

**INTERNAL CONTROL POLICY  
ROCKLAND ECONOMIC ASSISTANCE CORPORATION**

**I. GENERAL**

- The Director and the board of directors are responsible for reviewing and/or authorizing all bank accounts and check signing activity.
- Financial institutions where REAC accounts are maintained are notified on a timely basis of any changes in check signatories, following the transition of officers or changes in staff with check signing responsibilities.
- Financial reports shall be presented to the board of directors for review regularly, but no less than on a quarterly basis.
- An annual financial audit as required by law governing industrial development agencies will be undertaken by a qualified outside auditor.
- If REAC receives grants, applicable financial and administrative guidelines relating to specific grant funding shall be followed.
- The Director must provide a report at each board meeting outlining the cash receipts, disbursements and balances of all REAC 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 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.
- 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. Checks made out to the Director must be signed by a board member.
- Supporting documentation (voucher with original signature and invoice with copy of contract) must accompany checks when presented for signature.

#### **B. Checks/Credit Cards**

- All disbursements must be made by check or Agency credit card.
- 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, payment vouchers should be compared to vendor invoices for accuracy. Checks must be prepared from vendor invoices only and not from a vendor statement.
- Signature stamps may never be used to sign checks.
- Access to blank checks must be limited to the Director. Blank check stock must be locked in a secure place when not in use.
- Any voided/spoiled checks must be marked “Void”, shredded with the signature portion removed and retained in a secure place.

#### **C. Bank Reconciliations**

- Bank accounts must be reconciled by the comptroller or person responsible on a monthly basis and reviewed by the Treasurer.
- The Director must receive the bank statements, including canceled checks if provided. The statements are then placed in a file for the Treasurer’s review. 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 for staff or board members must be approved by the board.

### **V. REIMBURSABLE PURCHASES, TRAVEL AND EXPENSES**

- Reimbursements to staff are approved by the Director or Treasurer.

- The Director or Board must approve registration and travel expenses for conferences and workshops prior to attendance of staff or Agency members.
- Mileage for travel is estimated from the REAC office 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 initialed for approval by the Director or Treasurer prior to payment.

**Hotel Stays and Allowable travel expenses are:**

- Mileage as determined by IRS mileage allowances.
- When booking a hotel, a governmental rate must be requested and a ST 129 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.

**VI. Rent and Annual Receivables**

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

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