



Putnam County Industrial Development Agency

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Internal Control Policy

I. General

- The Board of Directors is responsible for authorizing all bank accounts and disbursement activity for the Putnam County Industrial Development Agency (the “Agency”).
- Banks where agency accounts are maintained must be notified on a timely basis of changes in check signatories, officers or changes in staff with check-signing or debit card authority. Agency bank accounts must be maintained at FDIC-insured banks.
- An annual budget detailing projected revenues and receipts must be approved by the Board. A quarterly budget progress report shall be presented to the Board of Directors for review and approval post-quarter end.
- The Treasurer (or designed officer) must provide a Treasurer’s report at each monthly board meeting outlining individual cash receipts and disbursements, as well as balances of all bank accounts.
- An annual financial report as required by laws governing industrial development agencies will be compiled and audited by a qualified external auditor.
- If the agency receives grants, applicable financial and administrative guidelines relating to specific grant funding shall be followed.

II. Receipts

- In general, the agency should not accept 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 deposits must be scanned for distribution to the Treasurer and the Chief Financial Officer. Receipts should be subsequently reconciled to the monthly bank statement.
- Receipts by electronic funds transfer may be accepted with full documentation and verified with the actual bank statement.
- Adequate physical controls must be maintained over receipts from the time of receipt to deposit in the bank.
- Receipts should be recorded in the accounting records in a timely manner.
- The Executive Director will establish and maintain a receivable record of annual and monthly payments due the agency arising from lease agreements. PILOTS, rents, fees, etc. These amounts should agree to the annual budget approved by the Board.

- Amounts due the Agency as set forth in the annual budget that are not received should be investigated and resolved in a timely manner. Amounts uncollected should be referred to the Board for discussion and further action.

III. Disbursements

A. Voucher and Authorization

- The Executive Director (or other designated officer) must prepare and approve vouchers for all check disbursements.
- Supporting documentation (voucher with Executive Director signature, invoice, contract as applicable) must accompany checks when presented to authorized check signers for signature.

B. Checks

- Check disbursement is preferable. Debit card usage is permissible with limitations (see below).
- Only pre-numbered checks shall be used and always in sequence.
- Signing of bank 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, payment vouchers should be compared to vendor invoices for accuracy. Checks must be prepared from vendor invoices only and not from a vendor statement.
- Two signatures are required for all checks, including any of two of the following officers: Treasurer, CHIEF Financial Officer, Board Member, Executive Director. Signature stamps should not be used.
- Access to blank checks must be limited to the Treasurer, Secretary, Chief Financial Officer, Executive Director, or to such persons authorized by the Board of Directors to prepare checks.
- Blank checks must be locked in a secure place. Voided checks should be marked “VOID” and kept with the accounting records.

C. Debit Card

- The Agency’s Board may authorize the use of one debit card to be held/used by one of the authorized checking account signers.
- Disbursement by check is preferred. Debit card purchases are permitted only when check usage is not permitted or is impractical. Examples include supplies ordered online and monthly cell phone plan payments. The types of

disbursements to be made using the debit card should be approved in advance by the Board. Individual purchases should not exceed \$3000.

D. Bank Reconciliation

- Bank accounts must be reconciled by the Chief Financial Officer (or designated officer) monthly and reviewed by the Treasurer.
- The Executive Director or Secretary to the Director must receive the bank statements including cancelled 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. Reimbursable Purchases, Travel and Expenses

- Purchase of office supplies by staff is permitted in amounts of less than \$100. 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 and initialized for approval by the Executive Director or Treasurer prior to payment.

Hotel Stays and Allowable Travel Expenses Are:

- Mileage as determined by IRS mileage allowances.
- When booking hotel, a government rate must be requested, and an ST-129 must be presented to vendor for sales and use tax abatement (see County of Putnam guidelines on travel).
- Conference fees including room and board are permitted.
- When conference fees do not include meals, the permitted reimbursements for meals, excluding alcoholic beverages:

Breakfast: \$12

Lunch: \$16

Dinner: \$32

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