ADOPTED by BOD: January 27, 2011

Cooperative Center FCU Luxury Expenditures Policy

Purpose of the Policy

The Board of Directors of Cooperative Center Federal Credit Union, (the "Credit Union") adopted this Excessive or Luxury Expenditure Policy ("Policy") to be in compliance with the requirements under the American Recovery and Reinvestment Act of 2009 ("ARRA"). The ARRA, which amends certain sections of the Emergency Economic Stabilization Act of 2008, requires each recipient of funds under the Community Development Capital Initiative Program of the Troubled Assets Relief Program to have in place a company-wide policy regarding excessive or luxury expenditures, as identified by the Secretary of the Department of the U.S. Treasury.

Cooperative Center Federal Credit Union ("the Credit Union") prohibits excessive or luxury expenditures on entertainment and events, office or facility renovations, aviation or other transportation services and all other activities. This includes unreasonable expenditures for conferences, staff development and performance incentives.

This Policy applies to all directors and employees of the Credit Union. Additionally, this Policy specifies prohibited expenditures, approval procedures for expenditures which require prior approval, certification requirements of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), the reporting of actual or suspected violations, and compliance monitoring.

Covered Expenditures

Renovations:

Renovations of facilities and office spaces should be relative to the approved project and current profit plan, and tracked within the fixed assets policy of the Credit Union. An exception to this is allowed in an emergency situation, such as an act of nature, and the expenditure is necessary to make a facility operational for member use. Renovations that would have the appearance of being extraordinary or excessive to the Board of Directors should not be made.

Entertainment:

Entertainment is defined as an activity that is for business development purposes relating to a current or prospective customer, or for further enhancement of the Credit Union's marketing efforts.

Our policy is that all expenses incurred by the Credit Union should be for Credit Union purposes and used to develop business of the Credit Union. Events and parties focused on members for the purpose of attracting or retaining their business are not deemed as "luxury" or a violation of this Policy. These expenses should be documented and detailed as to the benefit derived by the Credit Union through the normal accounts payable process.

Conferences:

The Credit Union encourages staff to attend conferences that provide appropriate educational and networking opportunities. These conferences should be related to the financial services industry and have a direct correlation to the staff member's job. Expenditures for conferences will be approved through the annual budget process.

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Employee Recognition/Holiday Parties:
The Credit Union feels that employee recognition and holiday parties are an integral component of employee appreciation. These events should be local in geographic nature and reasonable in cost.

Aviation Services:
The Credit Union will reimburse employees and directors for reasonable transportation expenses incurred for travel to and from pre-approved conferences, planning retreats, or other business purposes. Reasonable airfare is considered coach travel class.

Prohibited Expenditures

The following expenditures are deemed excessive and are prohibited:

Aviation Services and Travel: The Credit Union will not reimburse for first or business class travel. Private air services are not allowed under any circumstances. The Credit Union will not reimburse employees or directors for aviation or other travel-related expenses associated with any spouse or guest that may accompany them on a business trip. This would include travel, food and lodging.

Office and Facility Renovations: Expenditures for office furnishings, remodeling, or redecoration for any senior executive officer as deemed in the EESA ("SEO"), the aggregate cost of which exceeds $25,000. This prohibition does not extend to a corporate relocation or remodeling impacting a majority of the corporate offices or a newly-constructed branch, branch renovation, or branch relocation.

Expenditures Requiring Prior Approval and Approval Procedures

All expenses not included in the annual budget approved by the board must be prior approved by the appropriate financial officer and if they exceed $5000 by the board of directors. In addition, all unbudgeted expenditures for office renovations and aviation services must be prior approved. The request for approval must be submitted in writing to a financial officer at least five days before the purchase is to be made.

The employee or director seeking approval for any expenditure covered by this Policy and not specifically prohibited must request approval in writing explaining the justification and business purpose for the proposed expenditure. The written request for approval should be submitted with as much lead time as is reasonably possible, and in any event no less than five business days for matters that must be submitted to the Board**.** For any matter that must be submitted to the Board, the CEO will be responsible for submitting the request to the President of the Board. All requests must comply with the Third Party Due Diligence and Oversight Policy, as well as the Purchasing Policy.

Administration and Certifications

The CFO is responsible for the day-to-day administration of this Policy, and the CEO is accountable for overall adherence to this Policy and must approve any exceptions. Strict adherence to this Policy is mandated for all Credit Union employees.

Within 90 days of the completion of each fiscal year of the Credit Union, the CEO and CFO of the Credit Union shall certify that the Credit Union and its employees have complied with this Policy during the fiscal year or since the date of enactment of this Policy and that any expenses requiring approval were properly approved.

ADOPTED by BOD:

Violations

Any employee, officer or director who becomes aware of, or has reasonable grounds to suspect, a violation of this Policy must promptly report such violation to the Chief Financial Officer (or, for violations involving such officer, to the CEO or COO). All appropriate steps will be taken to protect the anonymity of anyone reporting a violation, and retaliation against those reporting violations will not be tolerated.