

SULLIVAN COUNTY LAND BANK CORPORATION

INTERNAL CONTROLS POLICY

SECTION 1. PURPOSE AND AUTHORITY.

The purpose of this Internal Controls Policy (the "Policy") is to set forth financial controls to prevent fraud and misuse of funds of the Sullivan County Land Bank Corporation.

SECTION 2. DEFINITIONS.

As used herein, the following terms shall have the meaning set forth below.

- A. "Board" shall mean the Board of Directors of the Land Bank.
- B. "Chair" shall mean the Chair of the Board.
- C. "Executive Director" shall mean the Executive Director of the Land Bank, or in the event of a vacancy, the Chair.
- D. "Land Bank" shall mean the Sullivan County Land Bank Corporation.

SECTION 3. INTERNAL CONTROLS

All invoices shall be reviewed by the Executive Director. After review of an invoice, the Executive Director shall prepare, sign, and attach a voucher for payment. This voucher details the payee, expense account description, project (usually a property address), and class type with which the payment is affiliated and amount to be paid. The Executive Director shall then cause the voucher and invoice to be delivered to the bookkeeper.

Two authorized signers are required for all disbursements. The first signature is that of the Executive Director affixed to the voucher and the second is in the form of the Treasurer or other authorized signer approving/paying the disbursement. The bookkeeper will not prepare checks for signature absent a signed voucher. Authorized signatories shall be the Executive Director or Treasurer, together with any of the following:

- Executive Director,
- Chairman,
- Vice Chairman
- Secretary, and
- Treasurer
- as directed by the Board of Directors from time to time.

Internal transfers between accounts for routine cash management may be processed by any signatories on the applicable account. Any withdrawals made in person requiring a withdrawal slip shall be authorized by two signatories on the applicable account.

Adopted September 12, 2017

Bank statements are reviewed by the Executive Director and then forwarded to the bookkeeper for reconciling of accounts. Bookkeeping staff shall also have online viewing rights to all Land Bank bank accounts in order to monitor transaction activity on a daily basis for the purposes of fraud-prevention and to reconcile accounts in a timely manner. All bank accounts shall be reconciled on a monthly basis by the bookkeeper and reviewed by the Chairman and the Treasurer. A summary of account activity will be provided to the board of directors at their monthly meetings.

This will include a budget-to-actual comparison along with monthly and year-to-date totals.

Financial ledgers are available for inspection by the Treasurer as well as the annual external independent auditor.

SECTION 3. DOCUMENTATION.

Each action taken in connection with the procurement of goods and services must be documented. This includes circumstances when an award is made to other than the lowest responsible offeror. In that instance, the determination must be supported by documentation that justifies the award and sets forth the reasons why the award furthers the purposes of this Policy.