

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

Internal Control Policy

I. GENERAL

- The Board of Directors is responsible for authorizing all bank accounts and check-signing activity for the City of Newburgh Industrial Development Agency (“Agency”).
- Financial institutions where agency accounts are maintained are notified on an annual basis of any changes in check signatories, following the transition of officers or changes in staff with check-signing responsibilities.
- Quarterly budget reports shall be presented to the Board of Directors for review on a monthly basis.
- An annual financial report, as required by laws governing industrial development agencies, will be undertaken by a qualified outside auditor.
- If the agency receives grants, applicable financial and administrative guidelines relating to specific grant funding shall be followed.
- The Treasurer must provide a Treasurer’s report at each monthly board meeting outlining the cash receipts, disbursements, and balances of all bank accounts.

II. CASH RECEIPTS

- It is not the policy of the agency to authorize any receipt of cash.
- If cash is received, the cash must be deposited immediately, within 24 to 48 hours, upon receipt by an authorized person.
- Records of cash received must be totaled and initialized by authorized employees.
- Incoming checks must be restrictively endorsed, “for deposit only” with the organization’s account number, scanned, filed, and then deposited.
- Bank deposit receipts must be compared to the original bank deposit slips, and scanned for distribution to the Treasurer and the Chief Financial Officer.
- Adequate physical controls must be maintained over receipts from the time of receipt to deposit in the bank.

III. CASH DISBURSEMENTS

A. Voucher and Authorization

- The Director must review and approve all vouchers for all disbursements and then be forwarded to the comptroller for preparation to the Treasurer and Agency.

- Supporting documentation (voucher with original signature and invoice with copy of contract) must accompany checks when presented for signature.

B. Checks

- All disbursements must be made by check.
- Only pre-numbered checks shall be used and always in sequence.
- Signing of blank checks is strictly prohibited. Checks must be made payable to specific payees based upon appropriate documentation and never to “cash” or “bearer.”
- Prior to preparing checks, vendor invoices shall be reviewed for accuracy by the Chief Financial Officer or person responsible. Checks must be prepared from vendor invoices only and not from a vendor statement.
- Signature stamps are never to be used to sign checks.

Two signatures are required for all checks, including any of two of the following signatures: Treasurer, Secretary, any Board Member, and Executive Director of the agency. In months in which no meeting is held, payment of less than \$3,000 of dated bills, office supplies and staff vendor invoices may be executed with the signatures of two of the following: Chair, Treasurer, Secretary, or any bank signator. Any disbursements made will be reported to the Board Members in the following monthly Treasurer’s Report.

- Access to blank checks must be limited to the Treasurer, Secretary, Chief Financial Officer, or Executive Director, or to such persons authorized by the Board of Directors to prepare checks. Blank check stock must be locked in a secure place when not in use.
- Any voided/spoiled checks must be marked “Void” and retained in a secure place.

C. Bank Reconciliations

- Bank accounts must be reconciled by the Chief Financial Officer or person responsible on a monthly basis and reviewed by the Treasurer
- The Executive Director or the secretary to the Director must receive the bank statements, including canceled checks if provided. The statements are then placed in a file for the Chief Financial Officer. All check numbers must be accounted for.
- Checks outstanding over 90 days must be periodically investigated, with payment stopped and an entry made restoring such items to cash if appropriate.

IV. CREDIT CARDS

The issuance of credit cards to staff or board members is not permitted.

V. REIMBURSABLE PURCHASES, TRAVEL, AND EXPENSES

- Purchase(s) of office supplies by staff is permitted in amounts of less than \$250.00. Reimbursements are approved by the Executive Director or Treasurer.
- The Board must approve registration and travel expenses for conferences and workshops prior to attendance by an agency staff member or Board member.
- Mileage for travel is estimated from the agency's place of business to the location of the workshop, conference, or meeting.
- Employees and board members must submit a detailed expense record within 30 days of expenses, with supporting documentation, in order to be reimbursed for expenses.
- Expense record must be initialed for approval of payment by the Executive Director or Treasurer prior to payment.

Hotel Stays and Allowable Travel Expenses are:

Mileage reimbursement per mile as determined by IRS mileage allowances.

When booking a hotel, a governmental rate must be requested and an ST-129 form (New York State and Local Sales and Use Tax Certificate) must be presented to vendor for sales and use tax abatement. (See NYS Office of the Comptroller guidelines on travel.)

- Conference fees including room and board are permitted.
- When conference fees do not include meals, the permitted reimbursement for meals, excluding alcoholic beverages, are:
 - Breakfast: \$12.
 - Lunch: \$16.
 - Dinner \$32.

VI. Rent and Annual Receivables

The Chief Financial Officer will establish and maintain a receivable record of annual and monthly payments due the agency arising from lease agreements, PILOTS, rents, and fees etc.

Note: Additional controls on the use of Agency funds are contained in Policies Governing the Use of Authority Discretionary Funds