**Allegany County Land Bank**
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**Internal Control and Finance Policy**

**SECTION 1. PURPOSE AND AUTHORITY.** This policy outlines the process by which Allegany County Land Bank Corporation will safeguard the assets; check the accuracy and reliability of its accounting data, methods and financial reporting; promote the effectiveness and efficiency of its financial operations; ensure compliance with section 2931 of the New York State Public Authority law and internal control standards; and adherence to all policies.

**SECTION 2. INTERNAL CONTROL OFFICER.**

The chairperson of the Board of Directors is designated the "Internal Control Officer" and shall work with the Finance, Audit and Governance Committees of the Land Bank to review this policy annually as required by law, evaluate the ongoing internal control system, and assess and monitor the implementation of any corrective actions. Collectively, the chairperson of the Board of Directors and the Finance and Audit Committees shall produce an annual internal control assessment that will be included in the Annual report of the Land Bank as required by the Public Authorities law.

**SECTION 2. DEFINITIONS.**

a. **"Expense Originator"** shall mean the director/employee/administrator who originates payment authorization, and has personal knowledge of the vendor, requested payment and documentation to substantiate the expense.
b. **"Authorized Check Signatory and Endorser"** shall mean those employees and/or directors authorized by the board of directors to sign checks. The Allegany County Land Bank authorized check signatories are the Treasurer and a second signatory, appointed by a resolution of the Board of Directors.
c. **"Payment Authorization Signatory and Endorser"** shall mean those employees and/or directors authorized by the board of directors to approve payment vouchers. The Allegany County Land Bank Payment authorization signatories are the Chairperson, the Treasurer, and second signatory, appointed by a resolution of the Board of Directors.

**SECTION 3. FINANCIAL PROCEDURES AND DUTIES**

**A. EXPENSES**

1. **Payment Authorization.** Invoices are reviewed by the Expense Originator who has direct knowledge of the purpose of the expense, the vendor and can verify the amount to be paid.

The payment authorization voucher shall include details of the vendor, product or service and the amount to be paid. Invoices or other appropriate documentation shall be provided upon request. The Expense Originator then signs and submits an expense payment voucher to be approved by an Authorized Payment Signatory, pursuant to the following thresholds:

**Payment vouchers for $1,000 or less:** If the Expense Originator is a contractor or employee, the expense voucher must be approved by the Chairperson or Treasurer If the Expense Originator is the Chairperson or Treasurer, the expense must be approved by a vote of the board of directors. Payments shall be issued by an Authorized Check Signatory.

**Payments vouchers in excess of $1,000:** If the Expense Originator is a contractor or employee, the expense voucher must be approved a vote of the board of directors. Payments shall be issued by an Authorized Check Signatory.

2. **Employee and Board member personal expenses.** Employees and Board members may be reimbursed for expenses incurred that directly relate to carrying out the business of the Land Bank. All Employee and Board member expenses must be pre-approved by a Payment Authorization Signatory. Reimbursement checks made payable to an Employee other than the Executive Director may be signed by the Chairperson. If the reimbursement is to be made to the Chairperson, a Authorized Check Signatories must sign and approve the check reimbursement. If the reimbursement check is to be made payable to a Board Member, the Chairperson may be the Authorized Check Signatory.

3. **Purchasing.** The Board Chairman may approve individual purchases to be made by the Land Bank for day-to-day operations (office supplies, computers, furniture etc.) at his/her sole discretion in accordance with the ACLBC Procurement Policy.

## B. INCOME

1. **Deposits.** All deposits of purchase monies, donations, and closing costs must be reviewed by a Payment Authorization Signatory. A contractor, or employee, other than the Executive Director or Chairperson shall make said deposits upon the review and approval of an Authorized Payment Signatory.

2. **Routine Cash Management.** Internal transfers between accounts for routine case management may be approved and processed by an Authorized Payment Signatory and processed by an Authorized Check Signatory.

## C. RECONCILIATION AND REVIEW

Bank Statements shall be reviewed by management and shall be submitted to the designated bookkeeper or accountant for reconciliation on a monthly basis. Final statements and reports shall be forwarded to the Treasurer for review at monthly meetings. The Chairperson, Treasurer and management shall have online access to the accounting software to review and monitor transaction activity at any time.

## D. ANNUAL REVIEW

This policy shall be reviewed annually and the Audit committee shall be responsible for establishing and maintaining for the Land Bank a system of internal control and a program of internal control review.

The program of internal review shall be designed to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of necessary corrective actions and periodically assess the adequacy of the Land Bank's ongoing internal controls.

The Audit Committee shall also make available to each member, officer and employee a clear and concise statement of the generally applicable managerial policies and standards with which he or she is expected to comply. Such statement shall emphasize the importance of effective internal control to the authority and the responsibility of each member, officer and employee for effective internal control.

The Audit Committee shall implement education and training efforts to ensure that members, officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.