

**CITY OF MOUNT VERNON
INDUSTRIAL DEVELOPMENT AGENCY**

INTERNAL CONTROLS POLICY

I. GENERAL

- The Board of Directors is responsible for authorizing all bank accounts and check-signing activity for the City of Mount Vernon 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 report shall be presented to the Board of Directors for review at monthly meeting following the end of the quarter.
- 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, 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 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 \$2,500 of dated due date bills, office supplies and staff vendor invoices may be executed with the signatures of two of the following: Treasurer, Secretary, any Board Member, and Executive Director. 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 Executive 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.

Reviewed and adopted this 10 day of March, 2020
by the City of Mount Vernon Industrial Development Agency