



## **HERKIMER LOCAL DEVELOPMENT CORPORATION**

### **INTERNAL CONTROL POLICY**

The Herkimer Local Development Corporation (the “Corporation”) is governed by a Board of Directors (the “Board”) consisting of not less than three (3) nor more than seven (7) directors (each a “Director”). Professional Services are provided by the staff of the Herkimer County Industrial Development Agency and a Chief Executive Officer (collectively, the “Administrative Staff”).

#### **SECTION 1. GENERAL.**

- The Board is responsible for authorizing all bank accounts and check signing activity.
- Financial institutions where Corporation accounts are maintained are notified of any changes in check signatories, following the transition of officers or changes in staff with check signing responsibilities.
- Receipts, disbursements and all record keeping is handled by the Administrative Staff.
- Disbursements are authorized by the Board and checks payable to the Administrative Staff must be signed by an authorized check signor. The authorized check signors of the Corporation shall be identified on Schedule A attached hereto and shall include the Treasurer of the Corporation pursuant to the By-Laws of the Corporation. The Corporation may, by resolution, appoint additional authorized check signors.
- Financial Reports are made at each board meeting and all records are reviewed by an independent auditor on an annual basis. Each year the independent auditor reviews and reports on the Corporation’s internal control system.

#### **SECTION 2. CASH RECEIPTS.**

- If cash is received, the cash must be deposited immediately with 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 Corporation’s account number, scanned, filed and then deposited.
- Bank deposit receipts must be compared to the original bank deposit slips.

#### **SECTION 3. CASH DISBURSEMENTS.**

- (A) Voucher and Authorization
- The Chairman, Vice Chairman or Treasurer must review and approve all vouchers for all disbursements.
  - Supporting documentation (voucher with signature and invoice with a 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.
- 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 checks over \$10,000.
- Any voided/spoiled checks must be marked "Void".

(C) Bank Reconciliations

- Bank accounts must be reconciled by the Chief Executive Officer on a monthly basis and reviewed by the Treasurer Quarterly.
- Checks outstanding over 90 days must be periodically investigated, with payment stopped when appropriate and an entry made to restoring such items to cash if appropriate.

**SECTION 4. REIMBURSABLE PURCHASES, TRAVEL AND EXPENSES.** Reimbursement for purchases, travel, and other expenses are made pursuant to the Corporation's Travel Policy.

**SECTION 5. RENT AND ANNUAL RECEIVABLES.** The Chief Executive Officer will establish and maintain a receivable record of annual and monthly payments due the Corporation arising from lease agreements, rents and fees etc.

**Adopted: January 30, 2024 and amended February 27, 2024 & April 30, 2024**

**SCHEDULE A**

**Authorized Check Signors**

| <b>Name</b>    | <b>Title</b>                   |
|----------------|--------------------------------|
| John Piseck    | Agency Chief Executive Officer |
| Victoria Adams | Agency Operations Manager      |
| Jennifer Young | Agency Administration          |
| Cory Albrecht  | Vice Chairman                  |
| John Scarano   | Director                       |

**Authorized Claims Auditors**

| <b>Name</b>     | <b>Title</b> |
|-----------------|--------------|
| Vincent J. Bono | Chairman     |
| Ann Gaworecki   | Director     |