigated where appropriate.

It should not be assumed that internal or external communications are totally private. Accordingly, particularly sensitive information should be transmitted by other means. Therefore, do not use the company network or mobile devices paid for by CGB for personal items that you would not want made public.

Encryption

Only encryption software supplied by CGB for purposes of safeguarding sensitive or confidential business information may be used. People who use encryption files stored on a company computer must provide their manager with a sealed hard copy record (to be retained in a secure location) of all the passwords and/or encryption keys necessary to access the files.

Power-on passwords should not generally be used but if they are, they are required to be approved by IT.

Please note: this means that employees must inform their supervisor of any passwords used to protect individual documents.

File Storage

CGB creates backup images of all email, server and network file stores. These images are stored in a secure location and can be used in the event of:

- Accidental deletion of important material
- A “disaster” necessitating complete recovery of one or more of the company’s systems

Data and other files created during the course of an employee’s work should, therefore, be stored on the network.

Personal Use

Computers and associated equipment are provided by CGB for employee’s and staff’s business use. The activities on information technology platforms provided by or paid for CGB, including computers, networks, internet connections, smartphones, tablets and any mobile devices, may

be monitored with or without your knowledge. You should have no expectation of privacy regarding the contents contained within such technology or device.

Only limited, occasional and incidental use for personal, non-business purposes is permissible at the discretion of the President. However, please be mindful of prohibited activities as described above in General Guidelines (i.e. shopping, music streaming, etc.) Limited, occasional or incidental use is defined as use for less than 15 minutes during a workday.

Use of social networking sites (e.g. Facebook, Twitter, LinkedIn) at any time using company provided computers is prohibited, unless it is for company purposes and/or business. While at work, the impact to company resources can impact business operations, but also opens the device to possible security issues.

Personal laptops, cell phones and other internet-enabled items are permitted to be used; however reasonable restrictions of use may be exercised at HR/management discretion. CGB does not provide internet access for public/private use, except on an approved device/user basis. Please advise IT for further detailed instructions before attempting to connect any device to the CGB network.

Streaming media (internet Radio, YouTube, Hulu, Pandora, Spotify, etc.) uses significant resources and is prohibited for personal use. Please consider the impact of its use for business purposes only for all devices, including cell phones.

Company locations may provide a freely accessible public Wi-Fi connection that may be used by employees and staff, but CGB absolves itself of any and all damage, liability, etc. that arises from the use of third-party networks. It is the policy of CGB that if an employee chooses to use these third-party connections that they do so on their break, lunch, or after-hours and do not pursue personal activities during business hours.

Contract and freelance staff

CGB will provide agency/temporary, contract/freelance staff with access to computers and the company computer systems for the sole purpose of fulfilling their contractual role with CGB. No personal use by these staff of computer and communication facilities provided by CGB is permitted at any time.

Viruses/Spyware

All computer viruses/spyware must be reported immediately to IT. IT is responsible for verifying the updating of virus/spyware detection software from time to time and providing detailed guidelines in the event of a major problem. IT will also investigate any infection and must receive the full cooperation of all staff in attempting to identify the source. Any attempt to introduce viruses/spyware to the network through malice or negligence will be thoroughly investigated and will be dealt with according to HR guidelines and procedures.

Mobile Devices

It is CGB policy that representatives of our organization who are issued a cellular phone understand that phones are issued for business use. It is anticipated that personal as well as business use will occur, however it is your responsibility to remember its intended use. Company-paid phones with data plans must be first approved by your supervisor and proper paperwork filed with Finance. Once this process is complete, the IT department will configure the device to connect to the server to retrieve mail, contacts and your calendar. Levels of reimbursement will be set forth in accordance with CGB's Mobile Communications policy.

It is your responsibility to take care of the device and ensure its safety. If your device is lost or stolen, you must contact IT immediately so it can be remotely wiped of company data.

CGB has a zero tolerance policy regarding using a cell phone and other mobile devices while driving. For the safety of our employees and others it is imperative that you pull over and stop at a safe location to dial, receive, text or converse on the cell phone in any way. Please consider the use of hands-free devices as allowed by Connecticut State Law.

Mobile devices equipped with cameras require special attention. No photography should occur where confidential information exists, nor where client information is stored. Areas where personal privacy exists (bathrooms, etc.) should be avoided with such devices entirely. Under no circumstances should photography occur at a client location without their permission.

Tablets

Those who own such devices must have management approval to use them for company business and e-mail synchronization, just as for smartphones. Just as for synchronized phones, IT needs to be informed if your device has been lost or put into the wrong hands or if you are getting rid of the device as they need to wipe it of company data.

Company Data

The Information Technology department is responsible for protecting company data. This includes all data on the servers, as well as on other devices such as laptops, desktops, mobile devices and multifunction printers. The IT department backs up all data on the servers on a daily, weekly, and monthly schedule and retains this data under the company-approved Backup Policy.

The following are not permitted:

- Backing up company data on your own.
- Having company data on your personal equipment, this includes the following:
 - Personal PCs laptops or desktops, tablets, smartphones or other mobile devices.
 - Personal USB devices, such as memory sticks, MP3 players, hard drives or other recording devices.
- Sending company data via e-mail to your or another CGB employee's personal email account.
- Accessing another employee's hardware, computer files or email without prior permission from employee or appropriate manager.
- Sharing your logon password with anyone except the IT staff.
 - The system will ask to reset your password every 90 days.

If you telecommute, all work must be done on company equipment. If you are not using a company-owned laptop, a loaner PC can be arranged through the IT department with proper advanced notice to accommodate your needs. No personal devices may be attached to company hardware without prior approval by the IT department (i.e. printers, hard drives, etc.).

It is permissible to transfer items such as presentations and documents to a recording device for the sole purpose of collaboration with approved clients or customers pertaining to company business.

Access to the Internet at CGB is a resource, and use thereof is subject to the same rules as other CGB resources. It is the responsibility of the user to make sure that all use of the Internet is authorized, appropriate and to the benefit of CGB. Each

individual with access to the Internet is responsible for controlling its use. The use of the Internet is a privilege, not a right, which can be revoked at any time.

Social Media

These guidelines apply to CGB employees, temporary employees and contractors who create or contribute to blogs, wikis, social networks, virtual worlds or any other kind of social media for both professional and personal use.

Overview

Social networks are fundamentally changing the way people communicate, conduct research and make purchasing decisions. As an organization, CGB is engaged in these communities as they are appropriate and relevant to our clients and the marketing department has developed a strategy for our Social Media Platform. We encourage you to learn how you can use social media to help us share the exciting things we are doing with our clients, uncover new opportunities and strengthen the perception of CGB's staff as innovative professionals—people who work for a company that our clients trust and want to do business with.

Marketing does not exist in a vacuum within the marketing department; every interaction our clients, prospective clients and partners have with us can strengthen or harm our brand. Therefore, social media should not be thought of just as a marketing tool. While it can be a vehicle for organizations to publish content, it can also be a way for the people who make up those organizations to build and maintain relationships with clients and business partners.

You might be thinking “I already know how to use social media. What else do I need to know?” As the lines between personal and business communications become increasingly blurred, there are a few important points we would like you to consider when using social media in the capacity of your job.

1. You don't have to participate if you don't want to.

Unless you are in marketing, using social media is not likely to be an official part of your job role. We respect that some people prefer not to participate in social networking, or are unsure if they want to mix personal and professional networks. Don't worry, there's no pressure to participate.

2. Be honest and transparent about your role.

If you publish something or respond to something about CGB, make sure to include your real name and it is understood that you are a CGB employee so there is no conflict of interest. There are several easy ways to do this, such as listing CGB as your place of employment on your profile, or starting your comment with something like “Disclaimer: I work for CGB”, but regardless of your method, your audience will appreciate your transparency.

3. Know what the official lines of communication are and when to defer to them.

There is a significant difference between speaking *about* CGB and speaking *on behalf* of CGB. CGB has official means to publish information when it needs to and only a few people are authorized to do so via social media, the press, or any other venue. On your own blogs or social profiles, you can use simple statements such as “The postings on this site are my own and don't necessarily represent CGB's positions, strategies or opinions” to make it clear you are not speaking on behalf of CGB.

If you are not authorized to speak on behalf of CGB and receive requests for official comments, or are unsure if you should respond to an inquiry, defer to the marketing department.

Social media can be a forum for customers to share negative comments about an organization. CGB monitors our social profiles daily and has official means of diffusing and responding to these situations. Our policy is to respond promptly and openly and to take the conversations offline. If you see a negative comment or a situation that concerns you, do not respond directly, but report it to your supervisor and/or marketing and it will be addressed quickly and professionally.

4. Remember our core values and follow our general code of conduct.

You should use your best judgment and consider CGB's values of integrity, accountability and professionalism as a guide for your conduct in online communities, just as they are a guide for other professional behavior. You are personally responsible for the content you post on any social network. These forums are public, are often searched and indexed and should be treated as though they will be available for public viewing forever. If you aren't sure whether certain content should be published or discussed, ask before you post.

Know and follow our Code of Conduct, respect all copyright, fair use and financial disclosure laws and never share any confidential or proprietary information belonging to CGB or any other organization. Never comment on anything related to legal matters, litigation, or any parties CGB may be in litigation with. Postings must respect copyright, privacy, fair use, financial disclosure, and other applicable laws. Only marketing may post or authorize the posting of pictures, videos, and other media produced on the business premises or outside events. CGB reserves the right to request that certain subjects be avoided, withdraw certain posts, and remove inappropriate comments. If such employee denies or does not comply, proper legal action will be taken. When in doubt, feel free to run by marketing or human resources.

5. Think before you post.

Use common sense when it comes to verbiage and tone in written online content. While social media is in some cases less formal than traditional business communications, CGB uses social media as a professional extension of our business. Do not use ethnic slurs, insults or otherwise inappropriate and unprofessional language that would not be acceptable in the workplace. Respect the privacy of others and avoid potentially inflammatory topics.

Above all else, seek to add value in your participation. Our clients are looking for your information, insight and expert perspective. Bashing competitors and posting negative comments about work, our clients or our partners violates our Code of Conduct and adds nothing positive to an online dialogue. Think before you post and ask yourself if you are making a situation better or worse by doing so. Answering questions, sharing resources and talking about your experiences are a great way to add value.

6. Online activities should not interfere with your job.

Social media, like, the Internet, can quickly change from a worthwhile tool to a distraction. Make sure your online activities do not interfere with your job or your commitments to our clients. In addition, social media sites may not be accessed on company hardware for personal reasons.

All employees must review these policies and sign the Information Technologies Policies acknowledgement form found in the Appendix and return it to Human Resources.

Solicitation and Distribution

All CGB employees are entitled to the opportunity to perform their work without being bothered or disturbed. Accordingly, we have adopted the following solicitation and distribution rule.

Non-Employees

Anyone who is not an employee of CGB is prohibited from soliciting or distributing literature on CGB premises at any time.

Employees

The CGB Solicitation and Distribution policy as it relates to current employees is as follows:

- Employees may not engage in solicitation or distribution of literature during working time. "Working time" means actual working time during the workday and includes both the working times of an employee doing the soliciting or of an employee being solicited. Working time does not include lunch periods, work breaks, or any other period in which employees are not on duty.
- Employees may not distribute literature concerning matters other than those directly related to CGB business in work areas at any time.
- Employees may not engage in verbal solicitation or distribution of literature at any time in those areas normally frequented by clients carrying on CGB business.

Bulletin Boards

Bulletin boards are important as communications tools to alert you to CGB programs and activities. The posting of written solicitations of any kind on bulletin boards is restricted. Only notices relating to CGB sponsored activities may be posted on bulletin boards. These bulletin boards display important information, and employees should consult them frequently for:

- Employee announcements.
- Internal memoranda.
- Job openings.
- Organization announcements.
- Workplace Violence Policy Memorandum

VIOLENCE IN THE WORKPLACE PREVENTION POLICY SUMMARY

Below is CGB's policy concerning workplace violence and prohibiting weapons and dangerous instruments in the workplace.

The policy is consistent with what has been called a "Zero Tolerance" approach. Violence or the threat of violence by or against any employee of the State of Connecticut, including CGB, is unacceptable and will subject the perpetrator to serious disciplinary action and possible criminal charges.

CGB is committed to providing its employees a safe and healthy work environment, free from intimidation, harassment, threats and/or violent acts.

The worksite is any location, either permanent or temporary, where an employee performs any work-related duty. This includes but is not limited to the building and the surrounding perimeter, including the parking lot. It includes all state-owned and leased space, including vehicles and any location where state business is conducted.

According to the National Institute for Occupational Safety and Health (NIOSH), workplace violence is defined as:

"any physical assault, threatening behavior or verbal abuse occurring in the work setting. It includes, but is not limited to beatings, stabbings, suicides, shootings, rapes, near suicides, psychological traumas such as threats, obscene phone calls, an intimidating presence, and harassment of any nature such as being followed, sworn at, or shouted at."

There is no such thing as a "joke" when dealing with this subject. It is not funny when employees speak about "going postal", "getting" another employee or anything remotely similar.

Do not ignore violent, threatening, harassing, intimidating, or other disruptive behavior. If you observe or experience such behavior by anyone on Authority premises, whether he or she is a CGB employee or not, report it immediately to a supervisor or manager.

The cooperation of all CGB staff is needed to implement this policy effectively and maintain a safe working environment.

CGB

VIOLENCE IN THE WORKPLACE PREVENTION POLICY

The State of Connecticut has adopted a statewide zero tolerance policy for workplace violence. Connecticut Innovations fully supports this policy and recognizes the right of its employees to work in a safe and secure environment that is characterized by respect and professionalism.

Prohibited Conduct

Except as may be required as a condition of employment:

No employee shall bring into any state worksite any weapon or dangerous instrument as defined herein.

No employee shall use, attempt to use, or threaten to use any such weapon or dangerous instrument in a state worksite.

No employee shall cause or threaten to cause death or physical injury to any individual in a state worksite.

In addition, Connecticut Innovations prohibits all conduct, either verbal or physical, that is abusive, threatening, intimidating or demeaning.

Definitions

"Weapon" means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon.

"Dangerous instrument" means any instrument, article, or substance that, under the circumstances, is capable of causing death or serious physical injury.

Confiscation of Weapons and Dangerous Instruments

Any weapon or dangerous instrument at the worksite will be confiscated and there is no reasonable expectation of privacy with respect to such items in the workplace.

Reporting Procedures

Emergency Situations: Any employee who believes that there is a serious threat to his/her safety or the safety of others that requires immediate attention should contact **911**. The employee must also contact his/her **immediate supervisor** or the **Human Resources** at extension 356 or (860) 258-7861.

Please note that when 911 is dialed from a hard line, the local police authority will respond. When dialing from a cell phone, 911 will connect you directly to the nearest State Police Troop.

Non-Emergency Situations: any employee who feels subjected to or witnesses violent, threatening, harassing, or intimidating behavior in the workplace should immediately report the incident or statement to his/her supervisor or manager or Human Resources.

Supervisors/Managers Responsibilities: Any manager or supervisor who receives a report of violent, threatening, harassing, or intimidating behavior shall immediately contact the Human Resources Office so that office may evaluate, investigate, and take appropriate action.

Investigation and Corrective Action

CGB will promptly investigate all reports or alleged incidents of violent, threatening, harassing or intimidating behavior.

All employees are expected to cooperate fully in all such investigations.

Any employee suspected of violating this policy may be placed immediately on administrative leave pending the results of the investigation.

If the claims of violent, threatening, harassing or intimidating conduct are substantiated, or if it is found that the employee has otherwise violated this policy, the employee will be dealt with through the appropriate disciplinary process, and may be subject to discipline up to and including dismissal from CGB.

Where the situation warrants, CGB will request that the appropriate law enforcement agencies become involved in the investigation of the matter, and CGB may seek prosecution of conduct that violates the law.

Enforcement of the Policy

This policy will be prominently posted for all agency employees.



President & CEO

Disciplinary Procedure

CGB believes each employee should be treated and respected as an individual. Therefore, employee misconduct is approached in a case-by-case manner. Some infractions are more serious than others are and an employee's lengths of service, work record and prior conduct are all important in determining the proper disciplinary action. It is our general practice to use progressive disciplinary counseling procedures between the employee and their immediate supervisor in which the supervisor will explain the charges and allow the employee to explain their position. In all phases of the disciplinary procedure, CGB will make reasonable efforts to give the employee the opportunity to make their position clear, orally or in writing. Some serious incidents of misconduct may require immediate discharge from employment, but whenever possible, misconduct will be approached with counseling before termination of employment is considered. The primary purpose of discipline is remedial, not punitive. When possible and appropriate the steps of progressive discipline will be as follows:

1. A verbal (oral) warning giving clear guidelines for corrective action and potential consequences.
2. A written warning with the infraction and required corrective action specified.
3. A written reprimand is issued when the employee has been warned and the problem behavior has not been corrected.
4. A suspension without pay serves as the last resort prior to discharge.
5. A demotion results when an employee is willing but unable to perform assigned duties.
6. A termination of employment usually follows prior disciplinary steps or for a serious rule violation.

When disciplinary action is required upon the recommendation of the Supervisor, the President and/or his designee may elect a written reprimand, suspension without pay demotion, disciplinary probation, or dismissal. The President and/or his designee may take any such disciplinary action after the evaluation process determines that an employee's performance and/or conduct is unacceptable, taking any mitigating circumstances into account. A record of the written reprimand or documentation of other disciplinary action will be made a permanent part of the employee's personnel file.

Management reserves the right to enter into any level of disciplinary action or termination based upon the severity of the offense requiring discipline and the employee's past work record. This policy in no way alters the at-will employment policy; the employee or CGB may terminate the employment relationship at any time and for any reason.

Employment Termination

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

Resignation

Employment termination initiated by an employee who chooses to leave CGB voluntarily.

Discharge

Employment termination initiated by CGB.

Layoff

Involuntary employment termination initiated by CGB for non-disciplinary reasons.

Retirement

Voluntary retirement from active employment status initiated by the employee.

Exit Interview

CGB will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to CGB, return of CI-owned property, and assuring that necessary assignments are completed. Suggestions, complaints, and questions can also be voiced.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance

Grievance Procedure

Supervisors are responsible for being accessible and for regularly discussing working conditions, job performance, or any other concern an employee has about his/her job at CGB making reasonable efforts to address problems and concerns. Our success depends upon maintaining clear and open communication with employees. It is of utmost importance to respond to complaints, problems, or anything employees deem unfair or unacceptable. Each employee should feel free to discuss any complaint or problem with their immediate supervisor. This initial step in the grievance procedure is informal to encourage a quick resolution. No employee will be penalized or discriminated against for bringing up a problem or registering a grievance regardless of the nature of the complaint.

Grievances Not Involving Discrimination Or Sexual Harassment

If an employee has a grievance that remains unresolved in informal discussions with their supervisor, they should make a scheduled, recorded appointment with their supervisor to discuss the problem. The employee and supervisor should keep a written record of this discussion.

If a settlement satisfactory to both parties cannot be reached, the employee and their supervisor should submit the grievance in writing to the President and/or his designee, attaching their written records of the meeting. The President and/or his designee will schedule a meeting with the employee and the supervisor within five (5) working days of receipt of the grievance. A written record of this meeting will also be kept, and the President and/or his designee will render a decision within three (3) working days after the meeting.

In the event the employee is not satisfied with the decision of the President and/or his designee, they may request a hearing before the Board of Director's Budget and Operations Committee. The decision of the Budget and Operations Committee shall be final.

Grievances Involving Discrimination Or Sexual Harassment

Any employee who feels they would like counseling about possible violations of CGB affirmative action or anti-harassment policies, or any state or federal statutes related to Equal Employment Opportunity (EEO), Affirmative Action (AA), or Sexual Harassment should contact Human Resources. This counseling will be kept confidential and no related information will be released except upon signed consent of the employee or as necessary for CGB to comply or fulfill its obligations under federal or state law. Human Resources will provide information on state, federal agencies and CGB resources available to employees who wish to pursue a grievance regarding discrimination.

If a grievance involves sexual harassment by the employee's supervisor, or if there are other circumstances that make it impossible for the employee to initially address a grievance directly to the supervisor, he/she may schedule the initial meeting with the President and/or his designee. If the employee's supervisor is the President and/or his designee, the grievance may be directed to the Budget and Operations Committee.

Grievance Procedure Contacts

CHRO and EEOC

Separate and independent from the above process, the complainant may file written complaints of discrimination with:

The Connecticut Commission on Human Rights and Opportunities (CHRO)
21 Grand St, Hartford, CT 06106
Phone: (860) 541-3400

The Equal Employment Opportunity Commission (EEOC)
150 Causeway St, Boston, MA. 02114
Phone (617) 565-3214

Department of Justice (DOJ)
Office on the Americans with Disabilities Act
Civil Rights Division, P.O. Box 66118, Washington, D.C. 20507
Phone (202) 514-0301.

Employees may also file complaints with any other agencies, state, federal or local, including the United States Department of Labor, Wage and Hour Division, that enforce laws concerning discrimination in employment. Employees should be aware that there are statutes of limitations that require complaints be filed by a certain time period or the employee may forfeit his or her rights. Employees may inquire further with the respective agency.

No individual who files a complaint, or who cooperates or testifies in the investigation of a complaint, shall be unlawfully retaliated against for the exercising of their legal rights.

Whistleblower Policy

Any person having knowledge of corruption, unethical practices, violation of state laws or regulations, mismanagement, gross waste of funds, abuse of authority, or danger to the public safety occurring within CGB or in a related contract with CGB may disclose such matter to any member of the Audit Compliance and Governance Committee of CGB or the state Auditors of Public Accounts. A person disclosing such information is known in lay terms as a "whistleblower." A whistleblower should feel free to report such information without fear of retaliation.

No CGB officer or employee, may take or threaten to take any personnel action against a whistleblower who is an employee of CGB in retaliation for disclosing such information. Whistleblowers protection applies to any CGB employee who discloses such information:

- (1) to any employee of the Auditors or of the Attorney General;
- (2) To any member of the Audit, Compliance and Governance committee of CGB;
- (3) to an employee of the state or quasi-public agency that employs the person who retaliated or threatened retaliation;
- (4) to an employee of a state agency pursuant to a mandated reporter statute; or,
- (5) in the case of a large state contractor, to an employee of the contracting state agency concerning information about a large state contract.

A CGB employee who believes he or she is the subject of retaliation for "whistleblowing" may file a "whistleblower retaliation complaint" with the Chief Human Rights Referee at the CHRO's Office of Public Hearings not later than thirty (30) days after the employee learns of the specific incident giving rise to the claim (i.e., the personnel action threatened or taken against him/her). An employee who believes that he or she has been retaliated against should contact a private attorney to discuss his/her rights. The Attorney General cannot provide legal advice or counsel.

CGB's guidelines for making whistleblower complaints are set forth below.

- File a written complaint or verbal complaint with the CEO and/or the Ethics Officer, and or the CGB Audit, Compliance, and Governance Committee. Employees may also choose file a written complaint or make a telephone complaint with the Auditors of Public Accounts. All complaints should be filed in writing with the Auditors of Public Accounts, 210 Capitol Avenue, Hartford, CT 06106, or by telephone: Toll Free within Connecticut: (800) 797-1702 or Locally: (860) 240-5305. If the employee wishes to remain anonymous, they may.
- Whistleblower complaints will be referred to the CGB Audit, Compliance, and Governance Committee for review. That committee will serve as the primary contact between CGB and the Auditors of Public Accounts.

Employees can visit [Auditors of Public Accounts](#) website for more information about filing a complaint. In addition, employees may visit the [Commission on Human Rights and Opportunities](#) website for information regarding the processes and procedures in the administration of whistleblower retaliation complaints.

SECTION 8 HEALTH AND SAFETY

Health and Safety

Each employee is expected to share our commitment to a safe workplace. This obligation means that safe working habits and principles must be followed. All employees are expected to exercise common sense and good housekeeping practices. For the sake of all our employees and clients, safety concerns must be taken seriously. Every employee is expected to take a proactive role in providing a safe workplace. Horseplay or other unsafe activity is prohibited. Every employee must report any injury, no matter how slight, immediately to his or her supervisor. Such reports are necessary to initiate any necessary emergency procedures, to comply with workers compensation laws, and to initiate insurance and workers compensation benefits procedures.

First-aid kits containing items needed for most minor first-aid situations are maintained throughout the building. All employees should make a note of their locations. Each employee is expected to exercise safe working habits and reasonable caution in all work activities. Any unsafe condition must be reported immediately to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action.

Policy On Life-Threatening and Communicable Diseases

This policy provides guidance for dealing with work situations involving employees, who have life-threatening and communicable diseases, including but not limited to:

- Acquired Immune Deficiency Syndrome (AIDS);
- Human Immunodeficiency Virus (HIV) infection;
- HIV-related illness as defined by the Connecticut General Statutes Section 19a-58 1; or
- Any other life-threatening and communicable disease.

Non-Discrimination

CGB does not unlawfully discriminate against qualified individuals with life-threatening and communicable diseases in any terms or conditions of employment.

It is our policy that individuals with life-threatening and communicable diseases will be treated with the same compassion and consideration given to any employee with a health problem. No person will be treated differently in the workplace as a result of having or being perceived as having such a disease.

No H.I.V. Or Aids Testing

Present or prospective employees will not be required to submit to an AIDS or HIV-related test as a condition of hiring or continued employment.

Ability To Work

CGB recognizes that employees with life-threatening and communicable diseases may require a reasonable accommodation to perform their job duties. It is CGB's policy to accommodate these employees by allowing them to work as long as they are able to perform their essential job functions, with or without reasonable accommodation, provided that medical evidence indicates that their conditions do not pose a direct threat to themselves or others.

Employee Health and Safety

CGB also recognizes its obligation to provide a safe and healthy work environment for all employees. Therefore, CGB may obtain appropriate medical direction, when necessary, to ensure that an employee's condition does not pose a significant risk of substantial harm to him/herself or to other employees or customers of the Agency.

According to the best medical evidence available to date, casual workplace contact with employees who have AIDS or who have been exposed to HIV will not result in transmission to others. Employees are expected to work with co-workers and any other individuals who have these conditions that do not pose a significant risk of harm. Employees who have unwarranted fears of exposure will not be allowed to refuse to work with individuals affected by HIV/AIDS or any other communicable disease. In addition, it is unacceptable for employees to spread rumors regarding situations involving HIV/AIDS or any other life-threatening and communicable disease where such rumors may affect the privacy, dignity and well-being of others. Behavior of this nature will not be tolerated at CGB.

Confidentiality

All employee records or information regarding life-threatening and communicable diseases will be confidentially maintained in the Human Resources Office in a secure area, apart from the employee's personnel file.

Information Specific To H.I.V./Aids

The identity of any employee with HIV or AIDS will remain confidential. HIV and AIDS-related information will not be disclosed without the written consent of the employee. Any unauthorized disclosure by an employee is strictly prohibited by the Connecticut General Statutes and may result in disciplinary action. This policy is intended to be consistent with the Connecticut HIV/AIDS Testing and Confidentiality Law of 1989 (C.G.S. §§ 19a-585 through 19a-592).

Drug and Alcohol Policy

CGB is committed to maintaining a substance-free, healthful, and safe work environment. To promote this goal employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Employees are forbidden to use, possess, consume, manufacture, distribute, purchase, sell, or be under the influence of alcohol, illegal drugs, or controlled substances during working hours, whether on the premises, or representing or conducting the business of CGB elsewhere. Reporting to work under the influence of alcohol or illegal drugs, or being in possession of alcoholic beverages or illegal drugs on CGB's premises will not be tolerated. Such conduct is also prohibited during non-working time to the extent that, in CGB's opinion, it impairs an employee's ability to perform on the job or threatens the reputation or integrity of CGB.

The legal use of physician prescribed, or legal over-the-counter drugs is permitted on the job if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other employees or clients. Any employee taking any legal or prescribed drugs known to have possible side effects that affect or impair judgment, coordination, or other senses, or that might adversely affect the employee's ability to perform normal work in a safe and productive manner, must notify his or her supervisor or other manager before commencing work. Information provided by the employee concerning the use of medication will be treated in a confidential manner. If CGB has reasonable cause to believe an employee is adversely affected by the use of a drug or medication such that a threat is posed to the safety of the employee, other persons, or to property, the employee may be denied permission to continue working pending further investigation. The investigation will be

conducted expeditiously, with the resulting information treated confidentially to the extent possible.

An employee whose job performance has deteriorated through the use of alcohol and/or drugs to the extent that termination of employment is being considered may opt to enter an approved treatment facility of their choice. Upon successful completion of treatment, the employee may be permitted to resume normal employment.

Employees must give notification in writing to Human Resources within five (5) calendar days of any drug conviction for violation of a criminal drug statute if the violation occurred in the workplace. Employees who have substance abuse problems are encouraged to participate in a rehabilitation program prior to any disciplinary action. If an employee chooses not to undergo rehabilitation, CGB will take disciplinary action consistent with state law and regulation within 30 calendar days of receiving notice of the conviction. A conviction means a finding of guilt including a plea of nolo contendere, or the imposition of a sentence by a judge or jury in any federal or state court.

Violations of any part of this policy may lead to disciplinary action, up to and including immediate termination of employment. Such violations may also have legal consequences.

Smoking Policy

The health and well-being of staff and visitors to CGB are primary concerns of management. The Environmental Protection Agency has released a report officially concluding that second hand smoke is a Class A human carcinogen. It is also known that second hand smoke causes respiratory illness and is suspected to be even more dangerous in its link with heart problems. In order to protect the health of those who use our building, smoking or other use of tobacco products is prohibited in any offices or work areas within CGB. Smoking is permitted only out-of-doors.

Emergency Procedures Manual

Emergencies can occur at any time, and we need to be prepared to handle such situations to minimize injury and damage. The following information is designed to assist you in preparing for and handling an emergency.

Emergency Phone Numbers

Rocky Hill Police	911 or 258-7640 (Routine calls)
Rocky Hill Fire	911 or 258-7603 (Routine calls)
Health Emergencies	911 or dial 500 to page and assemble the first responders team to the announced area.

Medical

Medical Emergency Procedures for Staff

Page the Response Team by:

- Picking up the hand set
- ~~Dial 9104, Wait for tone. Press the paging button on the bottom row, last button. (this is marked Paging)~~
- ~~Press any # key three times and~~ SPEAK LOUD AND CLEAR AND SAY:

“Attention, Response Team, Emergency in (location)”.

“Attention, Response Team, Emergency in (location)”.

(Give location and repeat the announcement twice).

If the person is unconscious, not responsive, seriously injured or in apparent serious distress, immediately after paging response team, dial 9-911.

(This will always be a personal judgment call and do not worry about calling unnecessarily).

Please use the **house phone (not cell)** if possible as this triggers an in-house and police alert.

Paging button is FOR EMERGENCIES ONLY.

Response Team Actions (fyi)

Always know that if YOU are in distress and call 911 an immediate alert

goes to the reception area, IT and the police. Do not hesitate to use this in an emergency.

1. Response Team Members will go directly to code red location. Follow trained response.
2. All team members of the **RESPONSE TEAM** respond to the location immediately.
3. In route to location, pick-up **AED unit --portable 1st Aid Kit** --notebook and Emergency Bag. All found next to the mailboxes and in file cabinet under AED unit.
4. If 911 has not yet been called, CGB trained staff will decide whether or not to call **911** directly or ask someone to do so and report the nature of the emergency and location. (Best to call in the presence of the victim if at all possible so information can be relayed to EMTs.)

One or two Response Team members will assess the situation and take the lead in providing necessary response. Remaining team members will provide the following:

1. Set up AED for use, if needed. Bring notebook in drawer and Emergency Bag.
2. Prepare for CPR relief, if needed. 3-to 5 minutes is desired.
3. Provide Privacy/Crowd Control, request non-response team personnel to evacuate the area until all is clear.
4. Meet and Direct medical personnel to emergency location.
5. Once the Emergency Medical Team (EMT) has arrived the duties and responsibilities will be transferred to them. They may take AED with them.
6. Provide necessary information and any other support needed by the EMT.
7. Contact necessary family member(s) of victim. (List at AED location)
8. See that victim is accompanied to ER when applicable.
9. Provide follow up report to Human Resources Designee.

Medical Emergency Procedure for Front Desk Personnel

Should you receive a call for medical assistance from any staff member, please use the following procedure:

1. Page the Response Team by dialing **500** which enacts the paging system
“Attention, all response team personnel, there is a code RED in _____”
(Give location and repeat the announcement twice).
2. Response team members will go directly to red code location and follow trained response instructions. If possible while in route to location, pick-up AED unit and portable First Aid Kit located by the mailboxes next to the front lobby.
3. Response team evaluates situation and does one or all of the following:
 - a. Call 911
 - b. Call Front Desk
 - c. Team will activate procedure for 911.
4. Keep lines open for further communication.
5. Have a list of all family emergency numbers for staff available.
6. Notify Human Resources Designee that there is an emergency.

Fire

In order to minimize property damage and possible loss of life, familiarize yourself with the building's fire prevention system. **Know the location of fire alarm pull stations and fire extinguishers. In addition familiarize yourself with the instructions on the extinguishers.**

WHEN THE FIRE ALARM IS HEARD:

- EVERYONE SHOULD IMMEDIATELY STOP WHAT THEY ARE DOING.
- EVACUATE THE BUILDING IN A CALM, ORDERLY MANNER TO A CENTRAL LOCATION AT LEAST 300 FEET FROM THE BUILDING.
- Do Not Stop to Gather Belongings.
- Follow Emergency Exit Signs to Exit Building.
- Check offices and cubicles as you leave your area.
- Sign-in roster should be picked up and taken to company gathering place.
- ALL DEPARTMENTS AND TENANTS GATHER DIRECTLY AT THE FAR RIGHT SIDE OF THE PARKING LOT (CLOSEST TO BROOK STREET). IF FRONT EXIT IS BLOCKED AND YOU MUST EXIT FROM THE REAR OF THE BUILDING, TRAVEL AROUND THE BUILDING AND HEAD TO THAT AREA. PLEASE REMAIN IN A GROUP. FIRE MARSHALL NEEDS HEAD COUNT IMMEDIATELY.
- DEPARTMENT SUPERVISORS TAKE A HEAD COUNT WHEN ALL CLEAR SIGNAL RECEIVED FROM FIRE MARSHALL SUPERVISORS WILL GIVE INSTRUCTIONS TO REENTER BUILDING.

Note: When moving into exit areas in an emergency situation, before going through the door, put your hand against it to feel for heat—there could be a fire on the other side. If the door feels cool proceed with caution. If the door feels hot, use an alternate escape route.

Fire procedures

If you should spot a fire follow these suggested guidelines:

1. If the fire is minor (wastebasket, ashtray, etc.) extinguish if possible. However, do not take risks! Your personal safety comes first!
2. If the fire cannot be immediately brought under control without personal risk, isolate or contain if possible by closing the door to the fire area.
3. Call the Fire Department at **9-911** or **258-7603**
 - a. Give building name: CGB .
 - b. Give building address and intersection: **845 Brook Street, Rocky Hill.**
 - c. Give CGB telephone number **(860) 563-0015.**
 - d. Give location and extent of fire.
4. Pull the fire alarm pull station so that evacuation can begin.
5. If trapped by flame or heat:
 - a. If possible, telephone the fire department and request immediate assistance.
 - b. Close doors separating you from the source of heat or flame.
 - c. Break glass window if necessary in order to escape.
 - d. Remember that both **heat and smoke rise**—air near the floor will be cleaner and cooler. Crouch down or crawl to exits.

Fire drills

Fire drills need to be conducted once a year according to town codes. The fire department will be directly involved so that they can test the fire alarm system and see if fire evacuation procedures are being followed.

Supervisors will be designated as the fire safety captains for their area.

Fire safety captains

There is a Fire Safety Captain and will help coordinate evacuation efforts. The captains' responsibilities include:

1. An awareness of employees in their area/office who are present that day so that all are accounted for after evacuating.
2. Knowledge of any employees with handicaps or disabilities which should be considered in an emergency.
3. Awareness of an up-to-date evacuation route from their area or office.
4. Checking of restrooms, conference rooms, smoking rooms or other areas which are not immediately visible to ensure that they are also evacuated.
5. Reporting any problems or special circumstances to Fire Warden.
6. Ensuring that people are exiting from the building in a calm and orderly fashion.

IN THE EVENT OF AN EMERGENCY, THE FIRE SAFETY CAPTAIN WILL IMMEDIATELY NOTIFY CGB 's PRESIDENT, CHIEF OPERATING OFFICER AND/OR SENIOR MANAGEMENT TEAM.

Housekeeping

Please inspect your space regularly and remove any items that could start or contribute to a fire or be a safety hazard. The following guidelines should be adhered to:

1. Do not allow accumulation of trash or waste material that is flammable.
2. Flammable materials or chemicals should not be stored within five feet of exit doors.
3. The wall and ceiling space around emergency and exit light fixtures should be kept clear.
4. The area surrounding electrical equipment should be free of clutter to provide for adequate air circulation.
5. Coffee makers and oven units are potential sources of fire. The last person leaving the building should check to be sure that they are turned off.

Gas Leaks

Due to the proximity of the office park to the Connecticut Natural Gas Storage Facility on the Rocky Hill/Cromwell line, we have occasionally found that a gas odor permeates the area when they are purging their lines. However, if at any time you detect a gas odor, it is important to assume that it's a potential leak and to take proper precautions as follows:

1. **DO NOT** turn on or adjust anything electrical in nature or anything which could cause a spark or flame (light switches, thermostats, lighters, etc.)
2. Call the facilities manager.
3. Evacuate the premises.

How To Handle Anthrax and Other Biological Agent Threats

Many facilities in communities around the country have received anthrax threat letters. Most were empty envelopes; some have contained powdery substances. The purpose of these guidelines is to recommend procedures for handling such incidents.

Do Not Panic

1. Anthrax organisms can cause infection in the skin, gastrointestinal system, or the lungs. To do so, the organism must be rubbed into abraded skin, swallowed, or inhaled as a fine, aerosolized mist. Disease can be prevented after exposure to the anthrax spores by early treatment with the appropriate antibiotics. Anthrax is not spread from one person to another person.
2. For anthrax to be effective as a covert agent, it must be aerosolized into very small particles. This is difficult to do, and requires a great deal of technical skill and special equipment. If these small particles are inhaled, life-threatening lung infection can occur, but prompt recognition and treatment are effective.

How to handle a suspicious unopened letter or package marked with threatening message such as "anthrax":

1. Do not shake or empty the contents of any suspicious envelope or package.
2. **PLACE** the envelope or package in a plastic bag or some other type of container to prevent leakage of contents. Plastic bags and/or containers are available in the kitchen.
3. If you do not have a container, then **COVER** the envelope or package with anything (e.g., clothing, paper, trashcan, etc.) and do not remove this cover.
4. **LEAVE** the room and **CLOSE** the door, or section off the area to prevent others from entering. Keep others away.
5. **WASH** your hands with soap and water to prevent spreading any powder to your face.
6. Contact **Human Resources**. They will take the necessary steps to report the incident to the proper authorities.

7. **LIST** all persons who were in the room or area when this suspicious letter or package was recognized. This list will be given to both the local public health authorities and law enforcement officials for follow-up investigations and advice.

How to handle an envelope with powder and powder spills out onto surface:

1. **DO NOT** try to **CLEAN Up** the powder. **COVER** the spilled contents immediately with anything (e.g., clothing, paper, trashcan, etc.) and do not remove this cover!
2. Then **LEAVE** the room and **CLOSE** the door, or section off the area to prevent others from entering. Keep others away.
3. **WASH** your hands with **soap and water** to prevent spreading any powder to your face.
4. Contact **Human Resources**. They will report the incident to the proper authorities.
5. **REMOVE** contaminated clothing as soon as possible and place in a plastic bag, or some other container that can be sealed. This clothing bag should be given to the emergency responders for proper handling. Plastic bags and/or containers are available in the kitchen.
6. **SHOWER** with soap and water as soon as possible. **DO NOT USE BLEACH OR OTHER DISINFECTANT ON YOUR SKIN.**
7. **LIST** all persons who were in the room or area, especially those who had actual contact with the powder. This will be given to both the local public health authorities so that proper instructions can be given for medical follow-up, and to law enforcement officials for further investigation.

What to do if you suspect a room has been contaminated by aerosolization- (For example: a small device was triggered, a warning was received that the air-handling system is contaminated, or a warning was received that a biological agent was released in a public space.)

1. Turn off local fans or ventilation units in the area.
2. **LEAVE** area immediately.
3. **CLOSE** the door, or section off the area to prevent others from entering. Keep others away.
4. Contact **Human Resources**. They will then report the incident to the proper authorities.
5. **SHUT** down air handling system in the building, if possible.
6. **LIST** all persons who were in the room or area. This list will be given to both the local public health authorities so that proper instructions can be given for medical follow-up, and to law enforcement officials for further investigation.

How to identify suspicious packages and letters:

Some characteristics of suspicious packages and letters include the following:

- Excessive Postage
- Handwritten or poorly typed addresses
- Incorrect titles
- Title, but no name
- Misspellings of common words
- Oily stains, discoloration or odor
- No return address
- Excessive weight
- Lopsided or uneven envelope

How to identify suspicious packages and letters continued:

- Protruding wires or aluminum foil
- Excessive security material such as masking tape, string, etc.
- Ticking sound
- Marked with restrictive endorsements, such as "Personal" or "Confidential"
- Shows a city or state in the postmark that does not match the return address

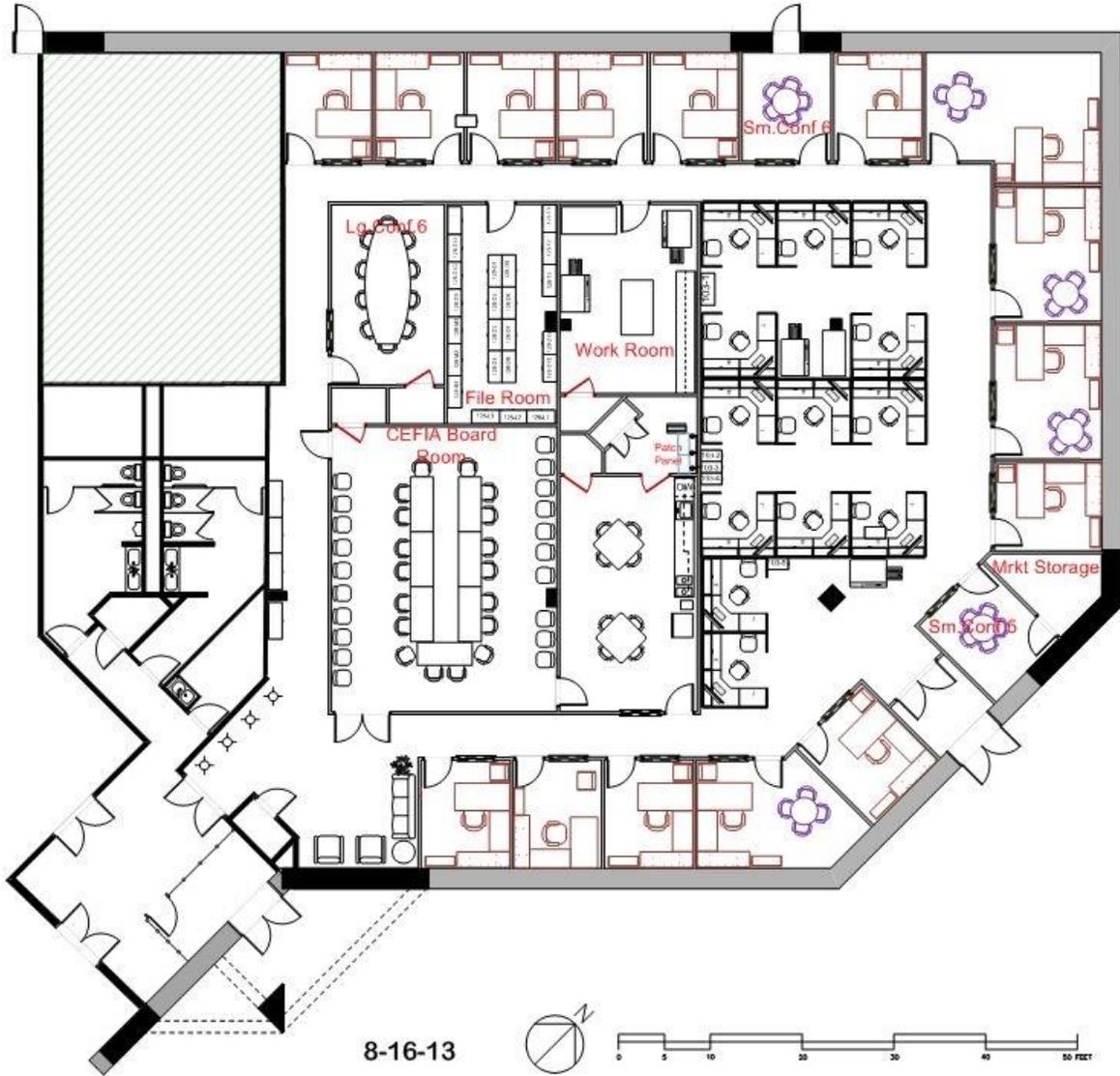
Bomb Threats

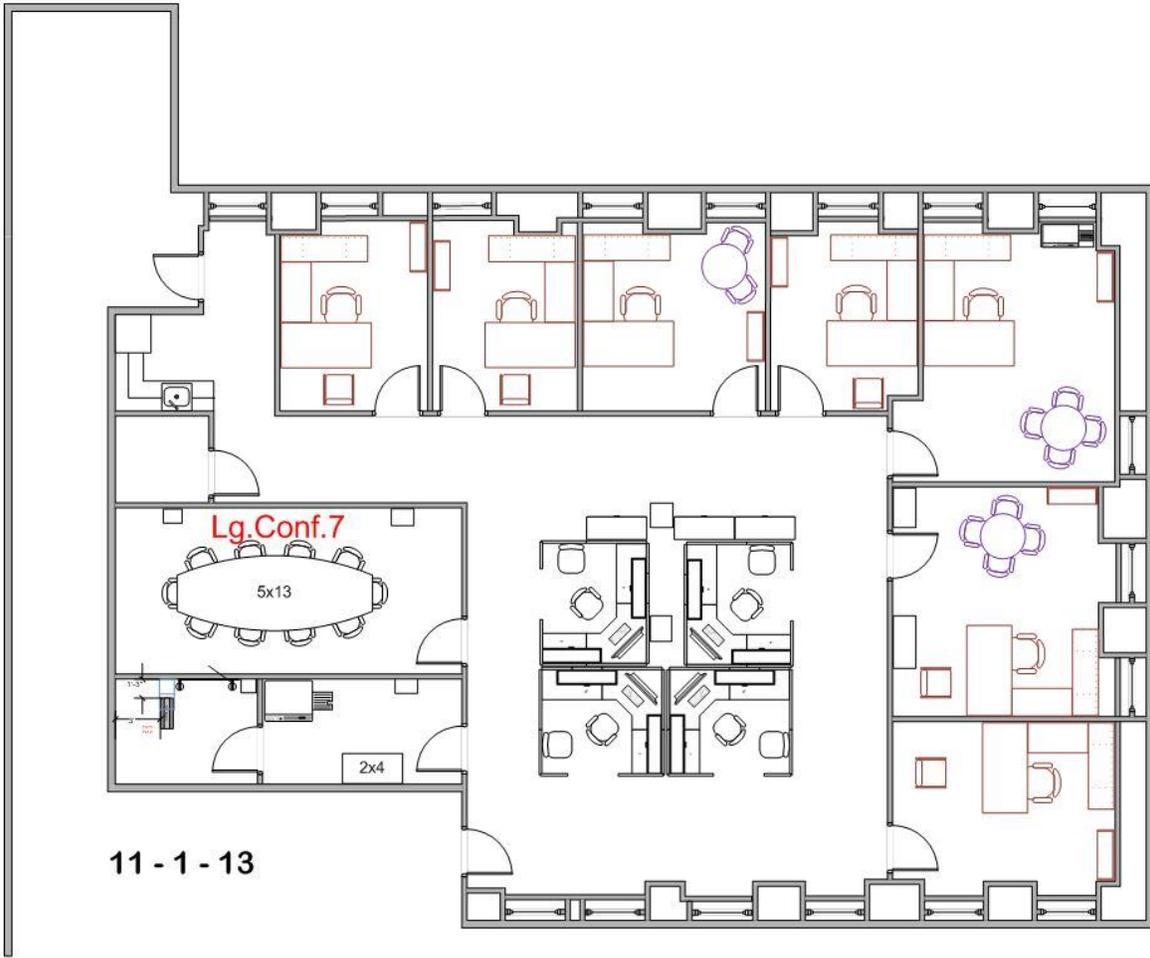
In the event of a bomb threat, evacuating people from the potential danger area is the highest priority. In the event of the receipt of a bomb threat, try to remember as many of the following details as possible:

1. Time call received
2. Time call terminated
3. Exact words of caller
4. Time to explode
5. Location of bomb (if given)
6. Description/type of bomb (if given)
7. Why was it placed?
8. Description of voice (male, female, deep, high, accents, etc.)
9. Background sounds (traffic, machinery, music, voices, etc.)

Then immediately call: Police (**911** or **258-7640**); Fire Department (**911** or **258-7603**). Immediately call **Administrative Services ext. 391 IT ext. 365**. Explosives can be concealed in any type of container and in any location. Any suspicious item must not be touched and should be considered dangerous. Alert police of anything out of the ordinary, and do not turn on or adjust anything electrical in nature (i.e. - thermostats, light switches, radios, etc.)

It is policy that everyone evacuates the building immediately!





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In Case of Emergency: Questions and Answers for Employees

What happens if I can't reenter the building?

The Emergency Operations Team (correct name) including the President when available will assess the immediate damage and will inform the President or designee of what to expect. You may be asked to assemble at a nearby building for further instruction.

How will I know when and where to go back to work?

CGB has designated a Team Leader (George Bellas – Vice President Finance and Administration) for implementing its Business Continuation Plan. This team leader will contact you at home and let you know when and where to return for work. If the business disruption is a serious one, it may take up to 30 days for all staff to return. A small number of employees who handle critical business functions may be asked to report to work immediately in a different office location.

What should I do if a reporter approaches me?

If a member of the press approaches you, please refrain from commenting about the incident or your personal reaction to what has occurred. It is natural that any business – disrupting incident may result in press coverage, and the ~~Director of Government and External Relations~~Marketing Staff is the designated CGB representative to keep the news media informed and answer questions. Please refer any such inquiries to that designee.

The signature page for CGB's Emergency Procedures is in the Appendix. All employees must review and sign the policy in the Appendix and return it to Human Resources.

APPENDIX AND FORMS

Employee Acknowledgement form

The Employee Handbook describes important information about CGB, and I understand that I should consult my supervisor or the [Manager](#), Human Resources [Designee](#) regarding any questions not answered in the Handbook.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the Handbook may occur. All such changes will be communicated through official notices and I understand that revised information may supersede, modify, or eliminate existing policies.

Furthermore, I acknowledge that this Handbook is neither a contract of employment nor a legal document. It is understood that nothing in this Handbook or any other policy or communication changes the fact that employment is at will for an indefinite period unless terminated at any time by CGB or me. Accordingly, either CGB or I can terminate the relationship at any time and for any reason.

I have received the Handbook and understand that it is my responsibility to read and comply with the policies contained in this Handbook and any revisions made to it. Should the content of this Handbook be changed, I understand that CGB may require a written acknowledgement from me that I have received and understand the change.

I understand that this signed statement of acknowledgement will be retained in my personnel file.

Employee's Signature

Date

Print Employee Name

Harassment Policy

I hereby acknowledge that I have reviewed the Sexual Harassment Policy in Section 7 of the Employee Handbook. I hereby acknowledge that I have read and understand this policy. By signing below, I agree to abide by this Policy. I also acknowledge that any infractions will result in disciplinary action, up to and including termination.

Employee's Signature

Date

Print Employee Name

Travel and Entertainment Policy

I hereby acknowledge that I have reviewed the Travel and Entertainment Policy in Section 6 of the Employee Handbook. I hereby acknowledge that I have read and understand this policy. By signing below, I agree to abide by this Policy. I also acknowledge that any infractions will result in disciplinary action, up to and including termination.

Employee's Signature

Date

Print Employee Name

State of Connecticut Workplace Violence Prevention Policy

I hereby acknowledge that I have read and understand the Workplace Violence Prevention Policy in Section 7 of the Employee handbook. By signing below, I agree to abide by the Policy. I also acknowledge that any infractions will result in disciplinary action, up to and including termination.

Employee's Signature

Date

Print Employee Name

CGB's Emergency Procedure Signature Page

I hereby acknowledge that I have read and understand the Emergency Procedures Manual in Section 8 of the Employee handbook. By signing below, I agree to abide by the Policy. I also acknowledge that any infractions will result in disciplinary action, up to and including termination.

Employee's Signature

Date

Print Employee Name

Confidential Disclosure Policy

I hereby acknowledge that I have read and understand the Confidential Disclosure Policy in Section 7 of the Employee handbook. By signing below, I agree to abide by the Policy. I also acknowledge that any infractions will result in disciplinary action, up to and including termination.

This agreement supersedes and replaces any existing agreement between CGB and me relating generally to the same subject matter. It may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of CGB. Discharge of my undertakings in this agreement shall be an obligation of my executors, administrators, or other legal representatives or assigns.

Employee's Signature

Date

Print Employee Name

Information Technologies Policies

I hereby acknowledge that I have read and understand the Information Technologies Policies in Section 7 of the Employee handbook. By signing below, I agree to abide by the Policies. I also acknowledge that any infractions will result in disciplinary action, up to and including termination.

Employee's Signature

Date

Print Employee Name

CGB Request for Training

Name _____

Class Requested _____

Date of Class _____

Location of Class _____

Class is being offered by: _____

Requestor's Signature _____

Supervisor's Approval _____

Today's Date _____

Signature _____

**Suzanne Kaswan
Vice President, Human Resources**

APPLICATION FOR PARTICIPATION IN THE CGB SICK LEAVE BANK

I understand that as a permanent employee of CGB that has completed my introductory period, I may elect to choose to participate in a sick leave bank that is outlined in CGB Sick Leave Bank Policy. I understand that if I do not elect to participate within 30 days of completing my introductory period, I may only elect to participate during the annual open enrollment period.

I understand that if I elect to participate in the Sick Leave Bank, I will contribute the hourly equivalent of one day towards the Sick Leave Bank, and if the Sick Leave Bank falls below an adequate number of hours, I may be required to make an additional contribution to the Bank at a later date.

Employee Name: _____

Telephone: _____

Title: _____

Qualifying Event

I completed by introductory period on _____

I am enrolling during open enrollment on _____

_____ I elect participation in the Connecticut Innovations Sick Leave Bank.

_____ I reject participation in the Connecticut Innovations Sick Leave Bank.

Signature: _____

Date: _____

CGB.
Continuing Education Assistance Policy Form

1. Identification

Name _____ SS # _____

Home Address: _____

Current Title: _____ Current Dept: _____

2. Educational Information

School _____ Semester _____ Year _____

Degree: Certificate _____ Assoc. _____ Bach. _____ Grad. _____

Program: _____ Expected Matriculation: _____

Course Name:	Course No.	Date Reimbursed:	Grade
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Attach supporting documentation)

3. Consent and Authorization

I consent to the reporting of my grades in the above named course(s) to CGB. As of the date of this application, I hereby signify my intention to remain an employee of CGB for a period of not less than six months following completion of course(s). I further agree that if I voluntarily terminate my employment with CGB prior to the six month period and I have received reimbursement, I will repay CGB any funds extended to me under this program over the past six months.

I also understand that any additional tax liability related to these courses will be my responsibility and that CGB shall not be responsible for any such liability.

Signature _____ Date _____

4. Approvals

The employee identified above is authorized by CGB to pursue the program indicated above. Under this authorization, CGB will reimburse the employee for these courses in accordance with its Continuing Education Assistance Policy.

Supervisor _____ Date _____

Executive Director _____ Date _____

CGB

Telecommuting Agreement

This *Telecommuting Agreement* specifies the conditions applicable to an arrangement for performing work at an alternate work site on a regular basis. All employees that telecommute, even occasionally (i.e. inclement weather) must have a signed and approved Telecommuting Agreement on file with Human Resources. The *Agreement* becomes effective on _____ (date) and will remain in place as long as it meets the business needs of the organization. Either party can terminate the *Agreement* at any time. On-site workspace will be provided to the returning employee as soon as appropriate accommodations can be arranged. . Please remember that telecommuting is not an option for some jobs – there are certain positions that require face to face interaction in the office. Prior to completing a telecommuting agreement, you should discuss with your supervisor whether your job duties can be performed remotely.

1. Telecommuting employees must have a set schedule of regular telecommuting days. **In order to meet the business needs of the agency, an employee may request an adjustment to the telecommuting schedule outlined in this agreement. No adjustment may be made without prior supervisory approval. The supervisor has the right to revoke telecommuting privileges based on performance and/or business needs.**

To facilitate ease in communication, the telecommuting schedule is defined as follows: Please indicate start time, end time, breaks, lunch periods, and duration if telecommuting is for a specific project basis.

Monday	Tuesday	Wednesday	Thursday	Friday	Inclement Weather and/or As Needed Basis*

*Inclement Weather and/or As Needed Basis requires individual supervisory approval for each occurrence.

Telecommuting may also be permitted on an as-needed basis with the approval of your supervisor if a valid business need exists for the agency. The employee must have an approved telecommuting agreement on file with Human Resources.

2. Telecommuting site information:

Address: _____

Phone # _____ Fax # _____ E-mail _____
Cell Phone # _____

3. Salary, job responsibilities, benefits, work status, and the amount of time worked per day or pay period will not change while telecommuting unless otherwise specified in writing. Since the employee's telecommuting space is considered an extension of **CGB's** workspace, the company's liability for job-related accidents will continue during the understood and approved telecommuting hours. The employee will maintain a designated workspace. Workers' Compensation coverage is limited to this workspace as opposed to adjacent areas, e.g. other areas of the home.

4. Duties and assignments authorized to be performed at the telecommuting site are the following:

Management will establish with the employee the means of assessing the quality and quantity of work performed at the telecommuting site, integrating these into established performance objectives. Management reserves the right to assign work as necessary at either the regular or the telecommuting site.

5. Identify any aspects of your current role that will not be able to be performed at the telecommuting site. Describe how you plan to compensate for these duties/responsibilities (e.g. faxes, phone coverage, etc.)

6. Recognizing that effective communication is essential for a telecommuting arrangement to be successful, the following methods and times of communicating are agreed upon. Specify how such communication will occur, including items such as backup & emergency contacts, time frames, phone, fax, beeper, email, face-to-face etc. In addition, employees shall forward their company phones to their home telephones or cell phones while telecommuting.

7. The employee agrees to remain accessible during designated work hours, and understands that management retains the right to require that the employee come into the regular work-site when a business need arises. Employees must indicate their telecommuting days on their Outlook calendar. Advance notice will be given whenever possible. In addition, employee will report to the traditional worksite for regularly scheduled meetings and time-periods pre-determined by management for purposes of education, communication, etc. In the event of equipment failure, loss of remote access capability or other system problems, employee will report to the traditional work site until the problem is resolved unless otherwise directed.

8. Describe your proposed telecommuting location:

A. The physical location in your home where your work space will be located

B. When choosing your workspace please ensure the following:

- a. Adequate electrical power and power outlets, workspace and access pathways
- b. Ergonomic lighting, seating work surfaces, and other work – related resources
- c. Power cord, work-related tools, filing equipment, office equipment and items stored in overhead shelves or bins are safely arranged and secured.
- d. Reasonable in-place safeguards to prevent family members from getting hurt within the telecommuters work's area; prevent loss or theft of the employer's proprietary data and equipment and protect the confidentiality of matters related to the telecommuter's work.

9. Also, make a detailed inventory of employer owned equipment that you will be utilizing in your telecommuting workspace. Regarding space and equipment set-up and maintenance, the following is agreed upon: Specify purchase source e.g. purchase/ lease/loan, set-up, maintenance, provision of supplies, insurance arrangements, etc. for each piece of equipment, furniture, phone, etc.
10. Employee will not subcontract or perform non-company work using its equipment, materials, information or anything else made available for the express purpose of performing work as defined in this Agreement.
11. Any hardware or software purchased by CGB remains its property and will be returned at the conclusion of the telecommuting arrangement. Employee agrees to protect all company equipment against unauthorized or accidental access, use, modification, destruction, or disclosure. Employee agrees to report to management instances of loss, damage, or unauthorized access immediately. Company-owned software is not to be duplicated except as formally authorized. Company information, whether stored electronically or as hard copy, remains the property of CGB; all work produced and products developed while telecommuting, remain the property of the company. CGB equipment at the telecommuting site will not be used for personal purposes or by anyone else at the telecommuting site. Employees may check email via webmail on home computers, but may not edit any attachments on any computer that is not issued by CI. Management reserves the right to make unscheduled inspections of the telecommuting premises, equipment and software to ensure compliance with all aspects of policies, procedures and agreements.

Employee agrees to maintain a safe, ergonomically correct, and secure work environment, and agrees to allow management access to telecommuting site to assess safety and security, upon reasonable notice.

12. Employee agrees to report work-related injuries to the supervisor and appropriate departments immediately. Employee agrees to hold the company harmless for injury to any non-employee at the telecommuting site.
13. Employee accepts responsibility for tax consequences, if any, of this arrangement, and for conformance to any local zoning regulations.
14. Employee agrees that dependent care responsibilities during agreed-upon telecommuting time periods, or other times as required by business need, will in no way impact work performance, quality, or attainment of goals and objectives.
15. Viewing or sharing in any way of company information, documentation or work product by any unauthorized person (e.g. family member, neighbor, etc.) will be cause for disciplinary action, up to and including termination.
16. Employee understands that all obligations, responsibilities, terms and conditions of employment with **CGB** remain unchanged, except those obligations and responsibilities specifically addressed in this Agreement.

I hereby affirm by my signature that I have read this *Telecommuting Agreement*, and understand and agree to all of the provisions found in it. The *Telecommuting Agreement* itself is not a contract of employment and may not be construed as one. I understand that I am accountable to all previous confidentiality agreements, policies and procedures of the company. The *Telecommuting Agreement* does not create an express or implied contract or promise of employment for a definite term. Telecommuters, as all **CGB** employees, are employed 'at will' and as such may be terminated at any time and for any reason, with or without notice.

_____/_____
Employee Date

_____/_____
Manager Date

_____/_____
Chief Operating Officer Date

THE CONNECTICUT GREEN BANK ETHICAL CONDUCT POLICY

I. Introduction

Ethical conduct is a core value of The Connecticut Green Bank (CGB) and all employees and officials of CGB are expected to maintain the highest professional standards in the conduct of their duties. In particular, each person is responsible for, and should become familiar with, the Code of Ethics for Public Officials. A copy of the “Guide to the Code of Ethics for Public Officials” is attached here. You may also access both the Code and the guide on the Office of State Ethics website at www.ct.gov/ethics by clicking on "Public Information".

II. Code of Ethics Compliance

Principle provisions of the Code of Ethics for Public Officials include:

- **GIFTS** - In general, state employees are prohibited from accepting gifts from anyone doing business with, seeking to do business with, or directly regulated by the state employee’s agency or department or from persons known to be a registered lobbyist or lobbyist’s representative. There are also restrictions on gifts between state employees in certain circumstances. (See the “Guide to the Code of Ethics for Public Officials” and Statutory References below, Sections 1-79(e) and 1-84(m).)
- **FINANCIAL BENEFIT** - A state employee is prohibited from using his/her office or non-public information obtained in state service for the financial benefit of the individual, certain family members, or that of an associated business.
- **OUTSIDE EMPLOYMENT** - A state employee may not accept outside employment which will impair his/her independence of judgment as to official state duties or which would induce the disclosure of confidential information. Generally, outside employment is barred if the private employer can benefit from the state employee’s official actions.
- **FINANCIAL DISCLOSURE** - Certain state employees are required to file a financial disclosure statement with the State Ethics Commission. This statement will be considered public information.
- **RECUSAL OR REPORTING IN CASE OF POTENTIAL CONFLICTS** – The Code of Ethics requires that public officials and state employees avoid potential conflicts of interest. If a public official or state employee would be required to take official action that would affect a financial interest of such public official or state employee, certain family members or a business with which they are associated, they must excuse themselves from the matter or prepare and file a sworn written statement explaining why continued involvement in the matter would be on an objective basis and in the public interest despite the potential conflict. (See Statutory References below, Section 1-86(a).)

III. Additional CGB Policies

CGB expects that, in addition to complying with all provisions of the Code of Ethics for Public officials, employees and officials will:

- Protect the confidential information to which CGB has access;
- Avoid actual or potential conflicts of interest;

- Neither interfere with nor solicit contracts on behalf of any person;
- Avoid, in the case of employees, outside employment which may compromise or interfere with the ability to perform duties for CGB; and
- For those employees subject to the requirements of C.G.S. 1-83(a), submit the Statement of Financial Interests disclosure documents to the Office of State Ethics in a timely manner.

For the same reasons, and in order to maintain public confidence and avoid even an appearance of impropriety

- CGB employees and members of their immediate families are prohibited from investing in companies that receive financial assistance from CGB; and
- If an application for financial assistance from CGB is received from a business with which a CGB employee is associated, or in which such employee or an immediate family member has a direct financial interest, such employee, whether or not he or she expects to be involved in the processing or consideration of such application, shall notify the President of such business association or financial interest and such employee shall be sequestered from all information, discussions, actions and other activities related to such application. For this purpose, a business with which such employee is associated has the same meaning assigned in Section 1-79 of the Code of Ethics to the phrase “business with which he is associated”. (See Statutory References below, Section 1-79(b).)

For these purposes, CGB may post a “restricted list” of companies in which employees may not invest and may require employees to disclose outside business interests. The rules of conduct in these matters may also be covered in more detail in the CGB Handbook.

IV. Post-State Employment Restrictions

Employees leaving The Connecticut Green Bank are required to comply with the Code of Ethics provisions pertaining to post-state employment, which are commonly known as the “revolving door” provisions. For example, there are restrictions on accepting employment with a party to certain contracts (which would include contracts relating to investments or other financial assistance) if the employee or official were involved in the negotiation or award of the contract, and restrictions on representing other parties before CGB during the one-year period following departure from state service. Employees should familiarize themselves with the statutes pertaining to post-state employment. They can be found at C.G.S. Section 1-84a and 1-84b. (See Statutory References below.) You may access these statutes on the Office of State Ethics website at www.ct.gov/ethics by clicking on “Statutes and Regulations”. A summary of these requirements is included in the “Guide to the Code of Ethics for Public Officials and State Employees” attached to this ethics policy.

Before an employee leaves the employment of The Connecticut Green Bank, an exit interview will be conducted by our Ethics Liaison Officer. The purpose of this exit interview will be to individually review potential issues relating to post-Connecticut Green Bank employment.

V. Other Matters

The Board of The Connecticut Green Bank continues to have well justified faith in the integrity of and ethical conduct of employees and officials of The Connecticut Green Bank. It is understood however, that breaches of this ethics policy may require disciplinary action, including but not

limited to dismissal from CGB, in addition to sanctions provided by state law. Such sanctions are to be applied as appropriate with the approval of the Connecticut Green Bank Board of Directors.

It is the responsibility of each employee and official to inquire of the Ethics Liaison Officer or the Office of State Ethics at 860.566.4472 should any question arise concerning his or her conduct.

VI. Statutory References

Sec. 1-79. Definitions. The following terms, when used in this part, shall have the following meanings unless the context otherwise requires:

(b) "Business with which he is associated" means any sole proprietorship, partnership, firm, corporation, trust or other entity through which business for profit or not for profit is conducted in which the public official or state employee or member of his immediate family is a director, officer, owner, limited or general partner, beneficiary of a trust or holder of stock constituting five per cent or more of the total outstanding stock of any class, provided, a public official or state employee, or member of his immediate family, shall not be deemed to be associated with a not for profit entity solely by virtue of the fact that the public official or state employee or member of his immediate family is an unpaid director or officer of the not for profit entity. "Officer" refers only to the president, executive or senior vice president or treasurer of such business.

(e) "Gift" means anything of value, which is directly and personally received, unless consideration of equal or greater value is given in return. "Gift" shall not include:

(1) A political contribution otherwise reported as required by law or a donation or payment as described in subdivision (9) or (10) of subsection (b) of section 9-601a;

(2) Services provided by persons volunteering their time, if provided to aid or promote the success or defeat of any political party, any candidate or candidates for public office or the position of convention delegate or town committee member or any referendum question;

(3) A commercially reasonable loan made on terms not more favorable than loans made in the ordinary course of business;

(4) A gift received from (A) an individual's spouse, fiancé or fiancée, (B) the parent, brother or sister of such spouse or such individual, or (C) the child of such individual or the spouse of such child;

(5) Goods or services (A) which are provided to a state agency or quasi-public agency (i) for use on state or quasi-public agency property, or (ii) that support an event, and (B) which facilitate state or quasi-public agency action or functions. As used in this subdivision, "state property" means (i) property owned by the state or a quasi-public agency, or (ii) property leased to a state agency or quasi-public agency;

(6) A certificate, plaque or other ceremonial award costing less than one hundred dollars;

(7) A rebate, discount or promotional item available to the general public;

(8) Printed or recorded informational material germane to state action or functions;

(9) Food or beverage or both, costing less than fifty dollars in the aggregate per recipient in a

calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance;

(10) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed legislative reception to which all members of the General Assembly are invited and which is hosted not more than once in any calendar year by a lobbyist or business organization. For the purposes of such limit, (A) a reception hosted by a lobbyist who is an individual shall be deemed to have also been hosted by the business organization which he owns or is employed by, and (B) a reception hosted by a business organization shall be deemed to have also been hosted by all owners and employees of the business organization who are lobbyists. In making the calculation for the purposes of such fifty-dollar limit, the donor shall divide the amount spent on food and beverage by the number of persons whom the donor reasonably expects to attend the reception;

(11) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed reception to which all members of the General Assembly from a region of the state are invited and which is hosted not more than once in any calendar year by a lobbyist or business organization. For the purposes of such limit, (A) a reception hosted by a lobbyist who is an individual shall be deemed to have also been hosted by the business organization which he owns or is employed by, and (B) a reception hosted by a business organization shall be deemed to have also been hosted by all owners and employees of the business organization who are lobbyists. In making the calculation for the purposes of such fifty-dollar limit, the donor shall divide the amount spent on food and beverage by the number of persons whom the donor reasonably expects to attend the reception. As used in this subdivision, "region of the state" means the established geographic service area of the organization hosting the reception;

(12) A gift, including but not limited to, food or beverage or both, provided by an individual for the celebration of a major life event **[Not an available exception; see Section 1-84(m) below];**

(13) Gifts costing less than one hundred dollars in the aggregate or food or beverage provided at a hospitality suite at a meeting or conference of an interstate legislative association, by a person who is not a registrant or is not doing business with the state of Connecticut;

(14) Admission to a charitable or civic event, including food and beverage provided at such event, but excluding lodging or travel expenses, at which a public official or state employee participates in his official capacity, provided such admission is provided by the primary sponsoring entity;

(15) Anything of value provided by an employer of (A) a public official, (B) a state employee, or (C) a spouse of a public official or state employee, to such official, employee or spouse, provided such benefits are customarily and ordinarily provided to others in similar circumstances;

(16) Anything having a value of not more than ten dollars, provided the aggregate value of all things provided by a donor to a recipient under this subdivision in any calendar year shall not exceed fifty dollars; or

(17) Training that is provided by a vendor for a product purchased by a state or quasi-public agency which is offered to all customers of such vendor.

Section 1-84 Prohibited Activities

(m) No public official or state employee shall knowingly accept, directly or indirectly, any gift, as defined in subsection (e) of section 1-79, from any person the official or employee knows or has reason to know: (1) Is doing business with or seeking to do business with the department or agency in which the official or employee is employed; (2) is engaged in activities which are directly regulated by such department or agency; or (3) is prequalified under section 4a-100. No person shall knowingly give, directly or indirectly, any gift or gifts in violation of this provision. For the purposes of this subsection, the exclusion to the term "gift" in subdivision (12) of subsection (e) of section 1-79 for a gift for the celebration of a major life event shall not apply. Any person prohibited from making a gift under this subsection shall report to the State Ethics Commission any solicitation of a gift from such person by a state employee or public official.

Section 1-84a. Disclosure or use of confidential information by former official or employee

No former executive or legislative branch or quasi-public agency public official or state employee shall disclose or use confidential information acquired in the course of and by reason of his official duties, for financial gain for himself or another person.

Sec. 1-84b. Certain activities restricted after leaving public office or employment

(a) No former executive branch or quasi-public agency public official or state employee shall represent anyone other than the state, concerning any particular matter (1) in which he participated personally and substantially while in state service, and (2) in which the state has a substantial interest.

(b) No former executive branch or quasi-public agency public official or state employee shall, for one year after leaving state service, represent anyone, other than the state, for compensation before the department, agency, board, commission, council or office in which he served at the time of his termination of service, concerning any matter in which the state has a substantial interest. The provisions of this subsection shall not apply to an attorney who is a former employee of the Division of Criminal Justice, with respect to any representation in a matter under the jurisdiction of a court.

(f) No former public official or state employee (1) who participated substantially in the negotiation or award of (A) a state contract valued at an amount of fifty thousand dollars or more, or (B) a written agreement for the approval of a payroll deduction slot described in section 3-123g, or (2) who supervised the negotiation or award of such a contract or agreement, shall accept employment with a party to the contract or agreement other than the state for a period of one year after his resignation from his state office or position if his resignation occurs less than one year after the contract or agreement is signed.

(g) No member or director of a quasi-public agency who participates substantially in the negotiation or award of a contract valued at an amount of fifty thousand dollars or more, or who supervised the negotiation or award of such a contract, shall seek, accept, or hold employment with a party to the contract for a period of one year after the signing of the contract.

Memo

To: Deployment Committee and Audit, Compliance, and Governance (ACG) Committee

From: George Bellas (Vice President of Finance and Administration), Brian Farnen (General Counsel and CLO), Bryan Garcia (President and CEO), and Eric Shrago (Director of Operations)

CC: Mackey Dykes (Vice President of CI&I Programs and Officer), Ben Healey (Director of Clean Energy Finance), Dale Hedman (MD of Infrastructure Programs), Bert Hunter (Executive Vice President and CIO), and Kerry O'Neill (VP of Residential Programs)

Date: May 29, 2018 (Deployment Committee) and revised for June 8, 2018 (ACG Committee)

Re: Proposed Loan Loss Decision Framework and Process – Assets on the Green Bank Balance Sheet

Summary

Since its inception on July 1, 2011, the Connecticut Green Bank (Green Bank) has invested its resources in 4,288 loans, leases and benefit assessments totaling \$72,387,643 of assets (in addition to \$355,149,764 of private capital) in the residential, commercial, industrial, institutional, and infrastructure sectors. These assets reside on the balance sheet of the Green Bank.

The following is a breakdown of the assets on the Green Bank balance sheet:

- **Anaerobic Digester and Combined Heat and Power** – invested in 1 AD Loan totaling \$1,997,403 of investment (in addition to \$8,502,597 of private capital) – this investment is neither delinquent nor in default. Invested in 6 CHP Loans totaling \$502,860 of investment (in addition to \$12,034,860 of private capital) – these investments are neither delinquent nor in default;
- **C-PACE** – invested in 115 Benefit Assessments, totaling \$36,347,568 of investment (in addition to \$91,555,091 of private capital)¹ – of this investment 4² are delinquent totaling \$14,797 (or less than 0.05% of the value of the portfolio) and 0 are in default;

¹ Note, in addition to the Green Bank investment, there are 65 benefit assessments, totaling \$59,363,333] of investment from third party financiers.

² One C-PACE Benefit Assessment is for a commercial lease and is counted in both. Duplicates are removed from the total.

- **LMI Solar PV Lease and Energy Efficiency ESA** – invested in 1,417 leases totaling \$12,753,000 of investment (in addition to \$25,998,288 of private capital and 945 ESA's totaling \$2,268,000 of investment – of this investment 10 are delinquent totaling \$1,535 (or 0.01% of the value of the portfolio) and 1 is in default totaling \$15,340 (or 0.1% of the value of the portfolio).
- **Multifamily Loans** – invested in 65 Pre-Development and Term Loans totaling \$5,458,952 of investment (in addition to \$47,594,378 of private capital) – of this investment none are delinquent and none are in default³;
- **Smart-E Loan** – supported 2,680 loans by third party lenders totaling \$48,285,338 of investment credit enhanced through a Green Bank Second Loan Loss Reserve of \$2,400,860 – of this investment 12 are delinquent totaling \$204,595 (or 0.4% of the value of the portfolio) and 5⁴ are in default totaling \$83,698 (or 0.2% of the value of the portfolio); and
- **Special Projects** – invested in 4 special project Loans (e.g., Bridgeport Fuel Cell Park, Bridgeport District Heating, Colebrook Wind, and Meriden Hydropower) that are outside of existing programs totaling \$12,927,000 of investment (in addition to \$118,911,212 of private capital) – of this investment 2 are delinquent totaling \$220,893 (or 1.7% of the value of the portfolio) and 0 are in default.

To date, there have been 6 defaults of the 4,288 transactions (0.001%) totaling \$99,038 of \$72,387,643 of Green Bank capital invested (0.001%) in assets on the Green Bank's balance sheet.

For a breakdown of assets under management on the balance sheet of the Green Bank, see Table 1 below

Table 1. Breakdown of Assets Under Management on the Connecticut Green Bank Balance Sheet

Assets	# of Transactions	Value of Assets Under Management	Total Value of the Assets	Average Value of Each Transaction	Median Value of Each Transaction
AD and CHP	7	\$2,500,263	\$23,037,720	\$3,291,103	-
C-PACE	115	\$36,347,568	\$127,902,659	\$1,112,197	\$365,298
LMI PV and EE	1,417	\$12,753,000	\$38,751,288	\$27,347	\$27,400
Multifamily	65	\$5,458,952	\$53,053,330	\$816,205	\$248,376
Smart-E	2,680	2,400,952 ⁵	\$48,285,338	\$18,017	\$16,307
Special Projects	4	\$12,927,000	\$131,838,212	\$32,959,553	-
Total	4,288	\$72,387,643	\$422,868,547	\$98,616	

³ Note that this does not include predevelopment loans that are partially forgiven when term loans are closed.

⁴ One of these losses was charged against the Green Bank's Loan Loss Reserve for \$20,277 or 0.1% of the portfolio.

⁵ Note – this is a Connecticut Green Bank credit enhancement of a second loan loss reserve and not an asset on the balance sheet.

As the Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur.

This memo focuses on the assets on the Green Bank’s balance sheet and not that of its SPV’s. A follow-up memo outlining the proposed loan loss decision framework and process for assets on the balance sheets of SPV’s will be drafted for later consideration.

Governance

The bylaws of the Green Bank provide guidance in terms of managing transactions, and their potential restructuring or write-off. Specifically, the Deployment Committee of the Board of Directors, as outlined in Section 5.3.3 is responsible for:

- “(ii) with respect to loans, loan guarantees, loan loss reserves, credit enhancements... between three hundred thousand dollars (\$300,000) and two million five hundred thousand dollars (\$2,500,000), evaluation and approval of such requests on behalf of the Board so long as such approval is within the Green Bank’s approved Operations and Program Budget,”
- “(iv) oversight of policies and practices relating to the evaluation and recommendation of initial investments, follow-on investments, *investment modifications and restructurings*, and the sale or other disposition of investments by the Authority’s professional investment staff,”
- “(v) oversight of policies and practices relating to investment management by the Authority’s professional investment staff, including implementation of investment exit strategies,”
- (vi) except to the extent of any investment powers expressly reserved to the Board itself in any resolution of the Board, to approve on behalf of the Board investments, follow-on investments, investment modifications and restructurings, and the sale or other disposition of investments,” and
- (viii) the exercise of such authority as may from time to time be delegated by the Board to the Deployment Committee within its areas of cognizance.⁶

The bylaws of the Green Bank serve as the foundation to establishing a loan loss decision framework and subsequent process. Such a framework and process should be reviewed,

⁶ The Board of Directors may also delegate certain responsibilities to the President and the other officers of the Green Bank as they believe are desirable to permit the timely performance of the functions of the Green Bank and to carry out the policies of the Board – See Green Bank Bylaws Sections 2.5 (Delegation of Powers) and 3.2 (President). For example, on October 20, 2017, per the memo dated October 13, 2017, the Board of Directors delegated the power for officers to approve transactions up to \$500,000 in value as long as they are consistent with the Comprehensive Plan and Budget.

revised (as appropriate) by the Deployment Committee, reviewed and recommended for approval by the ACG Committee, and approved by the Board of Directors of the Green Bank.

Accounting

On an annual basis the accounting team prepares a detailed analysis of portfolio loans by program. This analysis includes a historical analysis of prior year loan write-offs, if any, by program, repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments.⁷ Based upon these inquiries the accounting team assigns a loan loss reserve percentage to the balance of loans for each program to arrive at a total loan loss reserve for the loan portfolio. Currently these percentages range from 5-20% based on the project, product, or program.

The annual loan loss reserve calculation is reviewed for reasonableness by the Green Bank's audit firm as part of the annual audit process.

Here are a few examples for how loan losses are reserved for specific products and programs on the balance sheet of the Green Bank:

- **C-PACE** – through a benefit assessment on a property in a C-PACE participating community, capital providers finance clean energy projects on commercial, industrial, multifamily, and nonprofit buildings for measures consistent with the Comprehensive Energy Strategy. These assessments average \$300,000, with interest rates up to 6.5 percent, and terms up to 25 years.

Loan losses are reserved for C-PACE transactions by currently allocating 10% of the principal value outstanding of the C-PACE portfolio at the end of the fiscal year.

- **Project Finance** – there are transaction opportunities for clean energy investment in specific projects that the Green Bank provides a loan for, including fuel cells, wind, hydro, and anaerobic digesters to name a few.

Loan losses are reserved for special projects by allocating a range of 5%-20% of the principal value outstanding of the various project loans at the end of the fiscal year.

- **Smart-E Loan** – through the Energize CT initiative with Eversource Energy and Avangrid, in collaboration with Connecticut's community banks, credit unions, and community development financial institutions, the Green Bank provides a second loan loss reserve of up to 7.5 percent of principal for residential loans in projects that support the Comprehensive Energy Strategy. These loans are up to \$40,000 in principal, with interest rates not to exceed 6.99 percent, and terms of up to 20 years.

Loan losses are reserved for the Smart-E Loan by setting aside 7.5% of the original principal value of the Smart-E Loan portfolio as restricted cash. Also, when 1.5% of

⁷ It should also be noted that the Comprehensive Annual Financial Review (CAFR) also includes a "high level" breakdown of delinquencies and defaults by financing product or program.

losses are exceeded with the program partner lenders, then the Green Bank accesses the restricted cash to pay up to 7.5% of additional losses within their portfolio.

Over the last couple of years, the following is a breakdown of the loan losses reserved on the financial statements of the Green Bank – see Table 2.

Table 2. Overview of Loan Loss Reserves (FY 2015-FY 2017)

Fiscal Year	Loan Loss Reserves	Portfolio Value	%
2015	\$3,645,000	\$39,685,000	9.2
2016	\$4,675,000	\$32,321,000	14.5
2017	\$5,612,000	\$42,705,000	13.1

Other than the legacy Alpha/Op Demo loans, the Green Bank has not written off any portfolio loans to date on its balance sheet.

Loan Loss Decision Framework

In order to develop processes for determining how losses will be determined with regards to transactions on the Green Bank balance sheet, there are two (2) key components – value of the modification and the type of loss anticipated that help formulate the process.

In assessing the threshold of the value of the modification, the Green Bank staff identified the following options:

- **Principal Outstanding** – the type of loss anticipated should apply to only the amount of the principal outstanding of the transaction;
- **Original Principal Value** – the type of loss anticipated should apply to the original principal value of the transaction; or
- **Value of the Modification** – the type of loss anticipated should apply only to the proposed value of the modification of the transaction.

The Green Bank staff recommends that the value of the modification should apply to the principal outstanding of the transaction as opposed to the (i) value of the original principal, or (ii) value of the modification.

The Green Bank staff has identified three different types of losses anticipated, including:

- **Provisional Loss Reserve** – as determined by the Budget and Operations Committee and the Audit Compliance and Governance Committee through the annual budget and targets process and reported in the annual audited financial statements;
- **Restructuring** – a unique action or decision to modify the principal, interest, term, and/or other relevant component of a transaction; and/or
- **Write-Off** – a policy or procedural determination that an asset is impaired as a result of it being delinquent and subsequently in default where it is deemed that it is unlikely for a material recovery of the principal.

Each of these types of losses should be handled in a specific manner depending upon the value of the principal outstanding amount of the transaction – see Table 3.

Table 3. Loan Loss Decision Framework based on Principal Amount Outstanding vs. Type of Loss Anticipated

Type of Loss Anticipated	Amount of Principal Outstanding		
	<\$100,000	\$100,000 – \$1,000,000	>\$1,000,000
Provisional Loss Reserve	Staff (with review and reporting from the Auditor)		
Restructuring	Staff	Deployment	Board of Directors
Write-Off			

The proposed amount of principal outstanding value for Staff approval of provisional, restructuring, and write-offs is intended to be overly conservative with respect to Staff authority, while appropriately reporting out any unusual activity or trends to the Deployment Committee and Board of Directors. In between report outs, staff will only be able to review and approve in aggregate up to \$500,000 of adjustments. In other words, the Loan Loss Decision Framework and Process allows staff to review and approve of transaction modifications “Up to \$100,000 and No More in Aggregate than \$500,000” between report outs to the Deployment Committee.

This the Staff proposed loan loss decision framework for consideration by the Deployment Committee, Audit Compliance and Governance Committee, and the Board of Directors.

Example Transaction Application to the Loan Loss Decision Framework

To apply the Loan Loss Decision Framework, here are a few example transactions.

Example Transaction #1 – Smart-E Loan

The first example transaction is a residential loan through the Smart-E Loan Program that is in default – see Table 4.

Table 4. Smart-E Loan – Write-Off

Program	Smart-E Loan
Original Principal	\$34,000
Outstanding Principal	\$25,000
Type of Loss Anticipated	Write-Off
Approving Authority	Staff

Since the amount of the principal outstanding is less than \$100,000, then the Staff would be approving this type of loss. In this situation, with regards to the Smart-E Loan, as long as the partner lender has exceeded their 1.5% of losses within their loan portfolio and is seeking to access the 7.5% second loss from the Green Bank per our agreement, then the Staff can write-off the outstanding principal amount of the transaction by paying off the loss through the use of restricted cash in the loan loss reserve account set aside for the Smart-E Loan program.

Example Transaction #2 – C-PACE

The second example transaction is a C-PACE benefit assessment that requires restructuring – see Table 5.

Table 5. C-PACE – Restructure

Program	C-PACE
Original Principal	\$1,250,000
Outstanding Principal	\$1,100,000
Type of Loss Anticipated	Restructuring
Approving Authority	Deployment Committee

Since the amount of principal outstanding is greater than \$1,000,000, then this transaction would have to be reviewed and approved by the Board of Directors.

Example Transaction #3 – Onsite Distributed Generation Grant by the Connecticut Clean Energy Fund

The third example transaction is a grant provided by the Green Bank predecessor, the Connecticut Clean Energy Fund. In this example, a project host has committed to onsite clean energy for a contractual period of time, however, it may seek to modify that preexisting agreement. There are no assets on the balance sheet from this transaction – see Table 6.

Table 6. Onsite Distributed Generation Grant Program – Restructuring

Program	Onsite DG Program
Original Principal	\$250,000
Outstanding Principal	\$75,000
Type of Loss Anticipated	Restructuring
Approving Authority	Staff

Since the project is not an asset on the balance sheet of the Green Bank, and the principal outstanding value is less than \$100,000, then the staff could review and approve of this transaction modification. Had the principal value of the outstanding principal in the contract exceeded the Staff authority to restructure, the proposed revision would have had to have been approved by the Deployment Committee or the Board of Directors.

Example Transaction #4 – Fuel Cell Project

The fourth example transaction is a loan for a fuel cell project that is a write-off – see Table 7.

Table 7. Fuel Cell Project – Write-Off

Program	Fuel Cell
Original Principal	\$5,000,000
Outstanding Principal	\$2,750,000
Type of Loss Anticipated	Write-Off
Approving Authority	Board of Directors

Given that all projects greater than \$1,000,000 have to be reviewed and approved the Board of Directors, the write-off of this transaction, whose principal balance outstanding is \$2,750,000, this would have to go to the Board of Directors for review and approval.

Example Transaction #5 – Multifamily Predevelopment Loans

The fifth example transaction is a predevelopment loan for a multifamily project that is a restructuring or write-off – see Table 8.

Table 8. Multifamily Predevelopment Loan Project – Restructuring or Write-Off

Program	Multifamily
Original Principal	\$50,000
Outstanding Principal	\$50,000
Type of Loss Anticipated	Restructuring or Write-Off
Approving Authority	Staff

The Multifamily predevelopment programs lend funds to identify and build out project plans. The funds are typically not repaid until a term loan to cover the actual project is in place and the predevelopment loan is repaid with the proceeds of the term loan. On some occasions, the outstanding balance of the predevelopment loan is written off or restructured as the term loan is agreed to ensure that the economics of a project work by staff. Given the size of the loan, the restructuring and loan forgiveness is handled by staff.

Process for Applying Loan Loss Decision Framework

The following is a breakdown of the proposed processes for using the Loan Loss Decision Framework:

Process #1 – Provisional Loss Reserve

On an annual basis the accounting team prepares a detailed analysis of portfolio loans by program. This analysis includes a historical analysis of prior year loan write-offs, if any, by program, repayment delinquencies and inquiries of program and finance staff as to current developments with borrowers that could affect future repayments.⁸ Based upon these inquiries the accounting team assigns a loan loss reserve percentage to the balance of loans for each program to arrive at a total loan loss reserve for the loan portfolio. Currently these percentages range from 5-20% based on the project, product, or program.

The annual loan loss reserve calculation is reviewed for reasonableness by the Green Bank’s audit firm as part of the annual audit process.

On a quarterly basis, with the assistance of Program and Finance Staff, the Accounting Team would make appropriate interim adjustments to the provisional loss reserve.

Process #2 – Restructuring Transactions

A transaction undergoing a restructuring would undergo the following process:

1. **Restructuring Calculation** – staff requesting a change in a previously approved transaction, must calculate the following:

⁸ It should also be noted that the Comprehensive Annual Financial Review (CAFR) also includes a “high level” breakdown of delinquencies and defaults by financing product or program.

- a. **Original Investment** – show the cash flow of expected principal and interest payments over the term of the transaction, including the calculation of the net present value of the transaction;
 - b. **Proposed Restructured Investment** – show the cash flow of expected principal and interest payments over the term of the transaction, including the calculation of the net present value of the transaction; and
 - c. **Comparison** – compare the original to the restructured investment to document any changes in cash flow and net present value.
2. **Documentation** – staff requesting a change must document in a memo the reason for the proposed modification including a description of the project, the calculation showing the original and restructured investment and their comparisons, and preventative measures for avoiding such issues in the future.
 3. **Review and Approval** – the documentation must be reviewed and approved by the appropriate authority, including:
 - a. **Staff** – for principal balances less than \$500,000, senior staff would review and approve and documented through the ARS process;
 - b. **Deployment Committee** – for principal balances greater or equal to \$500,000 and less than \$2,500,000, Deployment Committee would review and approve the transaction; or
 - c. **Board of Directors** – for principal balances greater than \$2,500,000, the Board of Directors would review and approve the transaction.
 4. **Reporting** – if a transaction receives the approval from the appropriate authority to be restructured, then the details should be reported in a quarterly memo and made available on an ongoing basis to the Deployment Committee and the Board of Directors.

Process #3 – Write-Off Transactions

A transaction undergoing a write-off would undergo the following process:

1. **Write-Off Calculation** – staff requesting a write-off in a previously approved transaction, must calculate the following:⁹
 - a. **Project Finance** – the amount of outstanding principal and lost interest revenue from the original transaction; and
 - b. **Smart-E Loan** – the amount of first losses (i.e., up to 1.5% of their portfolio) incurred by the participating lender, and the amount of second loan loss reserves (i.e., up to 7.5% of their portfolio) available through the Green Bank.

⁹ Note – for C-PACE transactions, given that principal and interest payments in arrears are senior to the existing mortgage on a property, and future principal and interest payments are subject to the ongoing benefit assessment on a property that survives foreclosure, we didn't include C-PACE transactions as write-offs.

2. **Documentation** – staff requesting a write-off must document the reason for the write-off including a description of the project, the calculation showing the value of the write-off, and preventative measures for avoiding such issues in the future.
3. **Review and Approval** – the documentation must be reviewed and approved by the appropriate authority, including:
 - a. **Staff** – for principal balances less than \$500,000, senior staff would review and approve and documented through the ARS process;
 - b. **Deployment Committee** – for principal balances greater or equal to \$500,000 and less than \$2,500,000, Deployment Committee would review and approve the transaction; or
 - c. **Board of Directors** – for principal balances greater than \$2,500,000, the Board of Directors would review and approve the transaction.
4. **Reporting** – if a transaction receives the approval from the appropriate authority to be written off, then the details should be reported in a quarterly memo and made available on an ongoing basis to the Deployment Committee and the Board of Directors.

Process for Reporting

Above and beyond applying the loan loss decision framework and process to various transactions, there is a need to frequently report out to the Deployment Committee and the Board of Directors. The following reporting on loan losses should begin in FY 2019:

- **Monthly Financial Statements** – within the monthly financial statements provided to the Board of Directors, there should be a separate section that provides an overview of the provisional loan loss reserves noted for the fiscal year, along with any transactions that have been restructured or written-off through this loan loss decision framework and process; and
- **Quarterly Reports** – provided to the Deployment Committee on a quarterly basis, this memo should provide further detail on loss transactions by program or product to assess trends, including:
 - Number of transactions lost;
 - Amount of loss;
 - Frequency of losses;
 - Percentage of losses; and
 - Thresholds of losses reached consistent with the provisional loss reserve.

Reporting is an essential aspect of the loan loss decision framework and process.

Summary

As the Green Bank continues to invest its resources with the expectation of getting its principal and interest back over time, there will inevitably be instances when restructuring transactions and/or loan losses will occur. The Bylaws of the Green Bank offer guidance, specifically through its Deployment Committee, in terms of managing transactions, and their potential

restructuring or write-off. The Loan Loss Decision Framework, in combination with the proposed Process for applying the framework, will serve as the road map for managing assets that are being restructured or written-off on the Green Bank balance sheet.

Note, a follow-up memo outlining a second Loan Loss Decision Framework and Process for managing the restructuring or writing-off of assets on the balance sheets of Special Purpose Vehicles established by the Green Bank, will be proposed for later consideration.

ACG Resolutions

WHEREAS, pursuant to Section 5.3.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

WHEREAS, on January 18, 2013, the Board of Directors authorized Green Bank staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$500,000 from the date of the last Deployment Committee meeting ("Staff Approval Policy for Projects Under \$300,000");

WHEREAS, on July 18, 2014, the Green Bank Board of Directors approved of a recommendation brought forth by the Audit, Compliance, and Governance Committee and Deployment Committee to approve the authorization of Green Bank staff to evaluate and approve program funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Green Bank Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed \$1,000,000 from the date of the last Deployment Committee meeting;

WHEREAS, on October 20, 2017, the Green Bank Board of Directors approved of a recommendation brought forth by the ACG Committee and Deployment Committee to approve the authorization to amend the Staff Approval Policy to increase program funding requests for Projects Under \$300,000 to \$500,000 with an aggregate amount limit of \$1,000,000 from the date of the last Deployment Committee meeting; and

WHEREAS, the Staff of the Green Bank propose in a memorandum to the Deployment Committee on May 29, 2018, and revised based on feedback by the Deployment Committee for review and recommendation for approval by the ACG Committee a Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet.

NOW, therefore be it:

RESOLVED, that the ACG Committee recommends that the Board approve of the Staff proposed Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the

memorandum dated June 8, 2018 which incorporates feedback from the Deployment Committee; and

RESOLVED, that the ACG Committee recommends that the Board of Directors authorizes Green Bank staff to evaluate and approve loan loss restructurings or write-offs for transactions less than \$100,000 of the principal amount outstanding and no more in aggregate than \$500,000 from the date of the last Deployment Committee meeting (“Staff Loan Loss Approval Policy for Transactions Under \$100,000”) and consistent with the memorandum dated June 8, 2018 which incorporates feedback from the Deployment Committee.

Memo

To: Brian Farnen, General Counsel and Chief Legal Officer
From: Matt Macunas, Legislative Liaison and Senior Marketing Manager
Date: May 31, 2018
Re: 2018 Laws Passed and the Green Bank's 2018 Legislative Agenda

The Green Bank approached the 2018 Regular Session of the Connecticut General Assembly with several key objectives, all of which were fulfilled by session adjournment. The Green Bank required time to stabilize its finances as a result of the state budget passed during the 2017 special session in October; accordingly, the Green Bank was not looked to for further revenue diversions beyond those already enacted in law. Also as fallout from 2017 revenue sweeps, the organization asked for stronger assurances from the State that its public-private contracting agreements would be honored. Additionally, the Green Bank asked for ratification of a solar PV financing deal with the state university system. Finally, the Green Bank supported legislation to enact the goals of the State's Comprehensive Energy Strategy.

[Public Act 18-42](#) – passed both houses, not yet signed by Governor

AN ACT CONCERNING THE FAILURE TO FILE FOR CERTAIN GRAND LIST EXEMPTIONS, VALIDATING A CONNECTICUT GREEN BANK AGREEMENT AND CERTAIN ACTIONS OF THE CITY OF DERBY, CONCERNING PAYMENT OF A GRANT-IN-AID TO THE TOWN OF DARIEN AND THE CRITERIA OF CERTAIN MEMBERS OF SCHOOL GOVERNANCE COUNCILS AND EXTENDING A PROVISION CONCERNING REEMPLOYMENT OF CERTAIN TEACHERS

This bill validates various exemptions blessed by the legislature that are not related to clean energy policy. Section 5 of the bill authorizes the Green Bank to secure, with a Special Capital Reserve Fund (SCRF), its obligations to make basic rental payments, consisting of principal and interest, under the equipment lease-purchase agreement it entered into in December 2017 for the installation of solar equipment at various locations of the Connecticut State Colleges and Universities. This legislation was necessary due to the expiration of certain federal tax incentives at the end of last year.

Public Act 18-50 – signed by Governor

AN ACT CONCERNING CONNECTICUT'S ENERGY FUTURE

This legislation enacts elements of DEEP's Comprehensive Energy Strategy, including extension and restructuring of various programs, particularly with the goal of making renewable energy more accessible and affordable. Section 10 of the Act strengthens the Green Bank's statutory "non-impairment" provision, requiring the State's pledge not to limit or alter the Green Bank's rights until it meets its contract obligations. The State's pledge is to be interpreted and applied broadly to maintain the organization's financial capacity and perform its essential government function. The Act also stipulates that the Green Bank's contracts and obligations must be supported with appropriated Green Bank funds to meet such obligations. A full bill analysis is available [here](#).

Public Act 18-82 – signed by Governor

AN ACT CONCERNING CLIMATE CHANGE PLANNING AND RESILIENCY

This legislation strengthens state environmental laws and was presented as a companion to Public Act 18-50 concerning energy modernization. The Act codifies the midterm GHG emissions reduction target so as to ensure meeting targets set under the Global Warming Solutions Act of 2008. It also integrates sea level change projections into statute; combines the existing reporting obligations of the Comprehensive Energy Strategy and the Governor's Council on Climate Change; and makes various other minor changes. A full bill summary is available [here](#).